



# PT. PAN BROTHERS Tbk. & SUBSIDIARIES

Clothing The World With Indonesian Heart

**SPEED**

**RESILIENCE**

**SUSTAINABILITY**

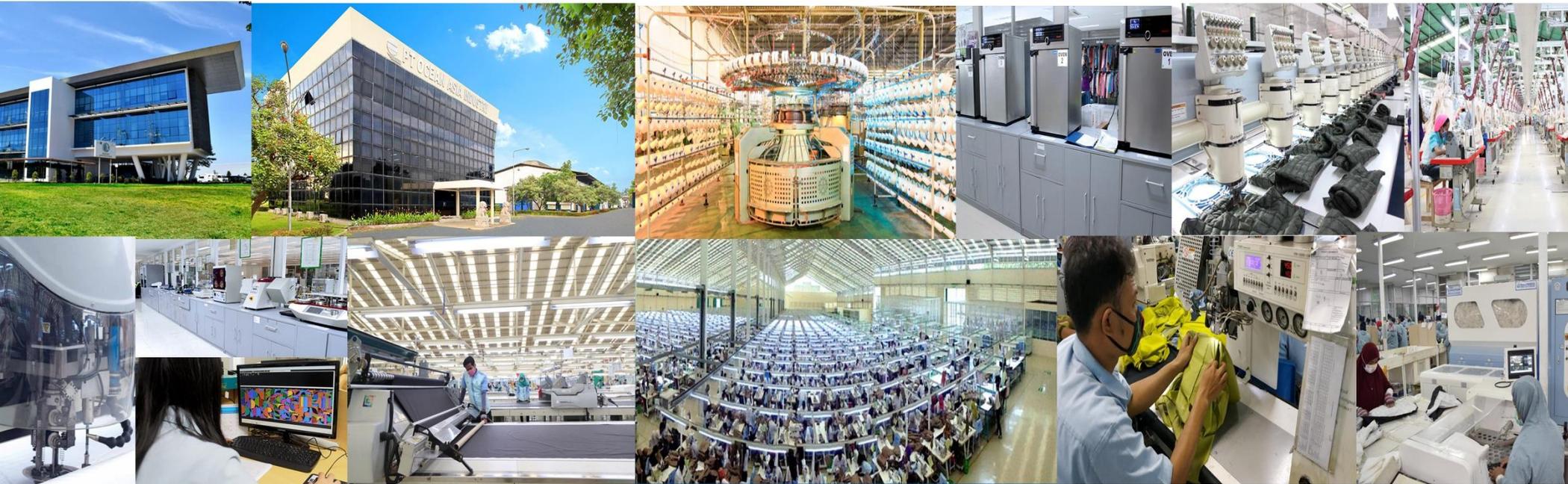


**COMPANY PROFILE 2021 Q 3**

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# COMPANY OVERVIEW



# PT. PAN BROTHERS Tbk.

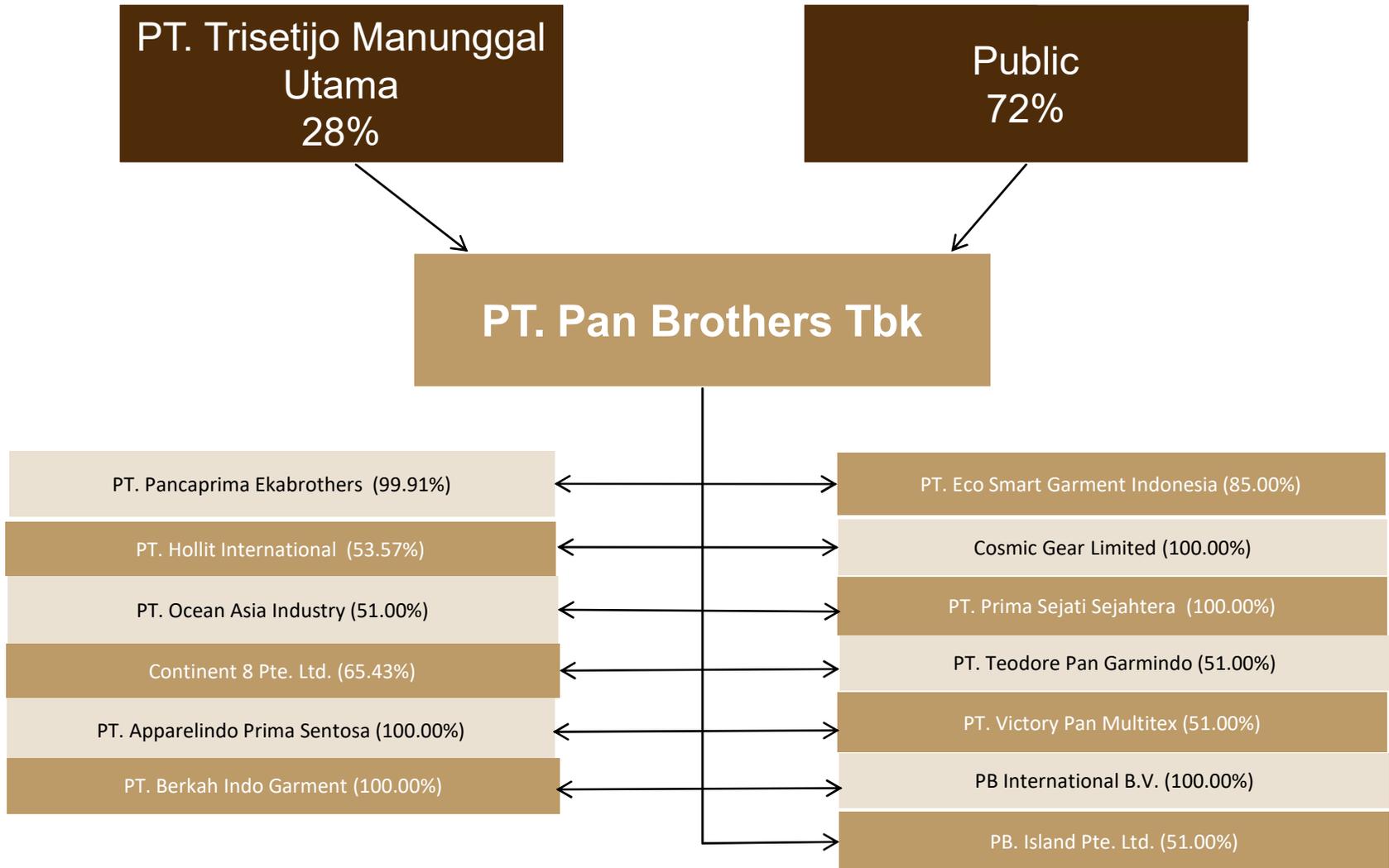
Vision:

**TO BE AN INTEGRATED AND WORLDWIDE APPAREL SUPPLIER**



- Indonesia's largest listed garment manufacturer.
- Well-established business founded in 1980 and listed on the Indonesia Stock Exchange since 1990.
- Intense focus on exports – markets include US, Europe, Asia, Canada, Australia and New Zealand.
- Long-standing relationships with numerous top global fashion and apparel brands, while maintaining strong work ethics and CSR.
- Plants located in Banten, West Java and Central Java targeted production capacity of 130 million pcs garment annually in 2022.
- Selective expansion in both upstream and downstream segments.
- Involve in manufacturing PPE products for domestic and export market.

# GROUP STRUCTURE



# GROUP OVERVIEW

Business	Garment Manufacturing					
Group Companies	 <p>PT Pan Brothers Tbk "PBT"</p>	 <p>PT Pancaprima Ekabrothers "PPEB"</p>	 <p>PT Eco Smart Garment Indonesia "ESGI"</p>	 <p>PT. Prima Sejati Sejahtera "PSS"</p>	 <p>PT Theodore Pan Garmino "TPG"</p>	 <p>PT Berkah Indo Garment "BIG"</p>
Description	<ul style="list-style-type: none"> <li>Established in 1980.</li> <li>Manufactures woven and cut &amp; sewn knit garments, for both life style wear and sportswear. PPE products such as masks and hazmat.</li> </ul>	<ul style="list-style-type: none"> <li>Acquired in 2005.</li> <li>Manufactures Technical, Functional and Active Wear Jackets and Outer Wear suited for Snow Boarding, Skiing, Jogging, Hiking, and other Sports and Outdoor Activities. PPE products such as masks and hazmat.</li> </ul>	<ul style="list-style-type: none"> <li>Established in 2013 as a JV with Mitsubishi.</li> <li>4 from 6 facilities garment manufacturing already built in 2014 and next expansion expected to be done in 2021.</li> <li>Manufactures woven garments such as ultra light down, parka, bottom. PPE products such as masks and hazmat. etc</li> </ul>	<ul style="list-style-type: none"> <li>Established in 2014.</li> <li>Manufactures Technical, Functional and Active Wear Jackets and Outer Wear suited for Snow Boarding, Skiing, Jogging, Hiking, and other Sports and Outdoor Activities. PPE products such as masks and hazmat.</li> </ul>	<ul style="list-style-type: none"> <li>Established in 2014.</li> <li>Manufactures woven and cut &amp; sewn knit garments, for both life style wear and sportswear. PPE products such as masks and hazmat.</li> </ul>	<ul style="list-style-type: none"> <li>Established in 2016.</li> <li>Manufactures woven and cut &amp; sewn knit garments, for both life style wear and sportswear. PPE products such as masks and hazmat.</li> </ul>

# GROUP OVERVIEW



PT. PAN BROTHERS Tbk

<b>Business</b>	Product Development, Marketing Office and Sourcing Company					
<b>Group Companies</b>	 <b>PT Hollit International</b> "Hollit"	 <b>Continent 8 Pte Ltd</b> "C8"	 <b>Cosmic Gear Limited</b> "Cosmic"	<b>PBA</b> <b>PB Apparel Pte. Ltd</b> "PBA"	<b>PBL</b> <b>PB Island Pte. Ltd</b> "PBL"	<b>PBF</b> <b>PB Fashion B.V.</b> "PBF"
<b>Description</b>	<ul style="list-style-type: none"> <li>Acquired in 2011.</li> <li>A product development company focusing on the development and creation of latest trends in styling, finishing and material.</li> <li>Also manages the collection and production of world renowned fashion brands</li> </ul>	<ul style="list-style-type: none"> <li>Incorporated in Singapore.</li> <li>Engages in sourcing activities that allow the group's products to reach wider international markets.</li> <li>A product development company focusing on the development and creation of latest trends in styling, finishing and material.</li> </ul>	<ul style="list-style-type: none"> <li>Incorporated in Hong Kong to help the group better cater the international market.</li> <li>Engages in product development and material sourcing.</li> </ul>	<ul style="list-style-type: none"> <li>Incorporated in Singapore to help the group better cater the international market.</li> <li>Engages as trading company including sourcing activities.</li> </ul>	<ul style="list-style-type: none"> <li>Incorporated in Singapore to help the group better cater the international market.</li> <li>Engages as trading company including sourcing activities.</li> </ul>	<ul style="list-style-type: none"> <li>Incorporated in Netherlands to help the group better cater the international market</li> <li>PBF engages as trading company. PBF was set up to support the group's activities in Europe.</li> </ul>



# GROUP OVERVIEW

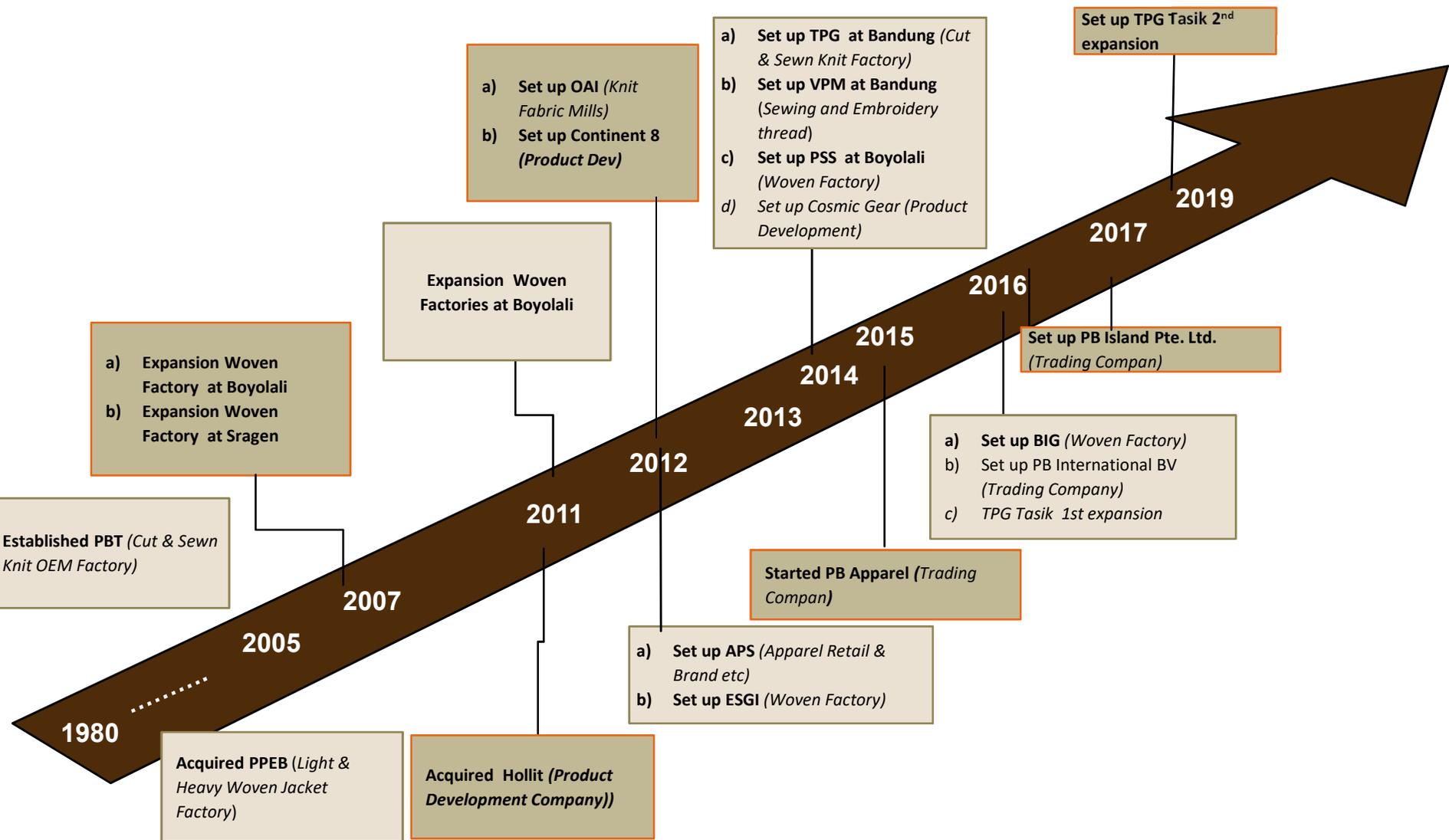
Business	Sewing & Embroidery Thread	Fabric Supply	Retail & Others
Group Companies	 <p><b>PT Victory Pan Multitex</b> "VPM"</p>	 <p><b>PT Ocean Asia Industry</b> "OAI"</p>	 <p><b>PT Apparelindo Prima Sentosa</b> "APS"</p>
Description	<ul style="list-style-type: none"> <li>Established in 2014.</li> <li>Produces various sewing and embroidery thread.</li> </ul>	<ul style="list-style-type: none"> <li>Established in 2012.</li> <li>Produces various kinds of knit fabrics, such as single knits and double knits (Single Jersey and Lycra Single Jersey, Pique and Lacoste, Fleece / French Terry Interloop / Lycra Interloop, Jacquard Jersey) and flat knits.</li> </ul>	<ul style="list-style-type: none"> <li>Established in 2013 engage in apparel retail and other businesses</li> <li>Launched its women's fashion brand, ZOE label, ZOE Black and Sokya.</li> <li>JV men's fashion brand : S n P, Asylum , F T L, etc. in 2015.</li> <li>Launched women's brand Wastu in 2017.</li> </ul>



# PBRX MILESTONE



PT. PAN BROTHERS Tbk



PT. Pan Brothers Tbk. & Subsidiaries

# CUSTOMERS



INDYGENA



# PPE AS A NEW LINE OF PBRX

*PBRX's PPE starting from early March 2020 with producing masks for our workers and also for donating to Red Cross of Indonesia through Indonesian Textile Association (API). Now also supply to domestic and export market*

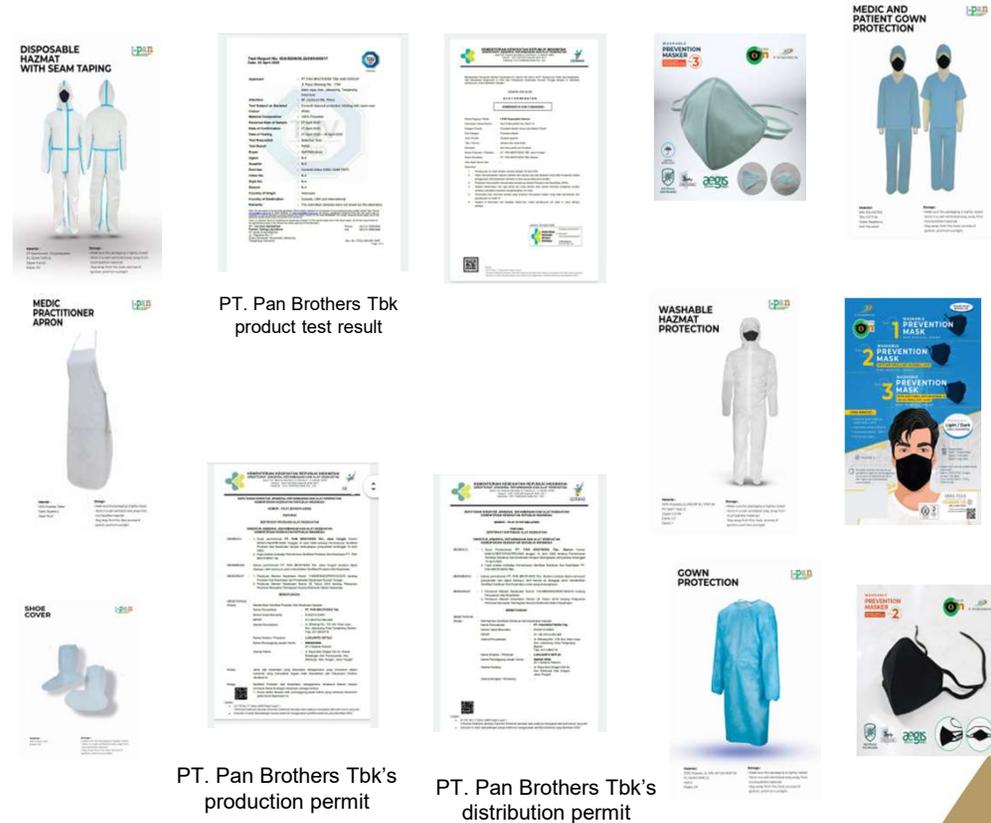
*We understand with our experiences in making technical and active wear, we capable to produce and support the need of PPE during COVID-19 with Brands **I-PAN and MASK ON***

*For humanity reason we produce :*

- \*Washable and prevention masker with some layer: use anti virus and anti microbes layer; use anti virus, anti microbes and water repellent layer and without layer.*
- \*Reusable and Disposable protection jumpsuit/ hazmat.*
- \*Medic & Practitioner Gown Protection. Medic Practitioner Apron.*
- \*Shoe Cover.*

***All our production facilities and product circulation in Indonesia already receive permit from Ministry of Health of the Republic of Indonesia.***

## Personal Protective Equipments (PPE) Products



# INDUSTRY OUTLOOK

## Strong Outlook Despite Global Uncertainties

- Textile and garment exports from Indonesia are expected increase up to US\$ 48.2 bn in 2030 .
- Proportion of Indonesian exports in total global demand to rise from 1.8% in 2019 to 5% in 2030.

## Indonesian Government Support on Textile & Garment Industry

- Economic Policy Packages issued for labor intensive industries providing corporate & payroll tax incentives, electricity tariff discounts.
- FTA IA-CEPA with Australia already signed in March 4, 2019, FTA IEFTA-CEPA (Switzerland, Iceland, Liechtenstein and Norway), already agreed in Dec 19, 2019, and with the European Union expected to be signed soon in 2021.
- Government has expressed support to strengthen the domestic manufacturing industry and reducing dependence on commodity based exports

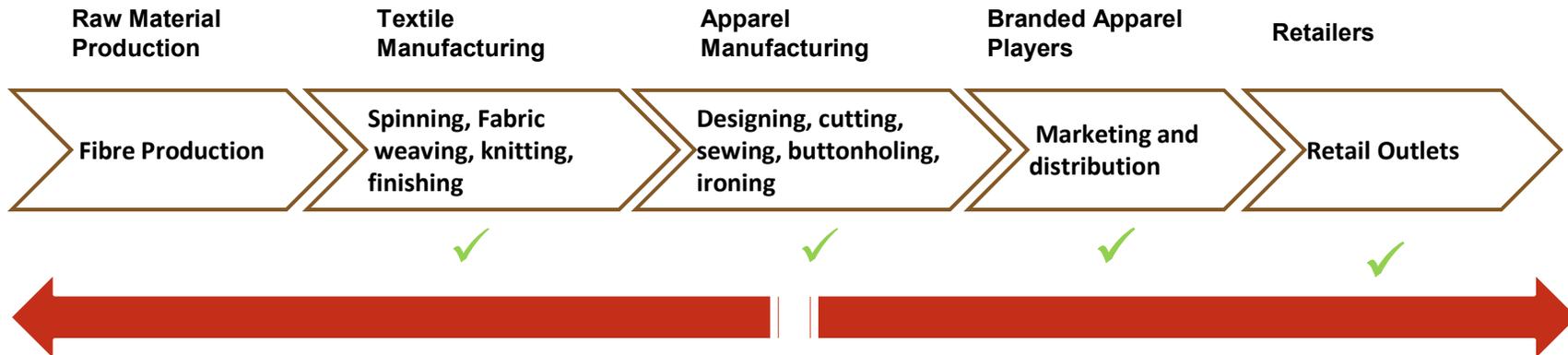
## Key Asian Garment Suppliers Face Growth Constraints

- China faces rising labor cost and lack of labor supply.
- India & Bangladesh are constrained by inadequate infrastructure and rising labor wages.
- Vietnam & Cambodia have smaller workforce relative to Indonesia and are constrained by rising labor cost.

## Indonesian Retail Outlook

- Indonesia has huge population of more than 260 million people.
- In 2030, it is expected the middle class income earners will reach 141 mio people.

# INTEGRATED BUSINESS MODEL



## Upstream expansion

- Pursuing a joint venture/ collaboration in the fabric mills sector for synthetic woven fabric.
- Producing textile and sewing & embroidery thread
- Focusing on creating a holistic supply chain to meet the needs of brands, buyers and retailers

## Apparel Manufacturing

- Producing high-value garment products ranging from performance wear, winter clothing, woven garments, cut & sewn knit etc. across garment units in Banten, Central and West Java.
- Upgrading our technological capabilities in our garment factories into Industry 4.0 to improve efficiency, quality, performance, and productivity
- Upskilling our production workers to ensure consistency and quality control

## Downstream expansion

- Set up product development company to expand market and product diversification.
- Created PT Apparelindo Prima Sentosa to increase presence in apparel retail business, with in-house brand, ZOE Label and ZOE Black, SnP, FTL, Asylum, Sokya and Wastu.
- Pursued a joint venture/ M& A/ Collaboration with some local brands and multi-brand retailer..



# KEY PILLARS OF GROWTH

## Upstream – Backward Vertical integration

- **Expansion into new sectors, such as:**
  - *Fabric mills (synthetic woven fabric)*
- Target route: Collaboration with Fabric mills.

## Manufacturing Expansion

- **Domestic**
  - JV with Mitsubishi (ESGI) expansion at Central Java.
  - TPG (Teodore Pan Garmino) expansion at West Java
  - Automation in some production process in all garment facilities
  - Year 2022 total targeted capacity 130 million pcs garment annually.
- **Regional**
  - Collaboration with garment manufacturing in other countries to improve access target markets and avail of local competitive advantages.
  - Target countries: Vietnam and other prospect countries.

## Downstream – Channel Expansion

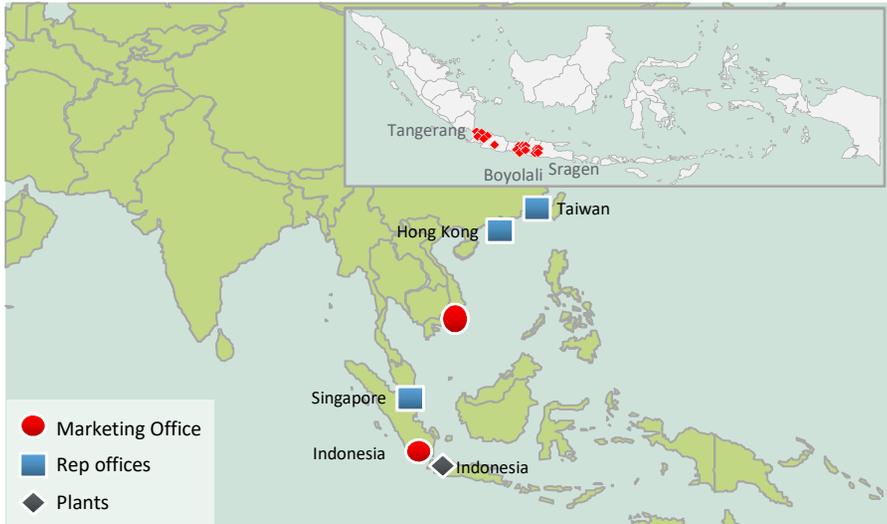
- Continuous expansion of brands, ZOE Label/ ZOE Black, Sokya, SnP, FTL, Asylum and Wastu.
- Collaboration with local and overseas brands.
- Running the e-commerce sector.
- Target route: Collaboration

## Process Optimization

- Automation in some process.
- Digitalization
- Increasing capability in garment embroidery facility, garment printing facility, and garment wash / laundry facility.
- Upgrading continuously on existing factories into Industry 4.0 garment factories to improve efficiency, quality excellence, and productivity

# GARMENT MANUFACTURING

## Production and distribution spread across key Asian markets



Indonesia production facilities are situated across Banten; West Java; and Central Java province

Fully support by secondary process such as: Garment Embroidery facility, Garment Printing facility, Garment Wash / Laundry facility  
 Support by Fabric mills producing various kinds of knit fabrics; and Sewing and Embroidery Thread factory

Strategically positioned throughout Asia with offices in Taiwan, Singapore and Hong Kong to serve customers in regional & global markets

Maintains close proximity to both customers' regional offices in Hong Kong and Singapore as well as key fabric suppliers in Taiwan

Category	Manufacturing Capacity ('000pcs)
Mix catagories (Technical , Woven Garment and Cut & Sewn Knit)	117,000 Eq polo shirts

The largest garment manufacturing capabilities in Indonesia

# ACCREDITATIONS

✓ ISO 9001

✓ ISO 14001

✓ ISO 45001

✓ WRAP

✓ GSV

✓ SA 8000

✓ C-TPAT

✓ BWI

✓ EDGE



Note:

ISO 9001 : Quality Management System

ISO 14001 : Environment Management System

ISO 45001 : Occupational Health & Safety Management System

WRAP : Workplace Environment Management System

GSV similar to C-TPAT : Global Security Verification Program

SA 8000 : Social Accountability Management System

Member of Better Work Indonesia (BWI): On improving working conditions in the garment industry.

EDGE : Gender Equality Certification

# AWARDS



**Indonesia  
Export  
Award 2019**



**Green  
Industry  
Award 2019**



**The Best Human  
Capital Award 2020**



**Top 5 GCG (Good  
Corporate Governance)  
Award 2020**



**The Top 50 Companies  
2020 Award**



**Top Digital  
Implementation  
Award 2020**



**The Best Sales  
& Marketing  
Award 2020**



**Risk Management  
Award  
2021**



**Top CSR 2021  
Award**



**GRC (Governance,  
Risk and  
Compliance) Award  
2021**

# CORPORATE SOCIAL RESPONSIBILITY

- *Providing sewing Trainers to Vocational Training Center*
- *Conducting Science and Technology Olympics regularly*
- *Awarding Scholarships to 3000 high performing High School students from Central Java*
- *Awarding Scholarships to 100 University of Indonesia Students for the bachelor degree program (2017 - 2021)*
- *Organizing Employment programs on Synergy investment in association with Madrasahs and PonPes*
- *Receiving students on internships both technical and management.*
- *Sponsoring medical trip to Papua organized by “The HOPE”*
- *Organizing health education through awareness programs for cancer, HIV, etc*
- *Donating on victims of natural disaster.*
- *Donating PPE on Covid-19 pandemic.*
- *Organizing blood donor camps on regular basis.*

# CORPORATE SOCIAL RESPONSIBILITY



PT. PAN BROTHERS Tbk



Organizing blood donation camps on a regular basis



Awarding PT Pan Brothers Tbk as TOP CSR 2021



PBRX with API supply Mask to Indonesia Red Cross on Covid-19



Awarding Scholarships to 100 University of Indonesia Students for the bachelor's degree program (2017 – 2021)



Organizing employment programs on Synergy investment in association with Madrasahs and PonPes



PBRX also supply Mask on Covid-19 Pandemic to societies



Donating to Lombok Earthquake 2018



Donating to Palu Sulawesi 2018 Earthquake and Tsunami



Donating to victims of Banten Tsunami 2018



PT. Pan Brothers Tbk. & Subsidiaries

# SUSTAINABLE DEVELOPMENT GOALS (SDGs)



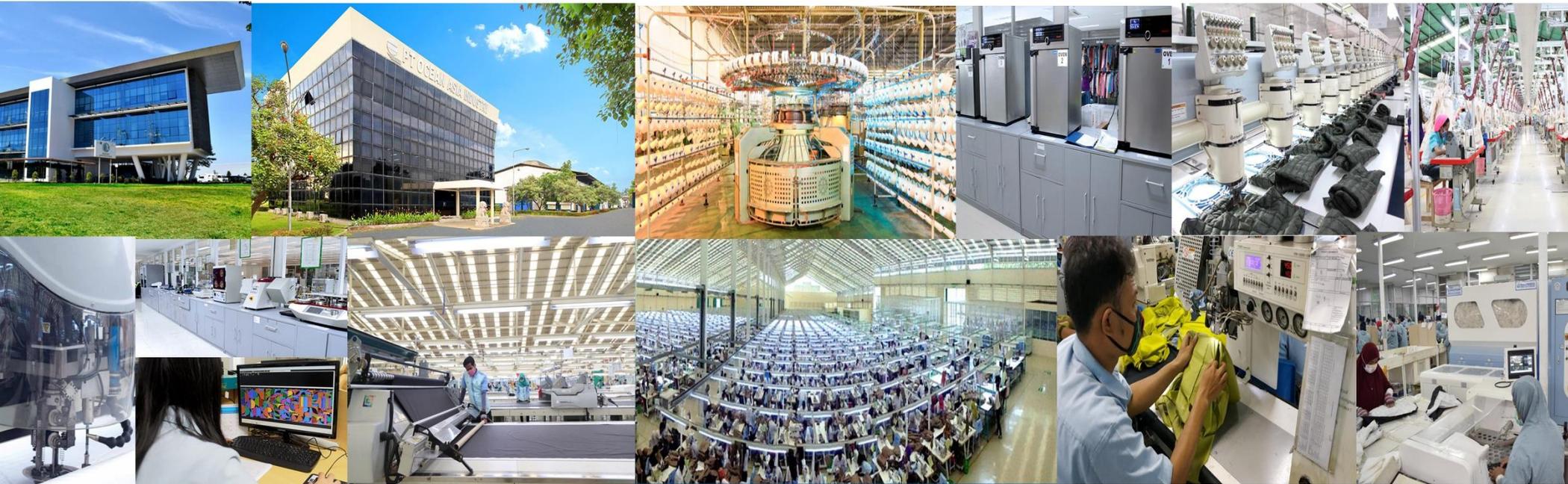
**People: Businesses related with demographic growth and changes in the social structure**

**Planet: Businesses related with natural resources and its scarcity**

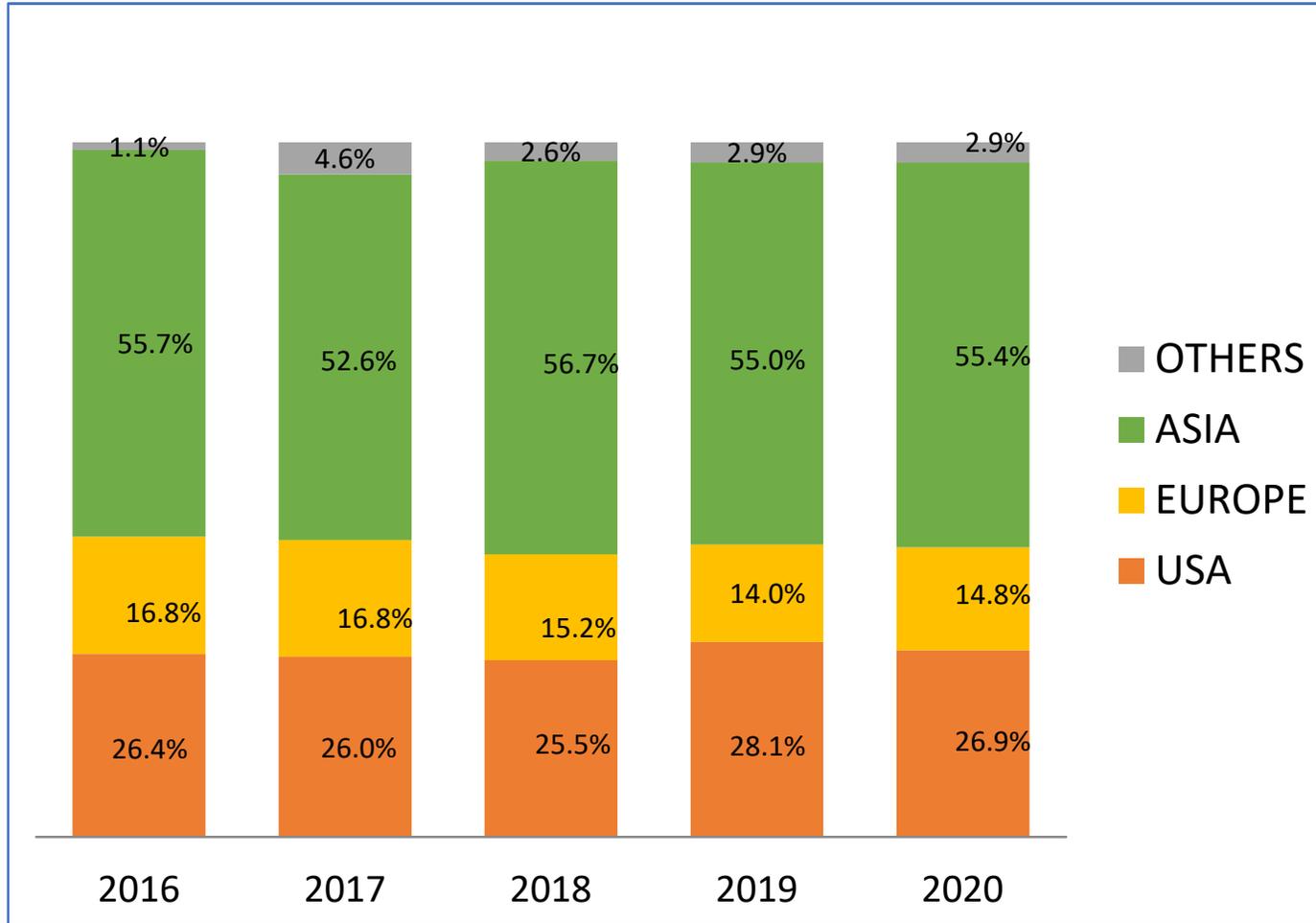
**Profit: Sustainability driven business growth and investment**

- ▶ Our sustainability strategy is based on our business philosophy and commitment to make a strong positive economic contribution with the least possible negative impact to the ecosystem.
- ▶ We are committed to realize our sustainability strategy and ensure prosperity for all stakeholders. Sustainable resource utilization keeping in mind a better life for the next generation is our main objective.
- ▶ Our three pronged ('*Triple Bottom Line*': *People, Planet, Profit*) sustainability strategy framework aims to benefit all stakeholders including our employees, the environment and the business itself.
- ▶ We have selected 10 Goals and 9 Targets to flag off our Sustainable Development Program.

# FINANCIAL OVERVIEW

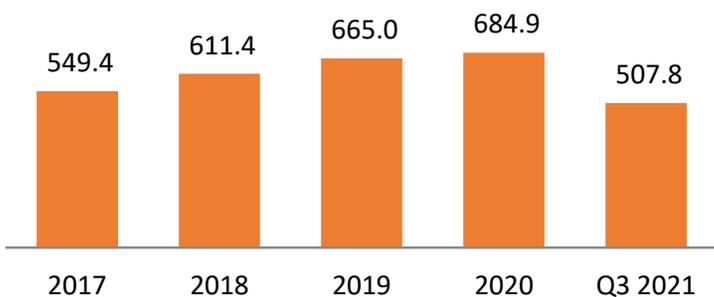


# GLOBAL PRESENCE – BY SALES

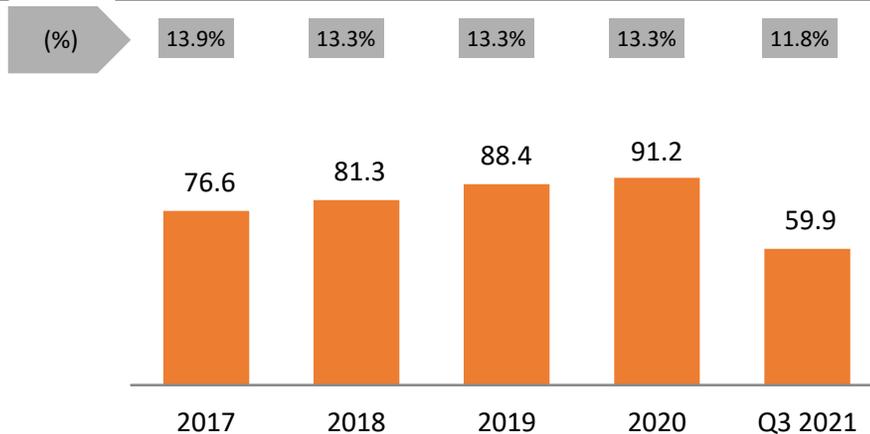


# FINANCIAL HIGHLIGHTS

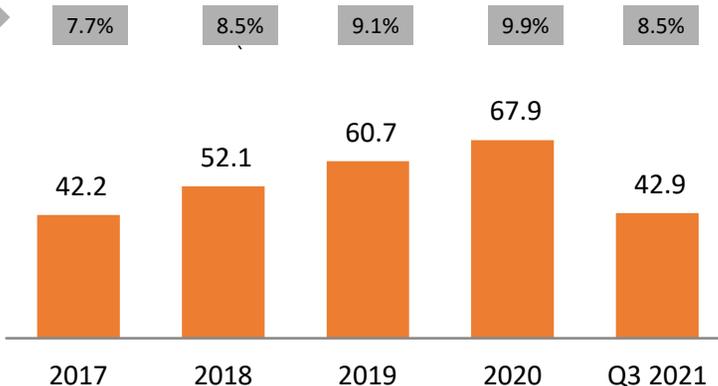
## SALES (US\$m)



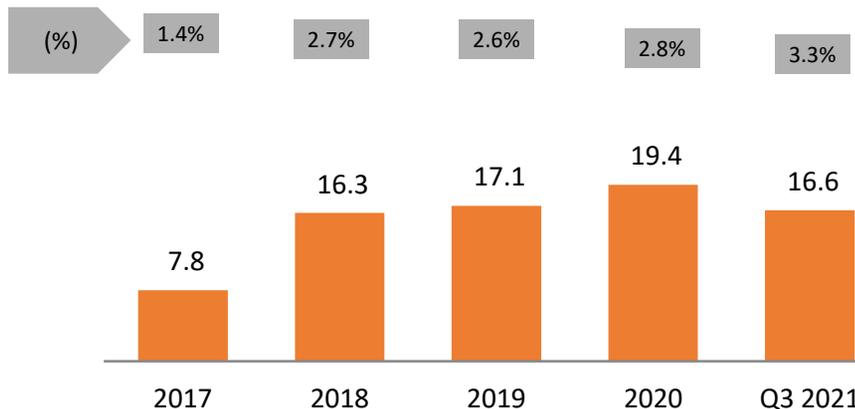
## GROSS PROFIT (US\$m) / SALES



## EBITDA (US\$m) / SALES

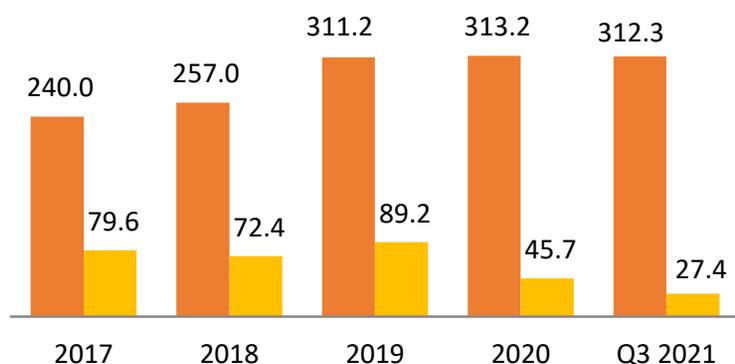


## NET PROFIT (US\$m) / SALES

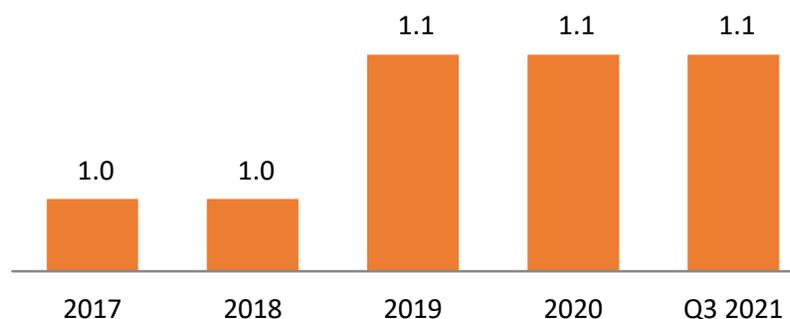


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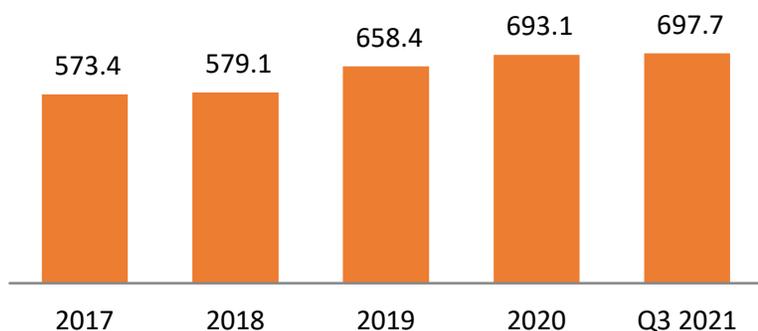
## TOTAL DEBT & CASH (US\$m)



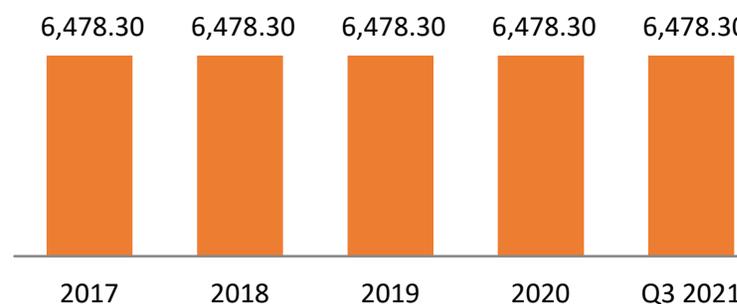
## DEBT / EQUITY (x)



## TOTAL ASSETS (US\$m)



## OUTSTANDING SHARES (mn shares)



## SUMMARY – Consolidate Statements of Profit or Loss



PT. PAN BROTHERS Tbk



(US\$m)	2017	2018	2019	2020	Q3 2021
Net sales	549.4	611.4	665.0	684.9	507.8
% growth	113.9	111.3	108.8	103.0	
COGS	(472.7)	(530.1)	(576.7)	(593.7)	(447.9)
% of sales	(86.1)	(86.7)	(86.7)	(86.7)	(88.2)
<b>Gross profit</b>	<b>76.6</b>	<b>81.3</b>	<b>88.4</b>	<b>91.2</b>	<b>59.9</b>
% margin	13.9	13.3	13.3	13.2	11.8
Selling expenses	(17.3)	(13.6)	(10.5)	(8.4)	(7.2)
% of sales	(3.2)	(2.2)	(1.6)	(1.2)	(1.4)
G&A	(31.3)	(31.2)	(31.4)	(27.8)	(19.4)
% sales	(5.7)	(5.1)	(4.7)	(4.1)	(3.8)
<b>Operating profit</b>	<b>28.0</b>	<b>36.5</b>	<b>46.5</b>	<b>55.0</b>	<b>33.4</b>
% margin	5.1	6.0	7.0	8.0	6.6
% growth	127.4	130.2	127.4	118.3	
Net interest expense	(15.5)	(19.2)	(19.9)	(19.7)	(14.0)
Other income (expenses)	(1.6)	(3.3)	(2.2)	(9.4)	1.8
<b>Profit before tax</b>	<b>11.0</b>	<b>20.5</b>	<b>24.4</b>	<b>25.9</b>	<b>21.1</b>
Income tax expense	(3.1)	(4.3)	(7.3)	(6.6)	(3.7)
<b>Profit for the year</b>	<b>7.8</b>	<b>16.3</b>	<b>17.1</b>	<b>19.4</b>	<b>17.4</b>
% margin	1.4	2.7	2.6	2.8	3.4
% growth	58.8	208.0	104.9	113.6	
<b>Net Profit (Loss) attributable to equity holders</b>	<b>9.3</b>	<b>18.3</b>	<b>20.2</b>	<b>23.7</b>	<b>19.0</b>
% margin	1.7	3.0	3.0	3.5	3.7



# SUMMARY – Financial Position

(US\$m)	2017	2018	2019	2020	Q3 2021
Cash and bank balances	79.6	72.4	89.2	45.7	27.4
Trade receivables	95.6	107.4	116.7	134.3	139.2
Inventories	119.4	128.4	156.0	206.4	227.9
Other current assets	144.4	142.8	166.6	189.9	194.2
<b>Total current assets</b>	<b>439.0</b>	<b>451.0</b>	<b>528.5</b>	<b>576.4</b>	<b>588.7</b>
Tangible assets	121.3	114.0	113.6	99.6	91.2
Intangible assets	5.1	5.0	4.5	3.4	3.4
Other non-current assets	7.9	9.0	11.8	13.7	14.3
<b>Total non-current assets</b>	<b>134.3</b>	<b>128.1</b>	<b>129.9</b>	<b>116.8</b>	<b>108.9</b>
<b>Total assets</b>	<b>573.4</b>	<b>579.1</b>	<b>658.4</b>	<b>693.1</b>	<b>697.6</b>
Short-term borrowings	1.8	2.8	1.8	0.0	0.0
Trade payables	59.2	39.7	45.3	67.7	69.9
Other current liabilities including due date in 1 year	34.9	27.4	34.1	166.2	324.4
<b>Total current liabilities</b>	<b>95.8</b>	<b>69.8</b>	<b>81.2</b>	<b>233.8</b>	<b>394.3</b>
Long-term borrowings (Syndication, Bonds, Etc)	237.0	253.6	306.9	170.5	0.0
Other long-term liabilities	5.7	5.0	6.1	8.6	7.8
<b>Total non-current liabilities</b>	<b>242.7</b>	<b>258.6</b>	<b>313.0</b>	<b>179.1</b>	<b>7.8</b>
<b>Total liabilities</b>	<b>338.6</b>	<b>328.5</b>	<b>394.3</b>	<b>412.9</b>	<b>402.2</b>
Total shareholders' funds	234.8	250.6	256.0	280.2	296.0
<b>Total liabilities &amp; equity</b>	<b>573.4</b>	<b>579.1</b>	<b>658.4</b>	<b>693.1</b>	<b>697.6</b>

# APPENDIX

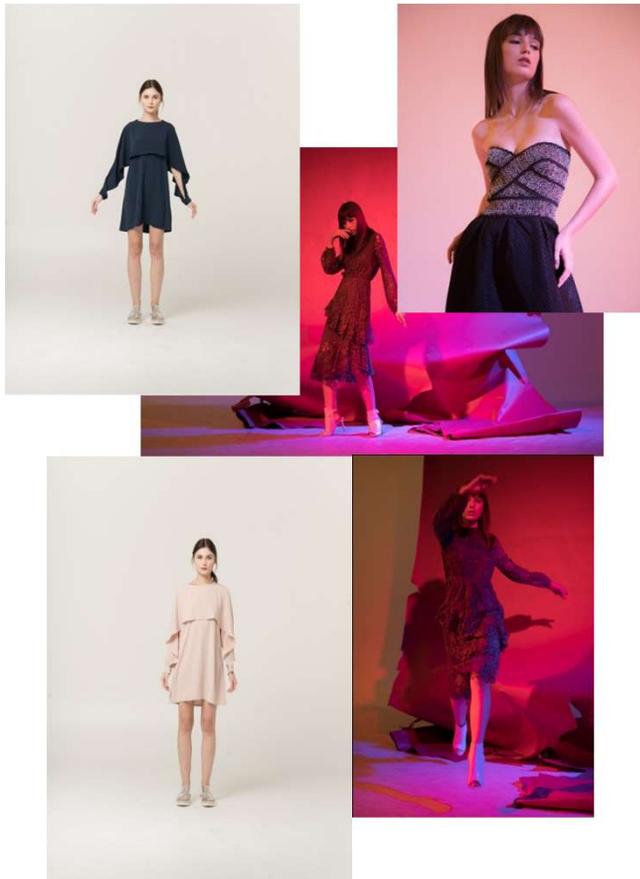


# RETAIL

## Z O E *black & Z O E label*



PT. PAN BROTHERS Tbk



ZOE label & ZOE black side with *STYLE* over trends, think *TIMELESS* is never outdated. ZOE don't believe *MINIMALISM* as underdressed - ZOE is confident to let our personality shines and use our clothes to enhance it. For us, the charm is in the *MIX*. The essence is *EFFORTLESS CHIC*.

ZOE is an *INDONESIAN BRAND*, but ZOE source our fabrics from around the world. Our design, sourcing & production teams serve not us only, but also well-known international brands. ZOE take pride in our *VALUE & QUALITY*.

- ▶ Website: [www.zoelabel.com](http://www.zoelabel.com)
- ▶ Instg: @zoethelabel



PT. Pan Brothers Tbk. & Subsidiaries

# RETAIL

W A S T U



Founded in 2017, Wastu is an Indonesian brand specializing in the elegantly understated piece and crafted from the ideas of an Indonesian fashion designer, Auguste Soesastro. Taken from Javanese Sanskrit, Wastu means 'Architecture', which has been Auguste's interest and has inspired him to harmonize architectural lines, geometry, and structures into wearable items. Wastu embodies a way of life in stylish collections affordable for any budget.

- ▶ Website: [www.shopwastu.com](http://www.shopwastu.com)
- ▶ Instg: @wastu\_studio



# GARMENT MAKING PROCESS



Warehouse



Fabric Inspection



Lab Test



Cutting



Sewing



Inspection



Metal Detection



Embroidery/Print



## PT Pan Brothers Tbk.

Address : Jl. Siliwangi No. 178, Jatiuwung, Tangerang 15133, Indonesia

Phone : 6221-5900 718 Fax : 6221-5900 717

Corporate Secretary Email : [corpsec@pbrx.co.id](mailto:corpsec@pbrx.co.id) / [apbrxswk@pbrx.co.id](mailto:apbrxswk@pbrx.co.id) / [iswardeni@pbrx.co.id](mailto:iswardeni@pbrx.co.id)

Marketing Email : [pbt@pbrx.co.id](mailto:pbt@pbrx.co.id)

Website : [www.panbrotherstbk.com](http://www.panbrotherstbk.com)

Video profile : [https://youtu.be/I\\_9P8Od0K3c](https://youtu.be/I_9P8Od0K3c)





PT. PAN BROTHERS Tbk



# THANK YOU

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