

PT Cisarua Mountain Dairy Tbk

1H 2024 Results Presentation

July 2024



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Our Presenters Today



Farell Sutantio

*President Director
Group Chief Executive Officer*



Axel Sutantio

*Director
MP Chief Executive Officer*



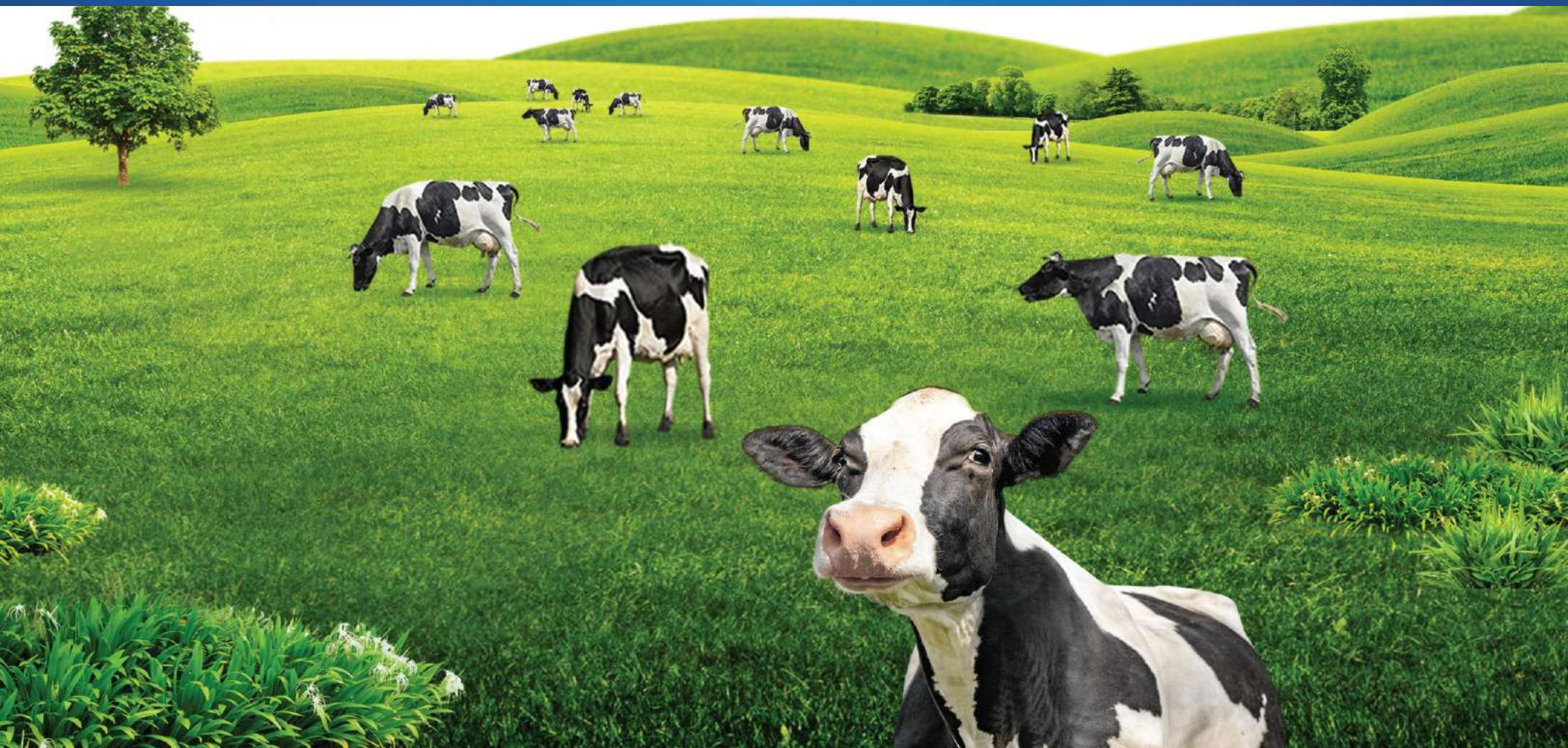
Bharat Joshi

*Director
Chief Financial Officer
& Investor Relations*

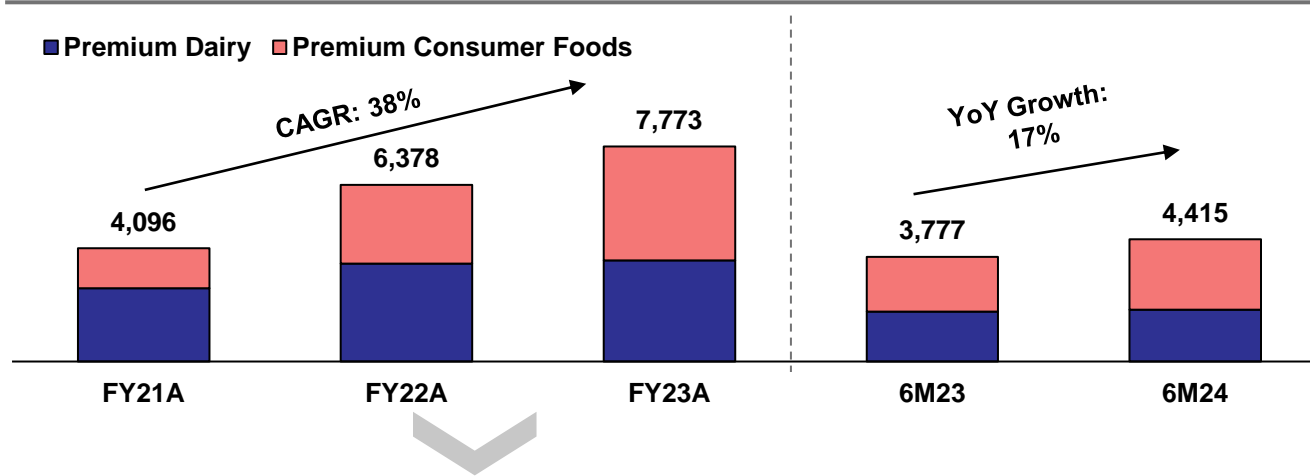


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1 | Financial Results



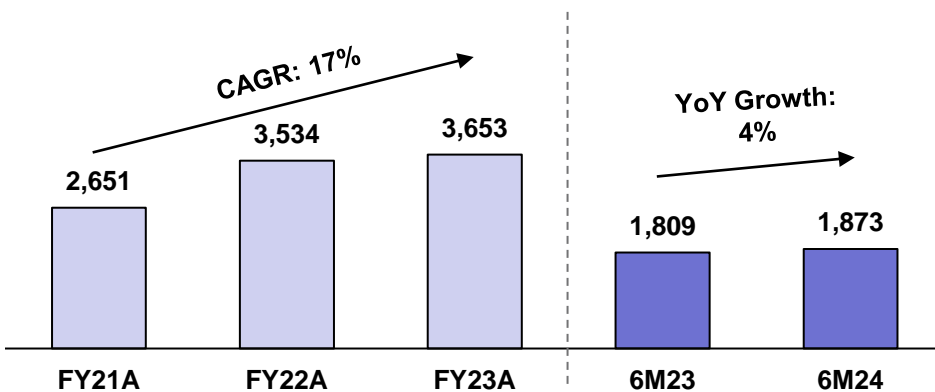
Total Net Sales (Rp bn)



Commentary

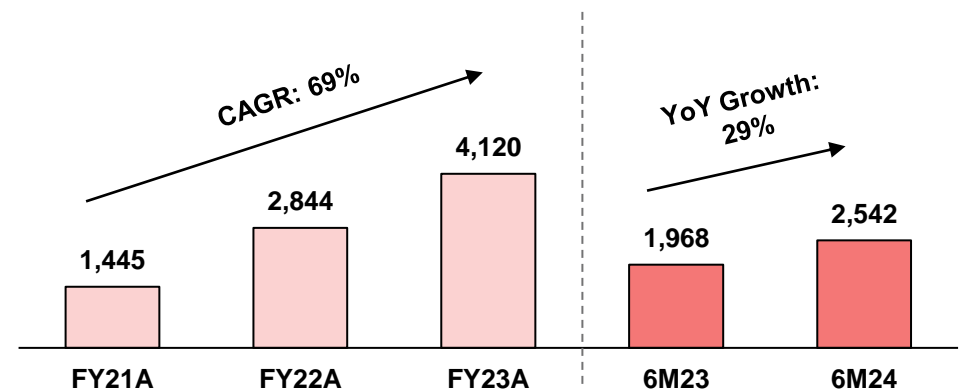
- Continued YoY expansion of Total Net Sales, primarily driven by **healthy growth in both Premium Consumer Foods and UHT Milk**.

Premium Dairy Net Sales (Rp bn)



- Healthy YoY** growth in the **UHT milk** category.
- Given a challenging backdrop, the **Yogurt** category is experiencing a slow but **steady recovery**.

Premium Consumer Foods Net Sales (Rp bn)

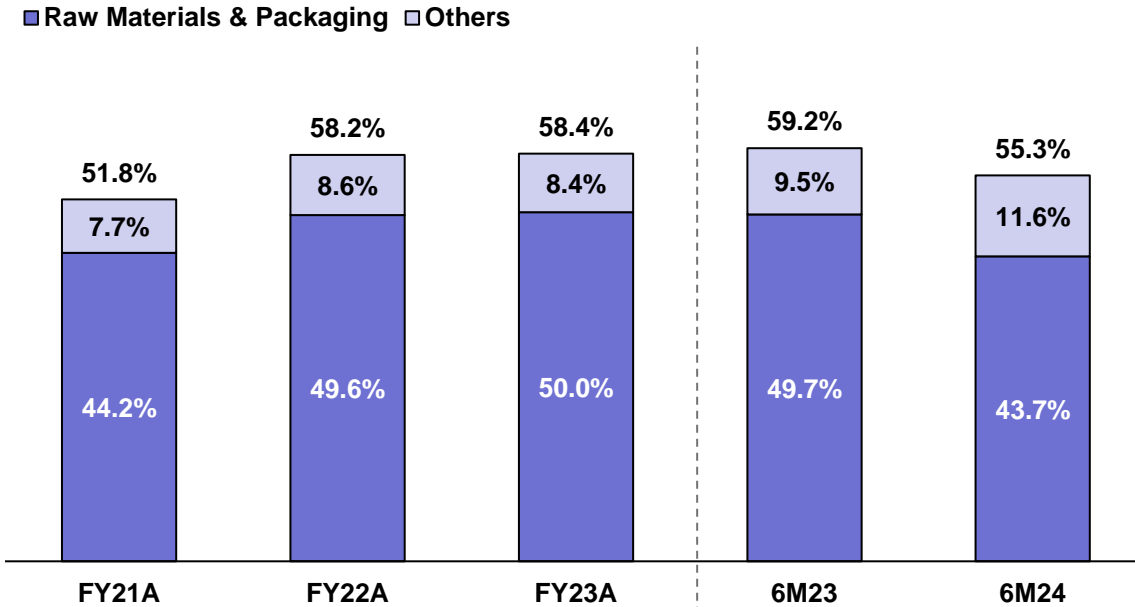


- Continual growth across all product categories** within the Premium Consumer Foods on the back of **new launches** and **healthy marketing spend**.

Gross profit



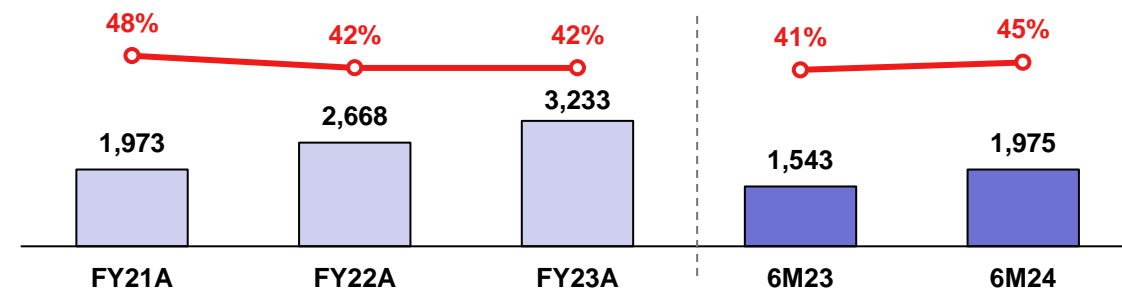
Cost of Sales % Net Sales (Rp bn)



Commentary

- Benefited **from reduced raw material costs**, while also eliminated previous year costly inventory reserves.
- Increase in Other Cost of Sales partially attributable to **wage growth and increased depreciation of fixed assets**.

Gross Profit & Margin (Rp bn)



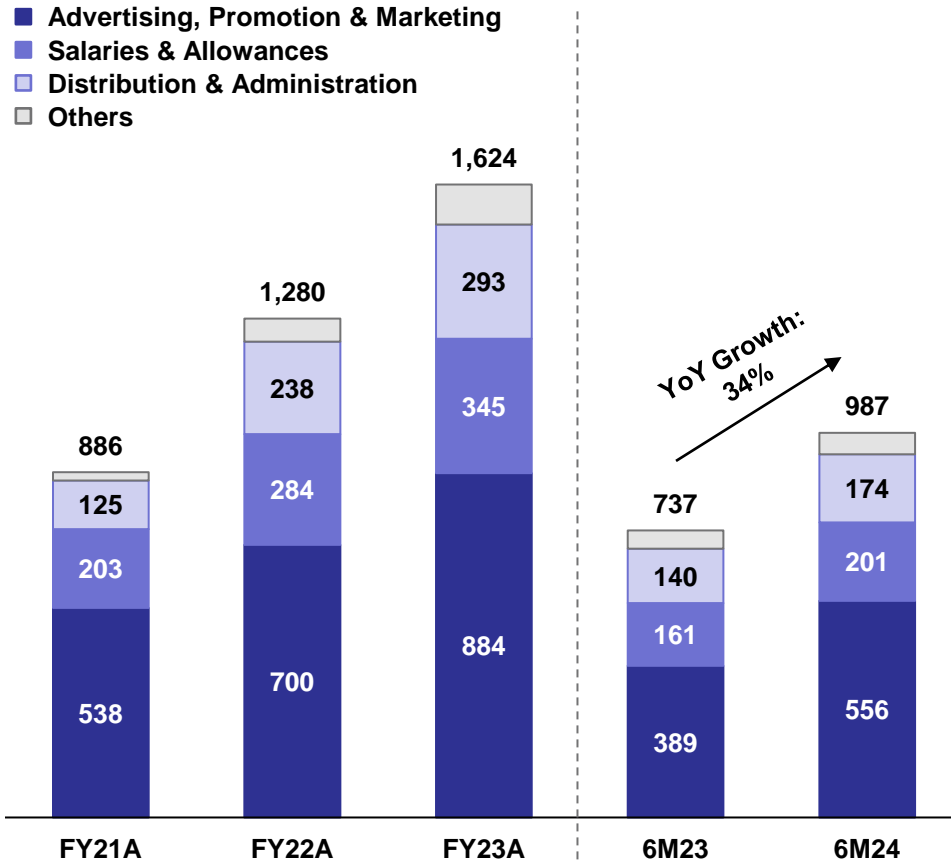
Commentary

- Increase in Gross Margins from **normalised raw material prices**.

Selling & marketing expenses

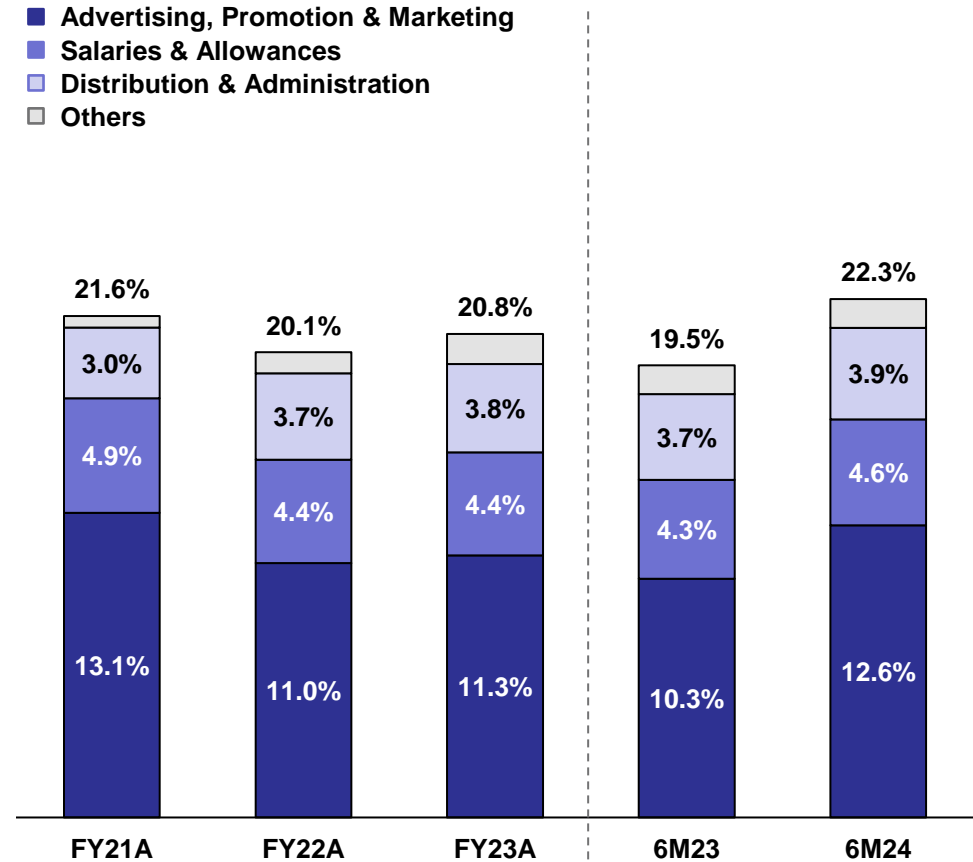


Selling & Marketing Expenses (Rp bn)



- **Increased Advertising, Promotion & Marketing in 1H24** capitalizing on the newly launched products.

Selling & Marketing Expenses % Net Sales (Rp bn)



In FY23, we took a notably defensive stance on Advertising & Promotion (A&P) due to softer gross margins. However, this year, **bolstered by improved margins, we've embraced a more assertive approach** on marketing spend.

Cimory Yoghurt Stick: Driving Category Sales and Boosting Consumption Frequency



Yoghurt Stick Campaign

Jakarta Fair 2024



- Launched new flavored extension: **Brown Sugar and Peach.**
- Emphasize the **product's affordability** and appeal to all age groups, including children due to its smaller size.

- The Fair leveraged our **strong brand activation**, resulting in enhanced consumer engagement.

#SusuBanyakRasa Campaign: Continuously Boosting Brand Awareness for UHT milk products



Crispy Nugget Spicy launch & Collaboration with Cupbob (K-Pop Crispy Stick)



Crispy Nugget Spicy Launch



- Exclusive launch of Crispy Spicy Nuggets at the Jakarta Food Fair received encouraging market response

Kanzler x Cupbob



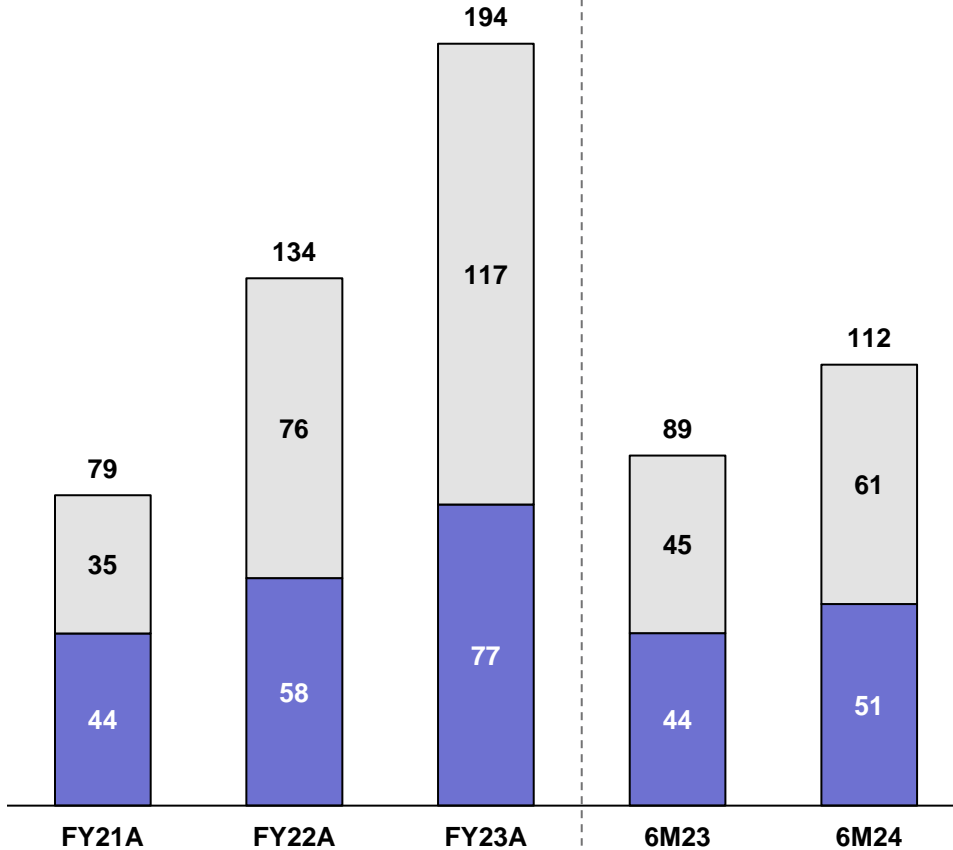
- Leveraging the growing K-pop culture in the country
- Offering consumers a unique taste adventure with Kanzler Chicken Nuggets and Korean sauces

General & administrative expenses



General & Administrative Expenses (Rp bn)

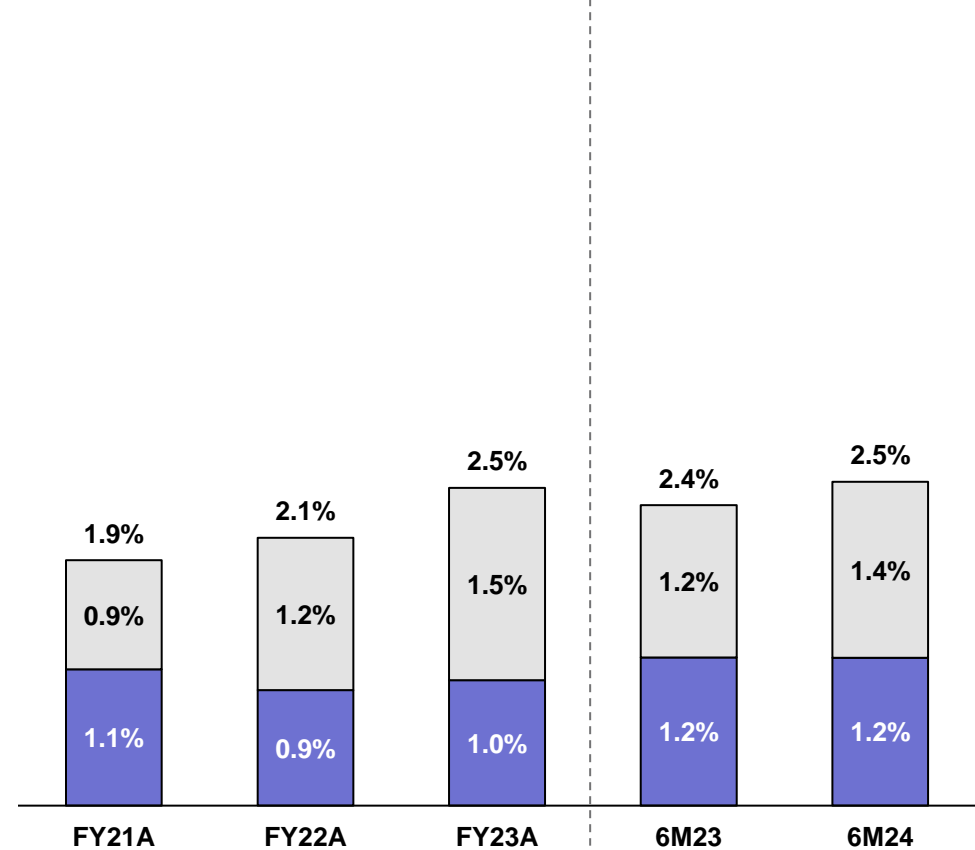
- Salaries & Allowances
- Others



YoY growth in Salaries & Allowances expenses due to **expanding operations to support top-line growth**

General & Administrative Expenses % Net Sales (Rp bn)

- Salaries & Allowances
- Others

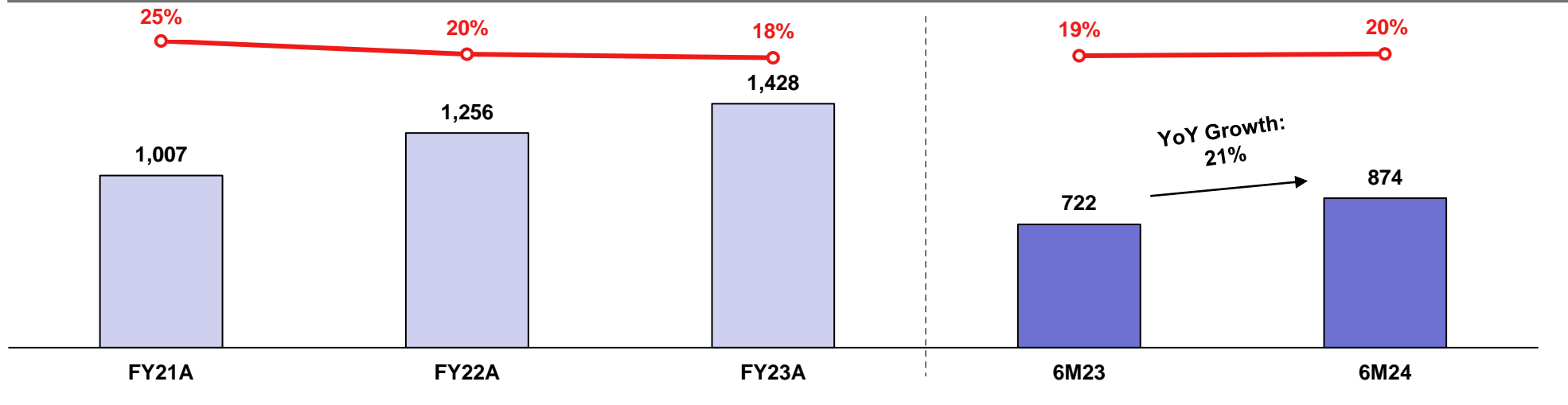


Actively recruiting and developing talent **in-line with the company's growth expansion**

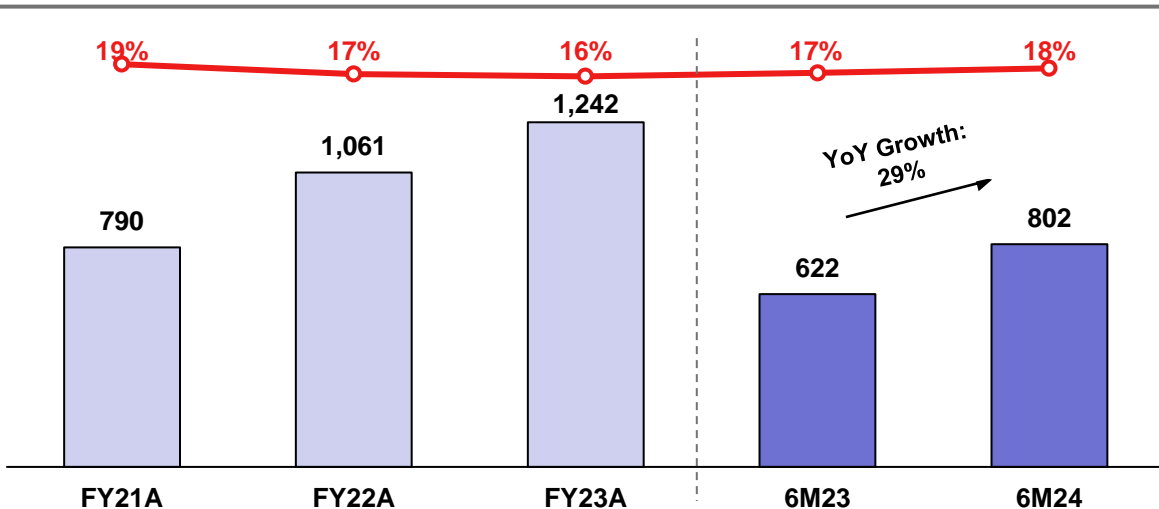
Operating & net profit



Operating Profit & Margin (Rp bn)



Net Profit & Margin (Rp bn)



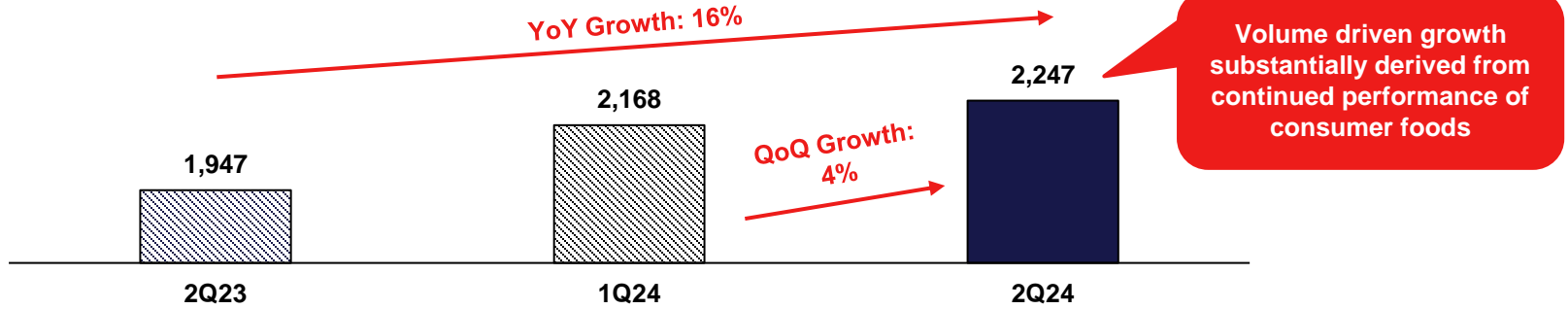
Commentary

- **Strong top-line growth** and **improved margins** led to **improved absolute net profits**
- Improved net interest income and FX gains also aided in better net margins

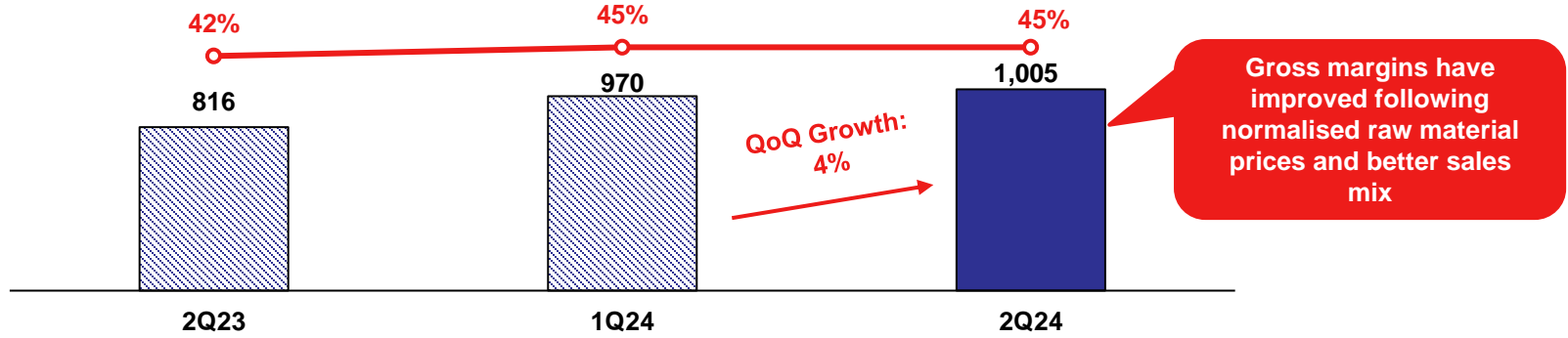
Quarterly performance



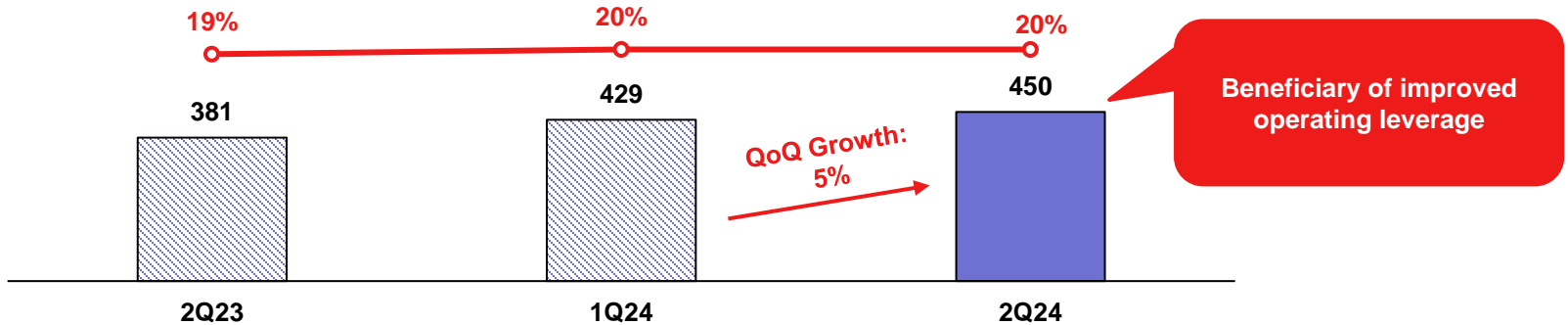
Net Sales



Gross Profit & Margin



Operating Profit & Margin

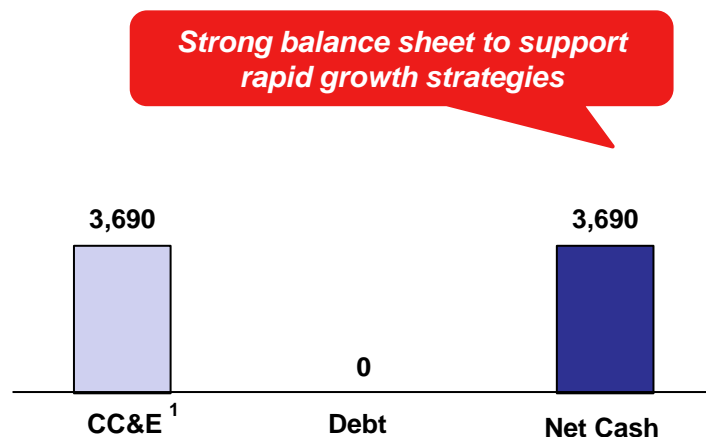


Note: Figures shown in RP bn.

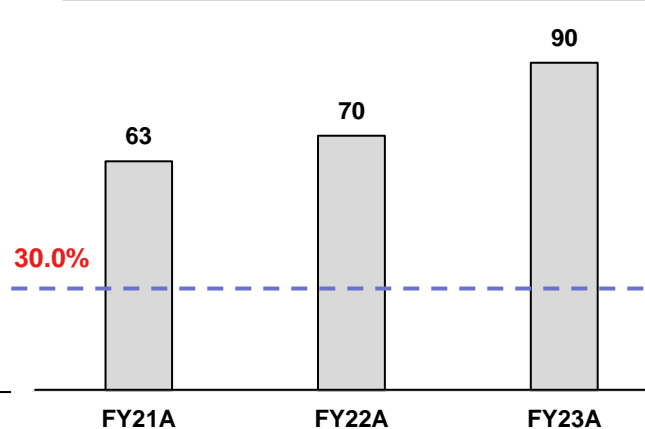
Balance sheet & cash flows



Net Cash (Debt) Position (Rp bn)



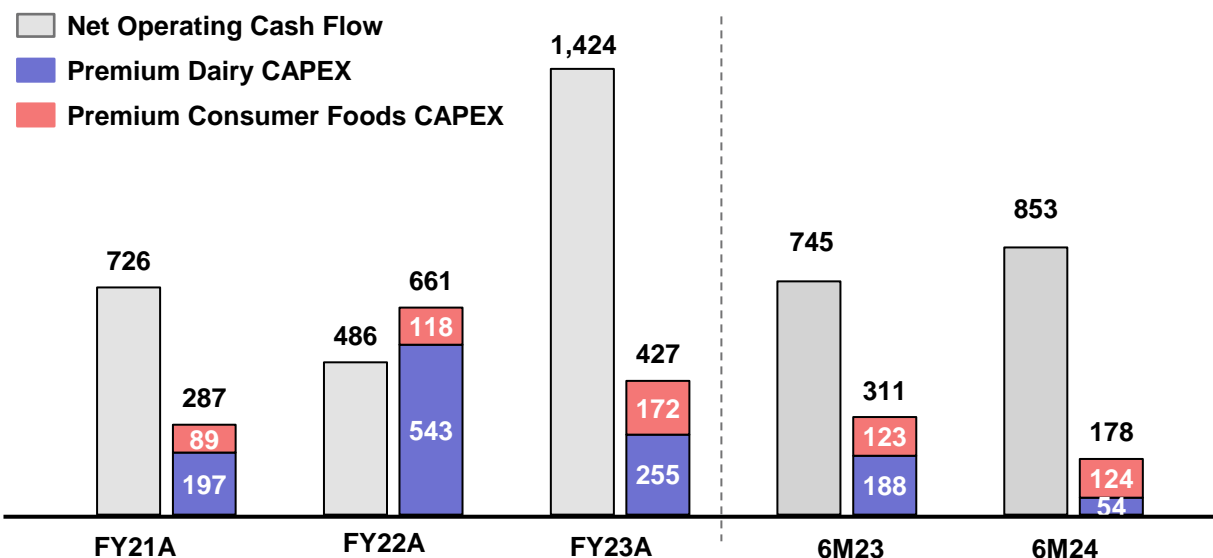
Dividend per Share (Rp)



Commentary

- **Strong net cash position** to continue to drive growth initiatives
- Well-positioned to **continue delivering healthy dividends to shareholders**
- Minimum **Dividend Pay Out Ratio target of 30%**

Net Operating Cash Flows vs Capital Expenditure (Rp bn)

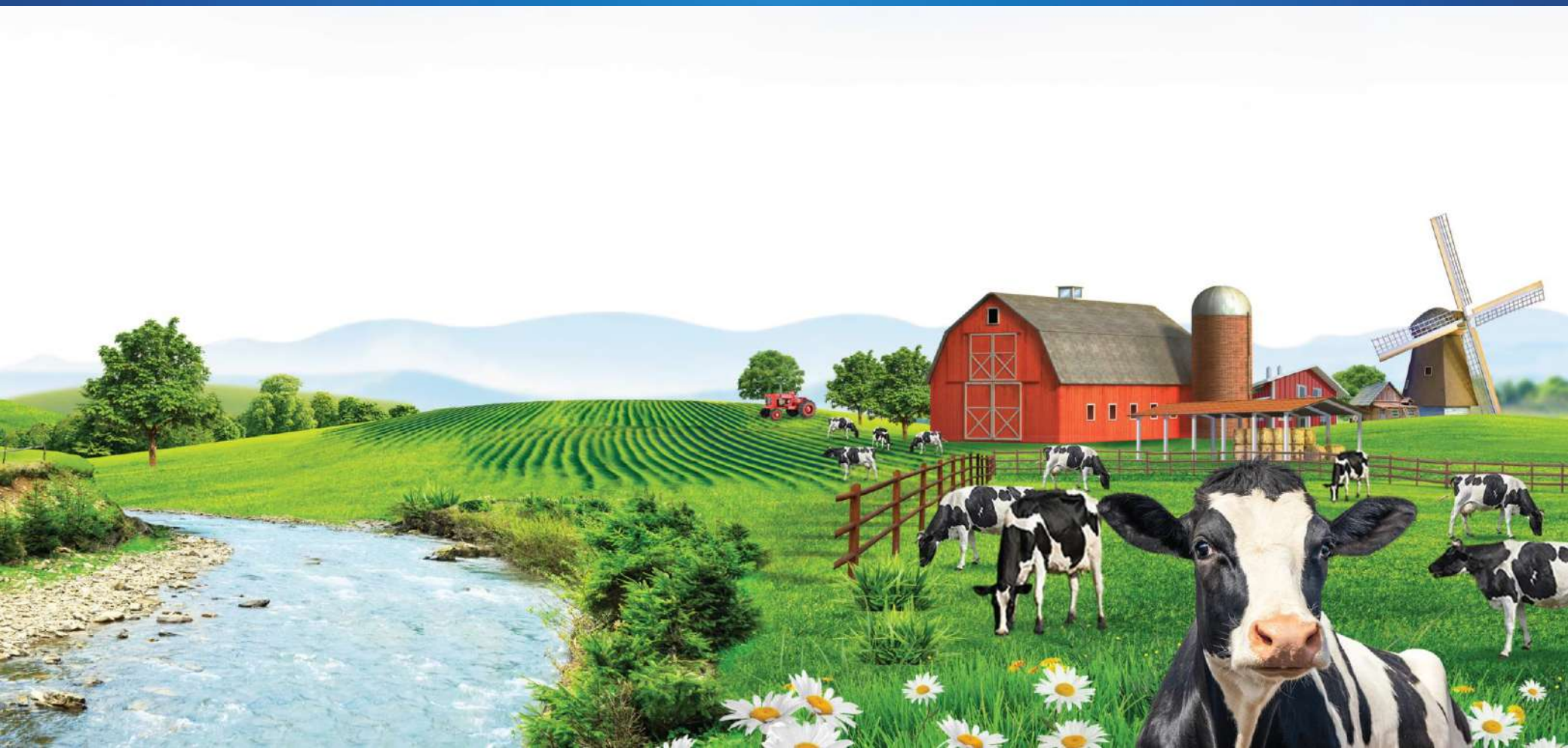


Commentary

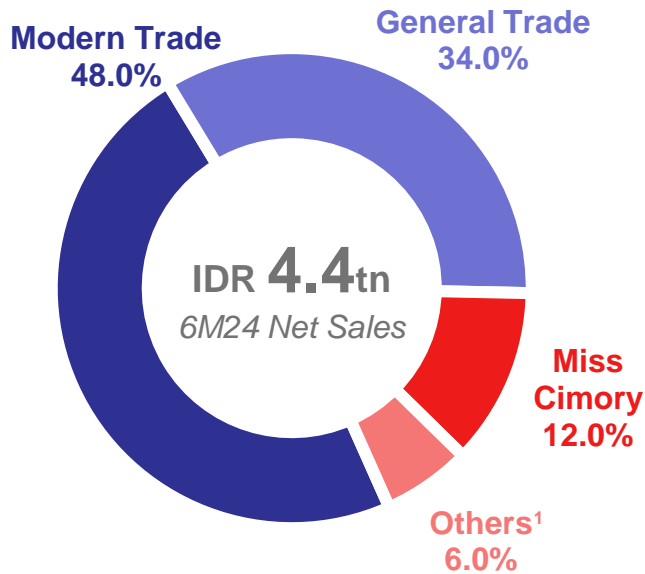
- Strong Net Operating Cash Flows in 6M24 driven by **improvements in working capital requirements** and **reduction of inventory days**
- Lower capex in 1H24 following the high CAPEX invested in FY 22. Focus is on driving up utilization across the categories

Note: 1) Includes IDR809bn of current and non-current Investment in Marketable Securities (i.e. government bonds).

2 | Operational Performance

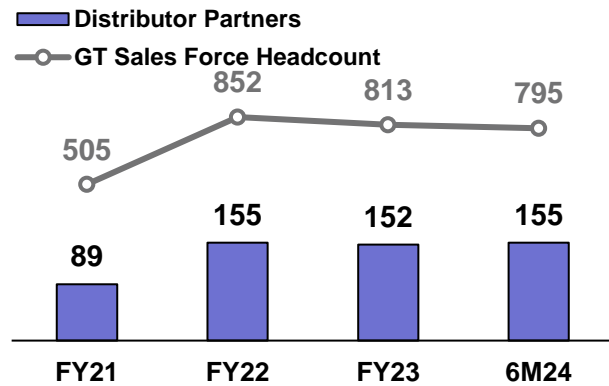


Successful execution of our channel penetration strategies, with an emphasis on improving productivity per MCM agent

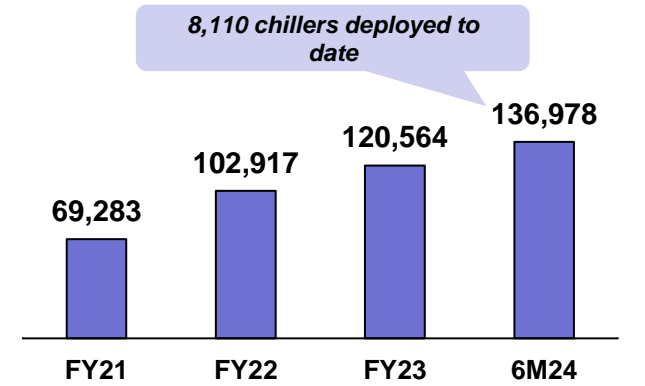


General Trade (“GT”)

Sales Force & Distributor Network

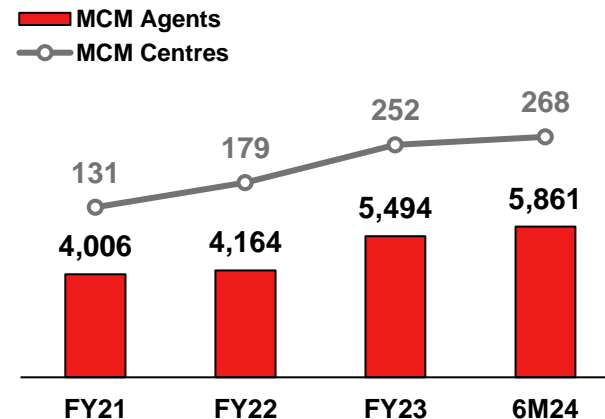


Outlet Footprint



Miss Cimory (“MCM”)

MCM Agents & Centres



Note: 1) Others includes Food Service Industry, E-Commerce and Export segments; 2) Shown on an annualised basis.

We will maintain our focus on investing in channel growth and new product launches to capture rising consumer demand



Channel Growth

Well-positioned to increase our shelf space while continuing to invest heavily across our fast-growing MCM and GT channels

Flavour Extension Yogurt Stick



Affordable size Kanzler Singles



New Product Crispy Nugget Spicy



Launch of New Products

- *Launch of Yogurt Stick Flavour Extension (Brown Sugar & Peach) in 2Q24.*
- *Launch more affordable and smaller size of Ready-to-Eat products in General Trade and Chicken Nugget Spicy.*



Continued Top-Line Growth



Organic Topline Growth

Volume growth through trialship and repeatability of consumption



Market share gains and category growth expansion

Leverage production facilities and drive cost efficiencies

Investment

Continuous marketing investments and channel expansion

Growth supported by launch of new products and SKU extensions



Premium Dairy



UHT Milk
Flavour Extensions

2Q 2023

3Q 2023



Yoghurt Stick
Flavour Extensions

4Q 2023

1Q 2024



Squeeze Bites
New Product

2Q 2024

3Q 2024



Frutas Jelly
New Product

4Q 2024

Premium Consumer Food

Crispy Chicken Nuggets
New Product



Crispy Nugget Sticks
New Product



Crispy Nugget Spicy
New Product



Kanzler Singles
Affordable Size



3 | Key Takeaways



Key takeaways



1

Strong 6M24 top-line expansion of 17% YoY, driven primarily by volume-based growth.

2

Consumer Foods exhibited exceptional performance of 30% YoY Net Sales growth in 6M24, driven by contributions from all product categories.

3

Sustained Gross Profit Margins following normalizing raw material prices and improved sales mix.

4

Healthy Operating Cash Flows attributable to improved working capital requirements, coupled with a strong balance sheet to support growth initiatives.

5

Product innovation capabilities places Cimory in a prime position to capitalize on Indonesia's continuing consumption growth story, driven by a rapidly expanding middle class.





1

How sustainable are the YoY margin expansion that we generated in 1H 2024?

2

Consumer foods seems to be performing well despite a higher base now, what is the sustainable run rate for this category going forward ?

3

The Dairy division showed softer growth relative to consumer foods, what are the steps needed to revive back this category ?

