



PT Avia Avian Tbk

Investor Presentation
Q1 2024 Results



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Avian Brands Q1 2024 snapshot

SALES

IDR 1.9 T
(US\$ 122 m)

GROSS PROFIT

IDR 886 B
(US\$ 57 m)
46.5%

EBITDA

IDR 555 B
(US\$ 35 m)
29.1%

NET PROFIT

IDR 446 B
(US\$ 29 m)
23.4%

EMPLOYEES

8,000+

DISTRIBUTION CENTERS

161

COVERAGE

38 Provinces
99 Cities

CUSTOMERS

56,000+
Retail outlets

Convenience translation from IDR based on the average USD/IDR exchange rate in Q1 2024 of 15,650

Q1 2024 financial performance highlights

| In IDR billion (except per share data) | 2024 | 2023 | Change |
|---|--------------------------|--------------|-------------|
| Consolidated sales | 1,905 | 1,782 | 6.9% |
| Architectural solutions | 1,574 | 1,491 | 5.6% |
| Trading goods | 331 | 290 | 13.9% |
| Gross profit | 886 | 807 | 9.8% |
| Architectural solutions | 825 | 754 | 9.4% |
| Trading goods | 61 | 53 | 15.3% |
| Gross margin | 46.5% | 45.3% | 1.2% |
| Architectural solutions | 52.4% | 50.6% | 1.8% |
| Trading goods | 18.4% | 18.1% | 0.2% |
| EBITDA | 555 | 519 | 6.9% |
| EBITDA margin | 29.1% | 29.1% | 0.0% |
| Net profit | 446 | 417 | 7.0% |
| Net profit margin | 23.4% | 23.4% | 0.0% |
| EPS | 7.2⁽¹⁾ | 6.7 | 7.6% |

- In Q1 2024, consolidated sales increased by 6.9% year-on-year.
- The architectural solutions and trading goods segments recorded positive growths in sales and gross profits.
- In addition, both EBITDA and net profit improved in Q1, indicating a positive bottom-line performance.
- Regarding the economic update, Indonesia's inflation rate was maintained at ~3% in Q1. However, during the same period, the average wholesale price for rice went up by 19.2%⁽²⁾ year-on-year.
- The company is actively assessing the impacts of the economic uncertainties posed by rising geopolitical tension and the risk of a global economic slowdown.

(1) Calculated based on weighted average number of shares in Q1 2024 after taking into account the treasury shares

(2) The Central Bureau of Statistics – Indonesia's average wholesale rice price

New products launched in Q1 2024

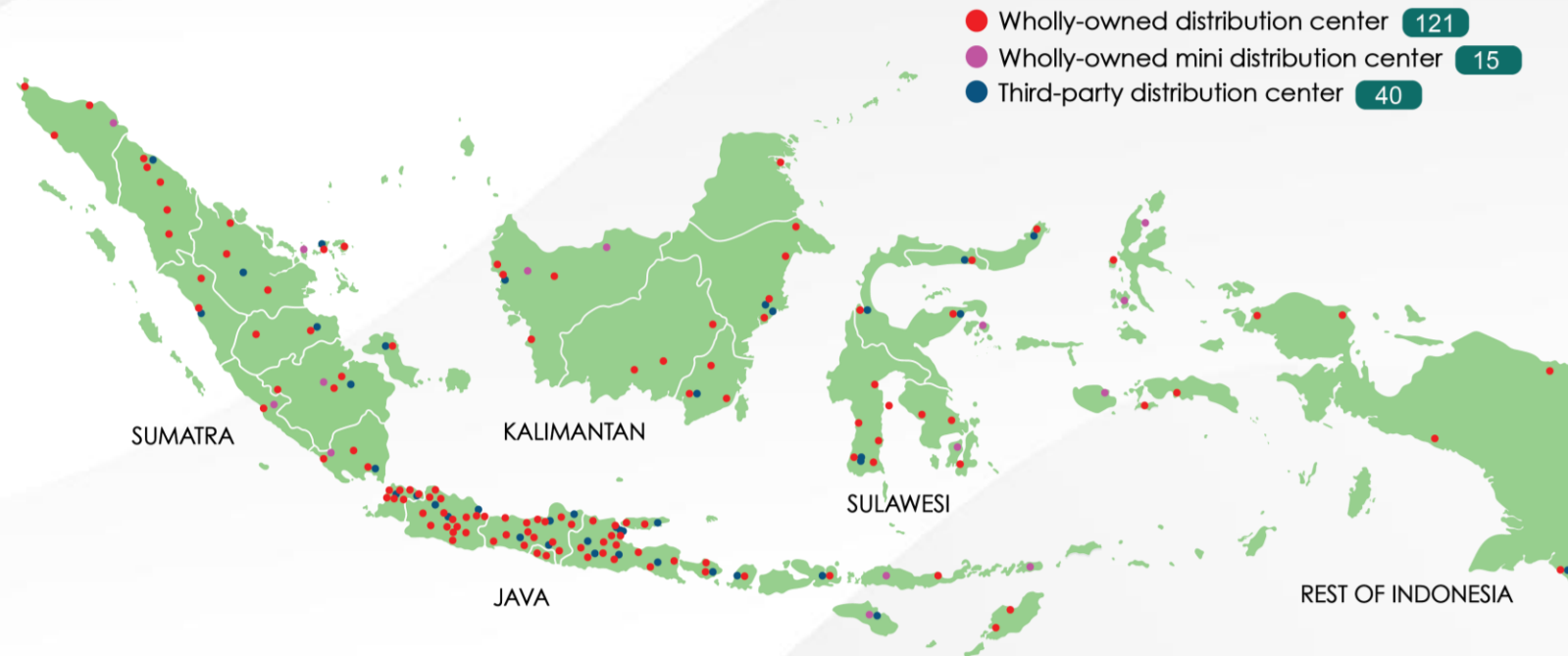
Key product segments



- We launched a total of 5 new products across 3 segments as indicated in blue labels.
- This is a testament to the company's commitment to continuously exploring opportunities to fill the gaps in the market and expand its customer base.
- Our goal is to create products that deliver the best performance, durability, affordability, and sustainability in the market.



Distribution center expansion



- In Q1 2024, we opened 3 wholly-owned DCs and 1 wholly-owned mini DC.
- Our logistical infrastructure enables us to make ~11,000 daily deliveries.
- We are able to achieve 93%⁽¹⁾ 1-day delivery service fulfilment.

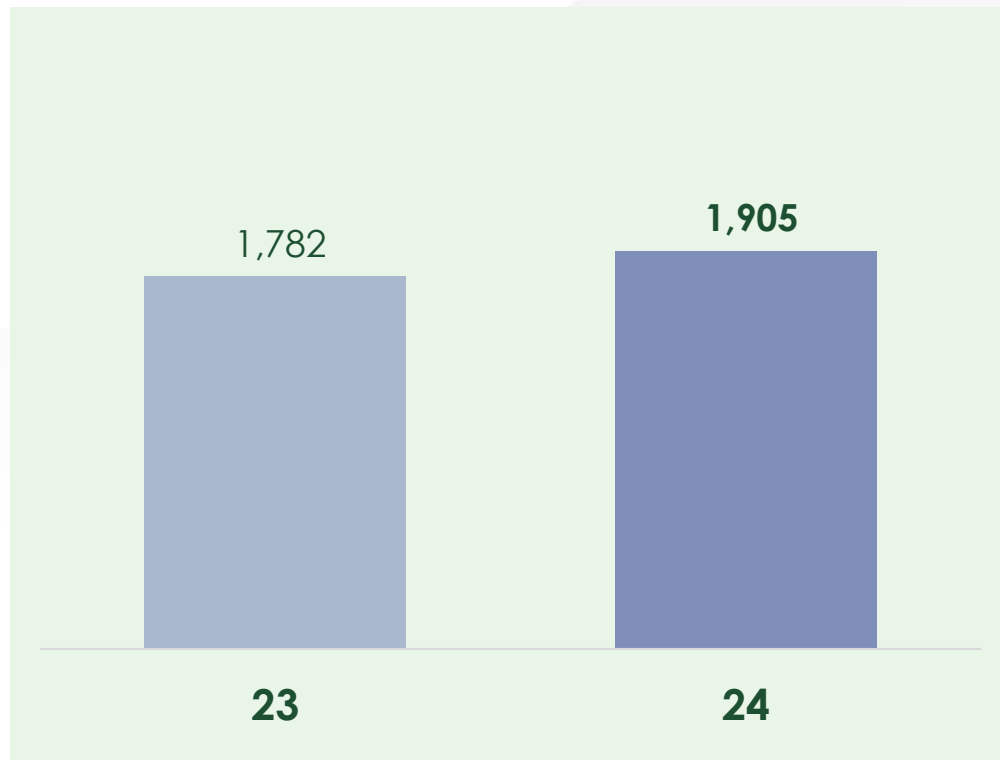
(1) For retail outlets located within a 50 km radius of a wholly-owned DC

Benefits from the continued expansion of distribution centers:

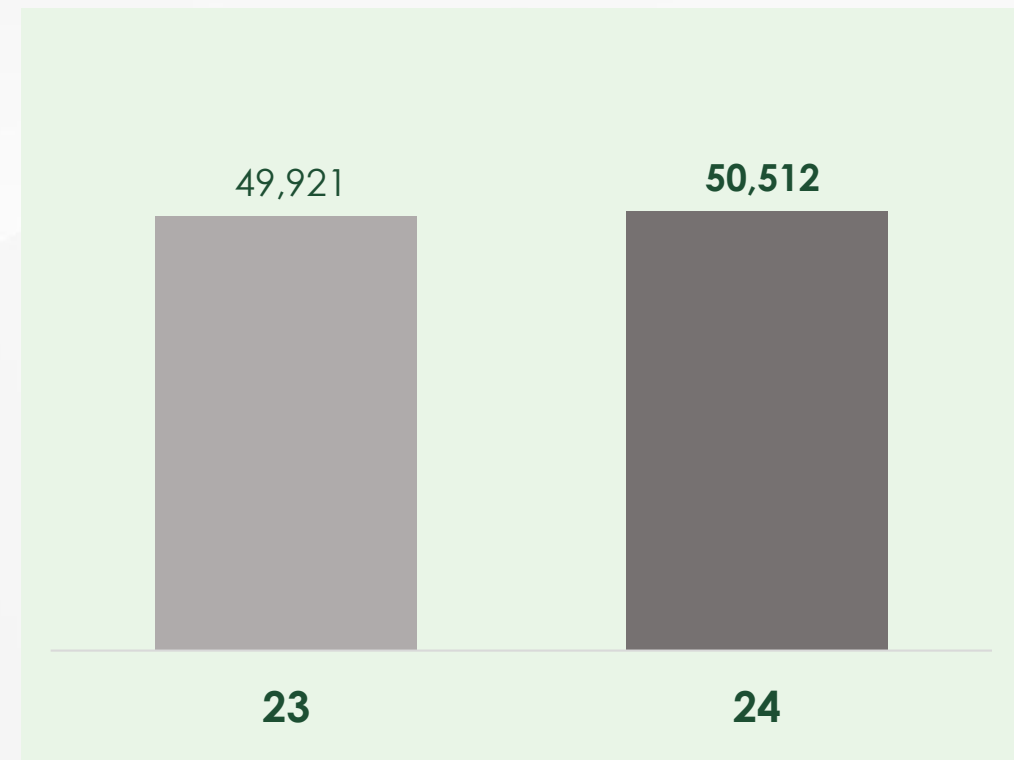
- Improve product penetration by reaching a wider range of customers across the nation.
- Provide superior quality of service and enhance customer relationships, leading to improved customer satisfaction and loyalty.
- Increase inventory management and minimize loss opportunities.

Consolidated business – sales & customers

Q1 sales by value
(IDR billion)

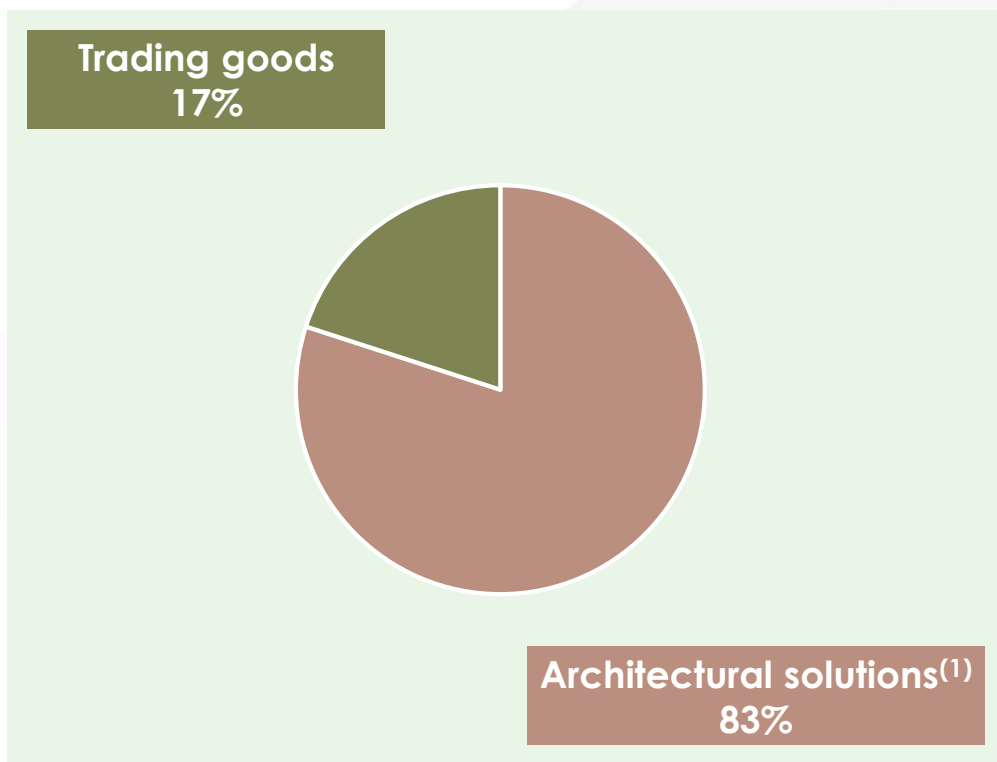


Q1 number of customers

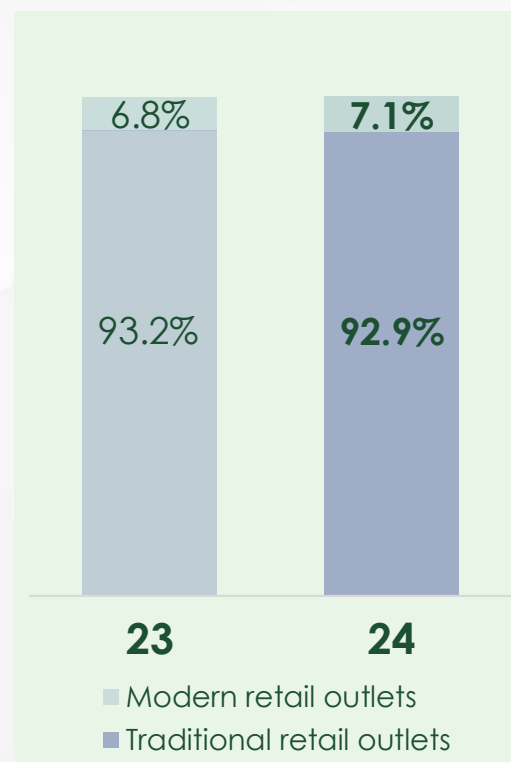


Consolidated business – sales

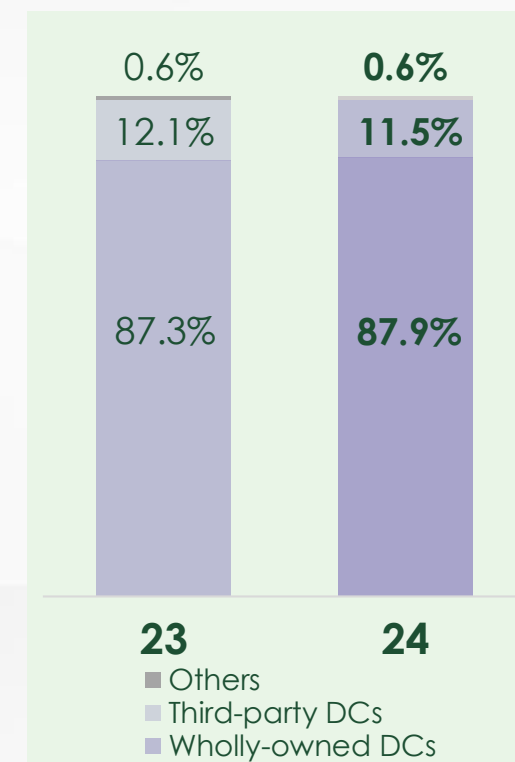
Q1 sales by segments



Q1 sales by customers



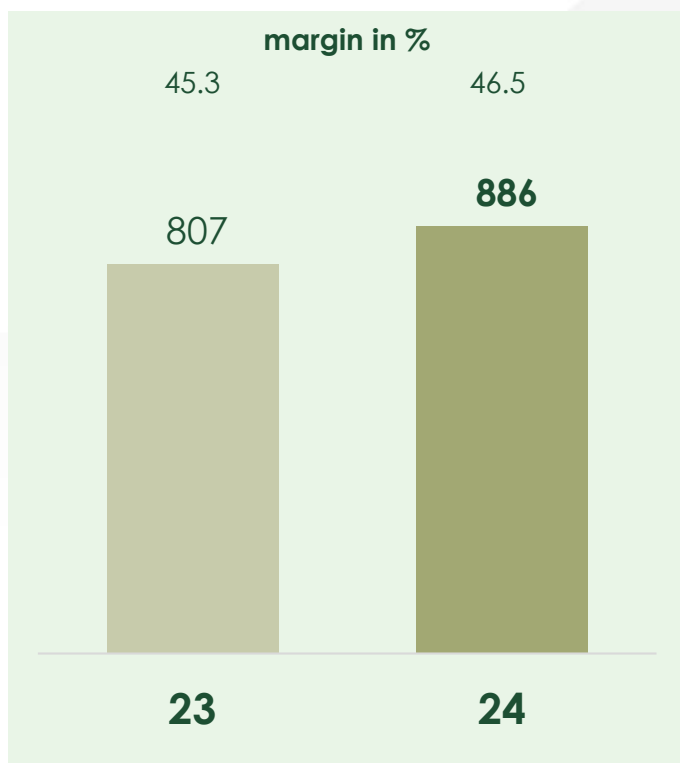
Q1 sales by distribution networks



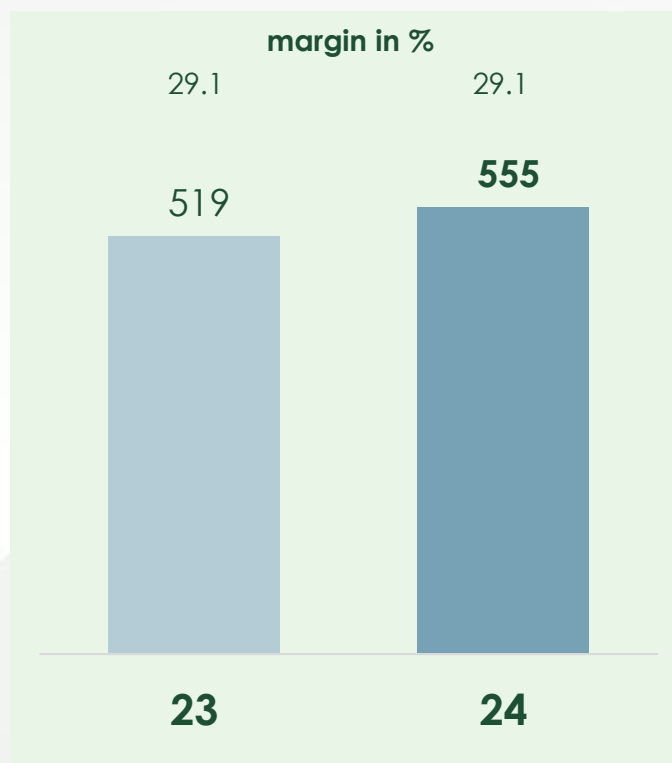
(1) For investors who require details on the sales breakdown by segments, please contact our Head of Investor Relations

Consolidated business – gross profit, EBITDA & net profit

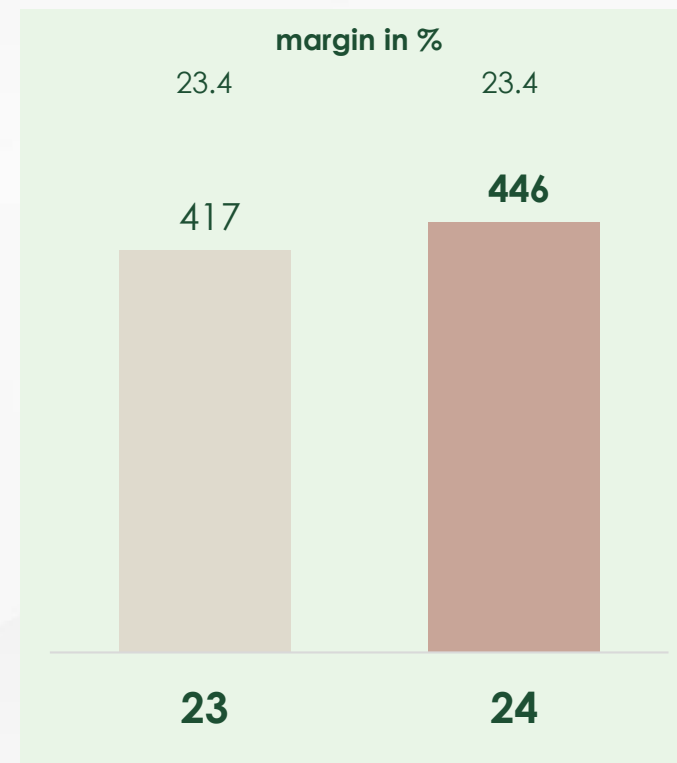
Q1 gross profit
(IDR billion)



Q1 EBITDA
(IDR billion)



Q1 net profit
(IDR billion)

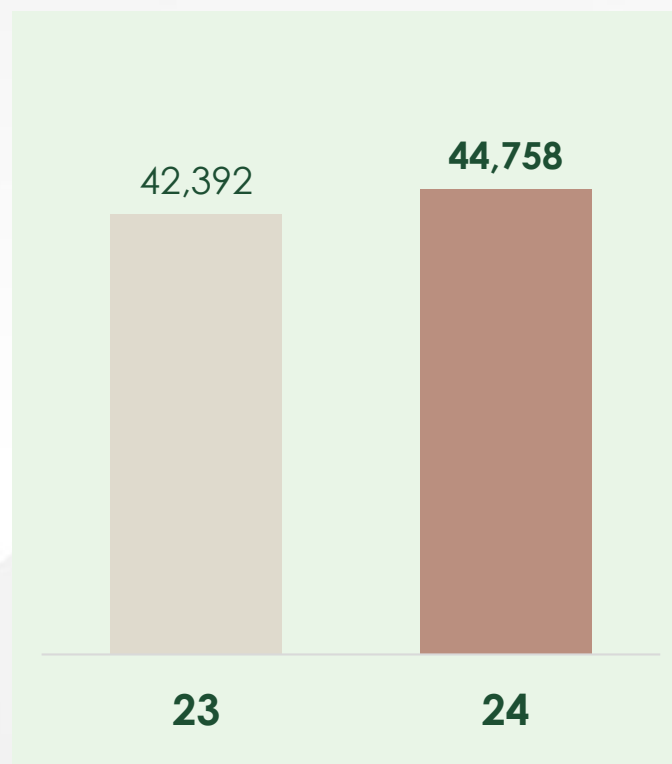


Architectural solutions – sales & customers

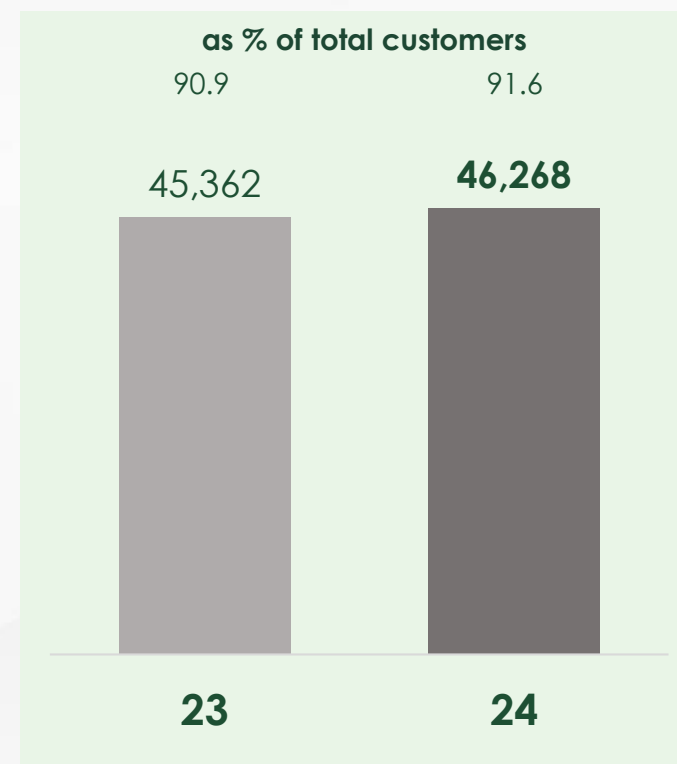
Q1 sales by value
(IDR billion)



Q1 sales by volume⁽¹⁾
(metric ton)



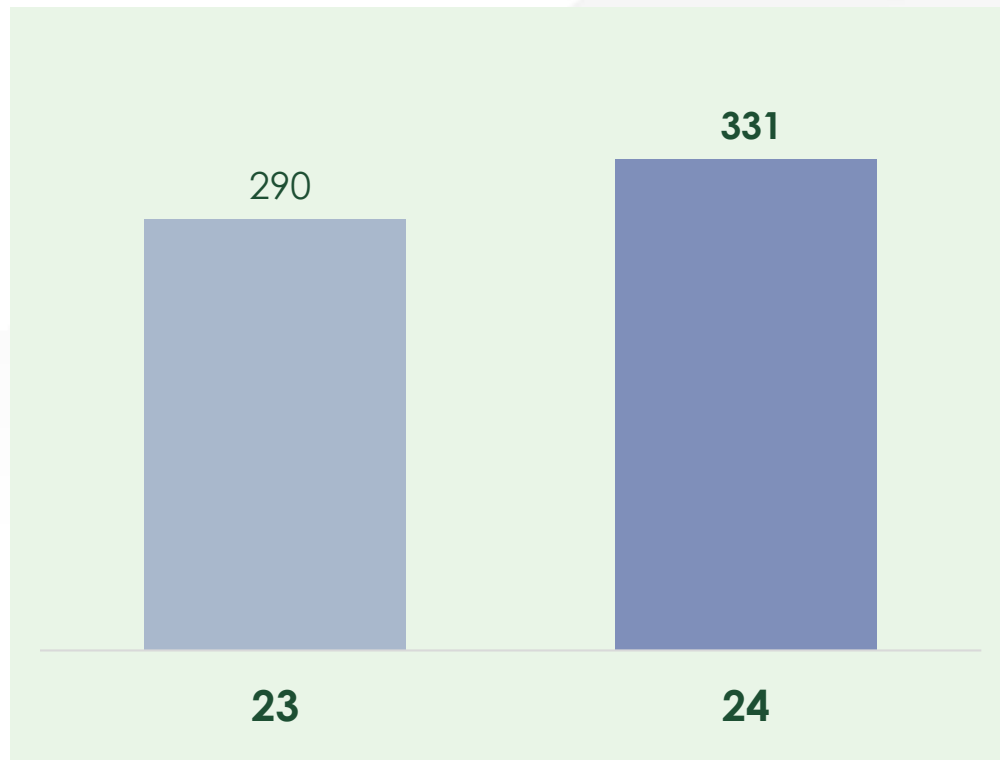
Q1 number of customers



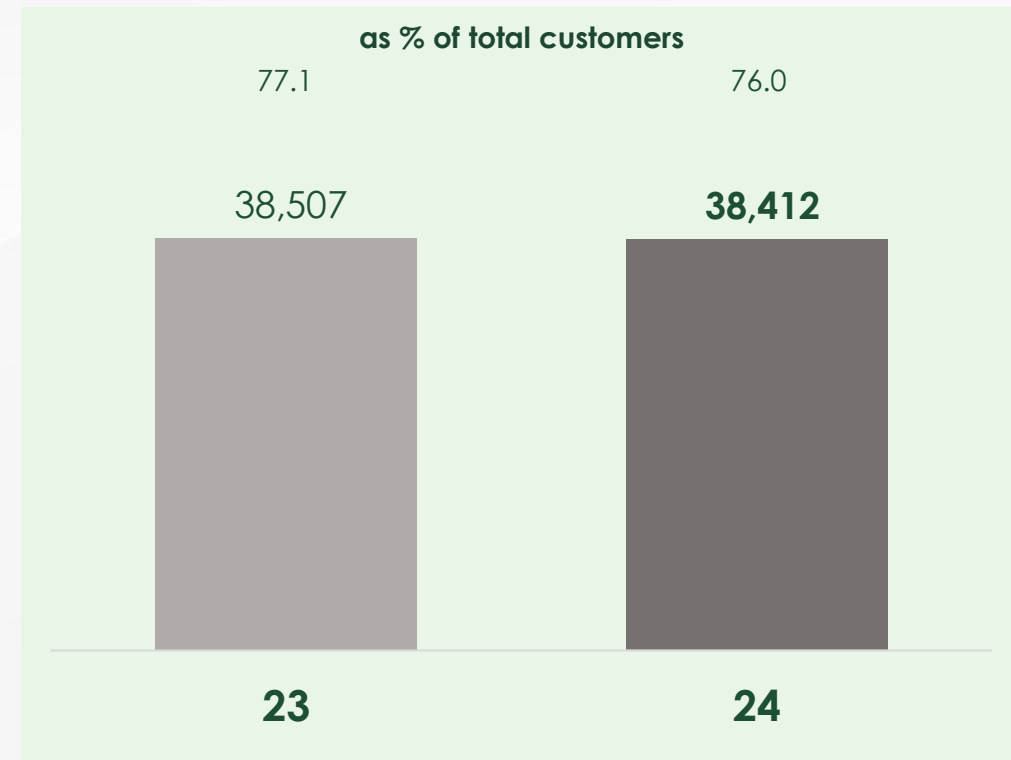
(1) Excluding instant cement

Trading goods – sales & customers

Q1 sales by value
(IDR billion)



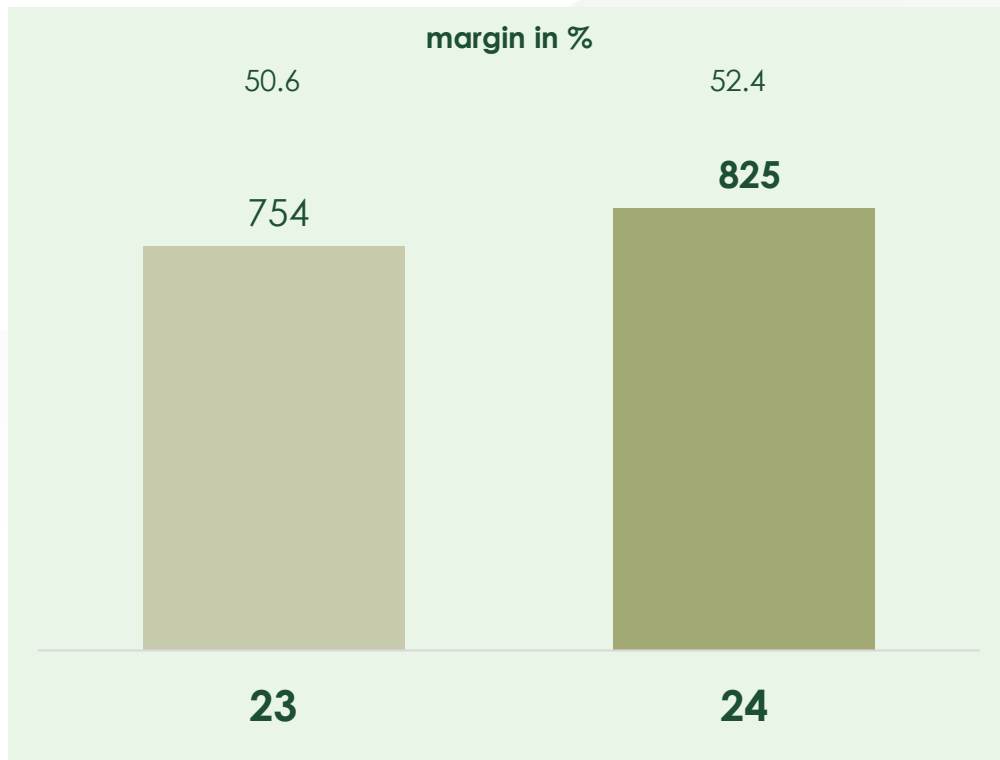
Q1 number of customers



Q1 gross profit by segment

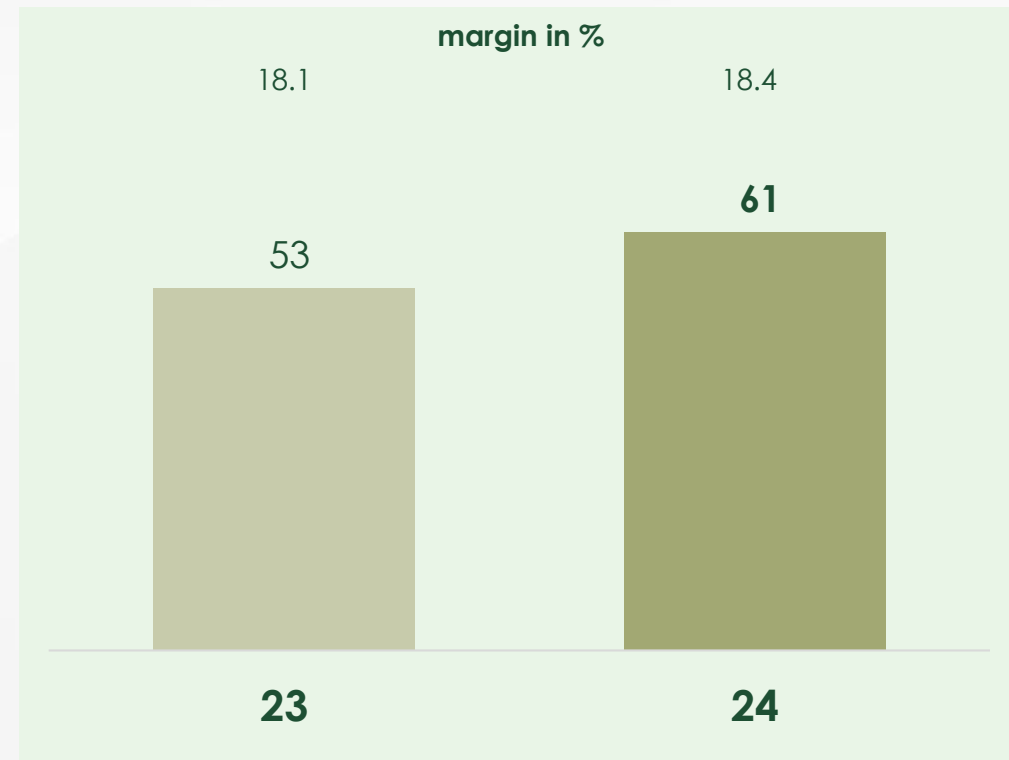
Architectural solutions

(IDR billion)



Trading goods

(IDR billion)



Well-managed cost structure

Cost breakdown (as % of sales)

| | 2023 | Q1 24 |
|------------------------------------|--------------|--------------|
| G & A ⁽¹⁾ | 3.2% | 3.1% |
| Sales and marketing ⁽¹⁾ | 17.7% | 17.4% |
| COGS ⁽¹⁾ | 54.6% | 53.5% |
| Total | 75.5% | 74.0% |

- During the first quarter of 2024, the company was able to maintain relatively stable operating expenses.

COGS breakdown (as % of sales)

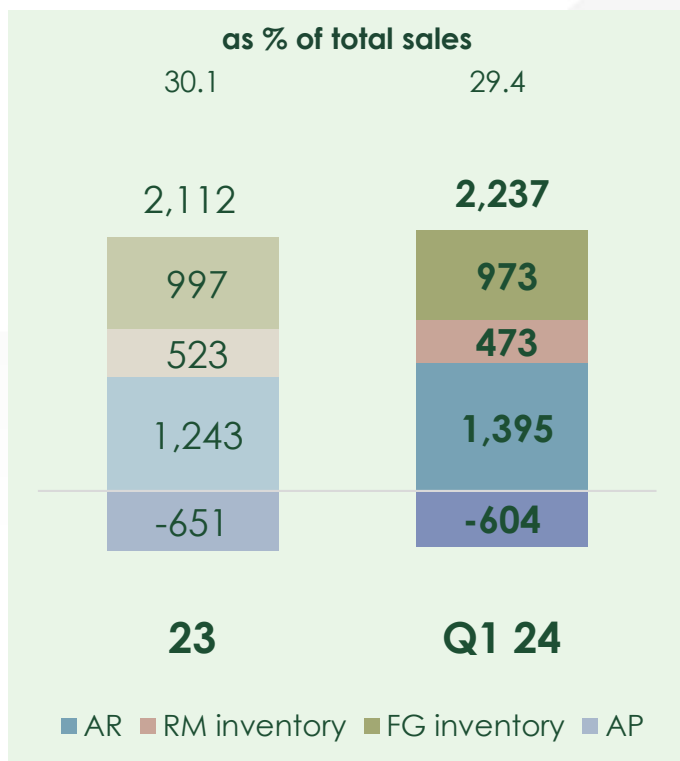
| | 2023 | Q1 24 |
|-------------------------------|--------------|--------------|
| Raw material | 27.8% | 22.6% |
| Direct labour | 1.1% | 1.0% |
| Factory overhead | 2.4% | 2.5% |
| WIP and FG | 15.8% | 18.8% |
| Below-the-line (BTL) expenses | 7.6% | 8.7% |
| Total | 54.6% | 53.5% |

- The decline in raw material as % of sales is driven by the decline in raw material prices.
- The increase in BTL expenses aligns with the company's more aggressive promotional activities.

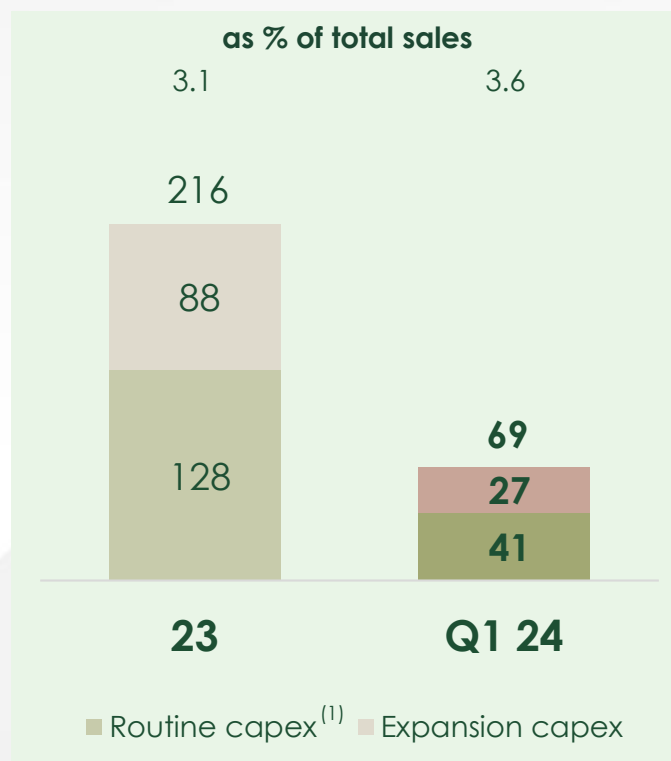
(1) Includes depreciation and amortization

Robust cash-flow generation

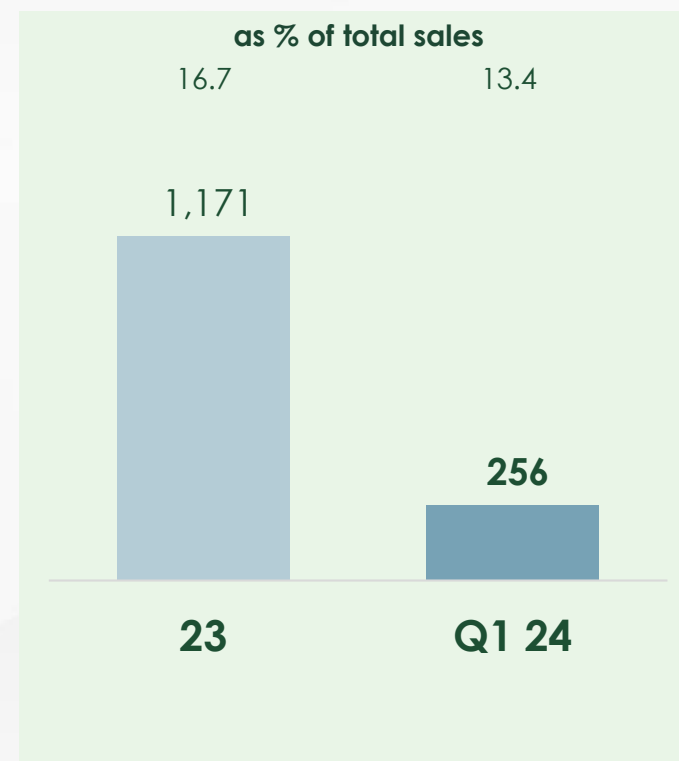
Trade working capital (IDR billion)



Capital expenditure (IDR billion)



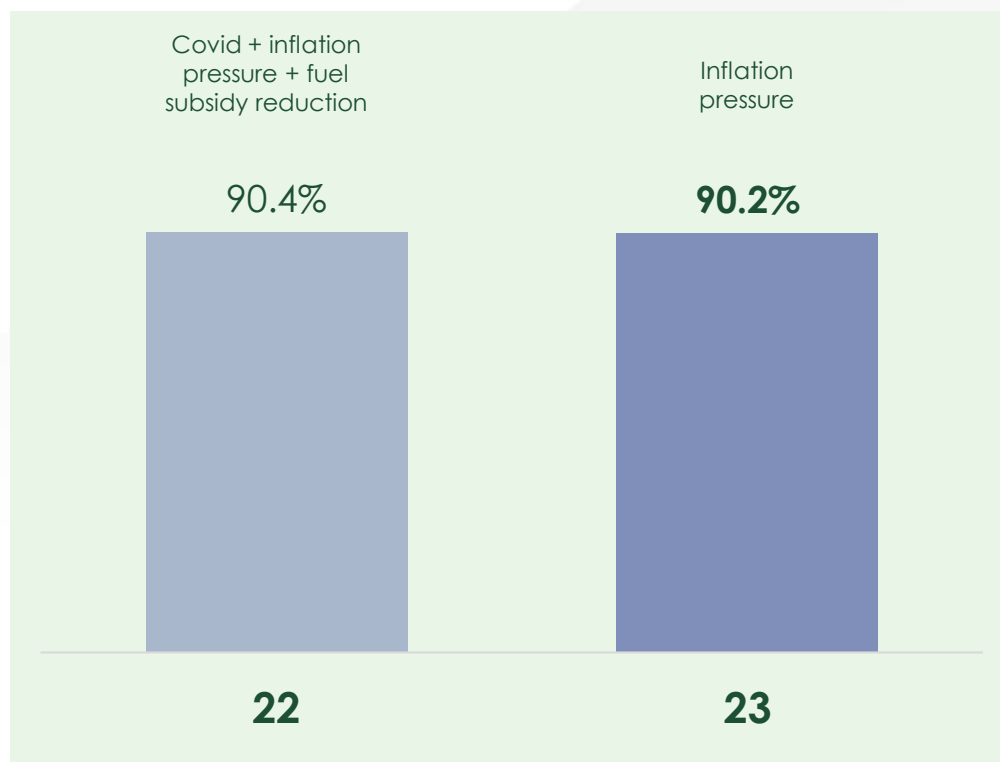
Free cash flow (IDR billion)



(1) The routine capex consists of upgrades to the manufacturing facilities and IT infrastructure, trucks and vehicles in the distribution centers, and tinting machines for retail outlets

Management of account receivables & fraud

On-time collection



Uncollectible receivables & internal fraud (as % of sales)

| | 2022 | 2023 |
|----------------|---------------|---------------|
| Sales team | 0.0000 | 0.0000 |
| Non-sales team | 0.0000 | 0.0000 |
| Retail outlets | 0.0000 | 0.0013 |
| Total | 0.0000 | 0.0013 |

Uncollectible receivables & internal fraud (IDR million)

| | 2022 | 2023 |
|----------------|----------|-----------|
| Sales team | 0 | 0 |
| Non-sales team | 0 | 0 |
| Retail outlets | 0 | 82 |
| Total | 0 | 82 |

Guidance for 2024

FY 2024 sales guidance:

- Value growth 6 - 10%
- Volume growth 4 - 8%

Planned actions in 2024:

- Launch new products in various segments to expand the market reach.
- Accelerate the deployment of tinting machines at retail outlets.
- Expand the distribution centres to strengthen product penetration and market presence.
- Continue to improve our service quality to deliver exceptional value and distinguish ourselves from competitors.
- Numerous Internal process and ESG improvements.



1st April 2024 - Avian Brands' third factory construction in Cirebon, West Java