Cosmetic Industry
Market Outlook 2023

PARAMA
GLOBAL INSPIRA

AREA OF OPERATION

- **40** Distribution Centre
- **1** National Distribution Centre
- **10** Regional Distribution Centre
- Covering **all** provinces across Indonesia
- **1** overseas operation
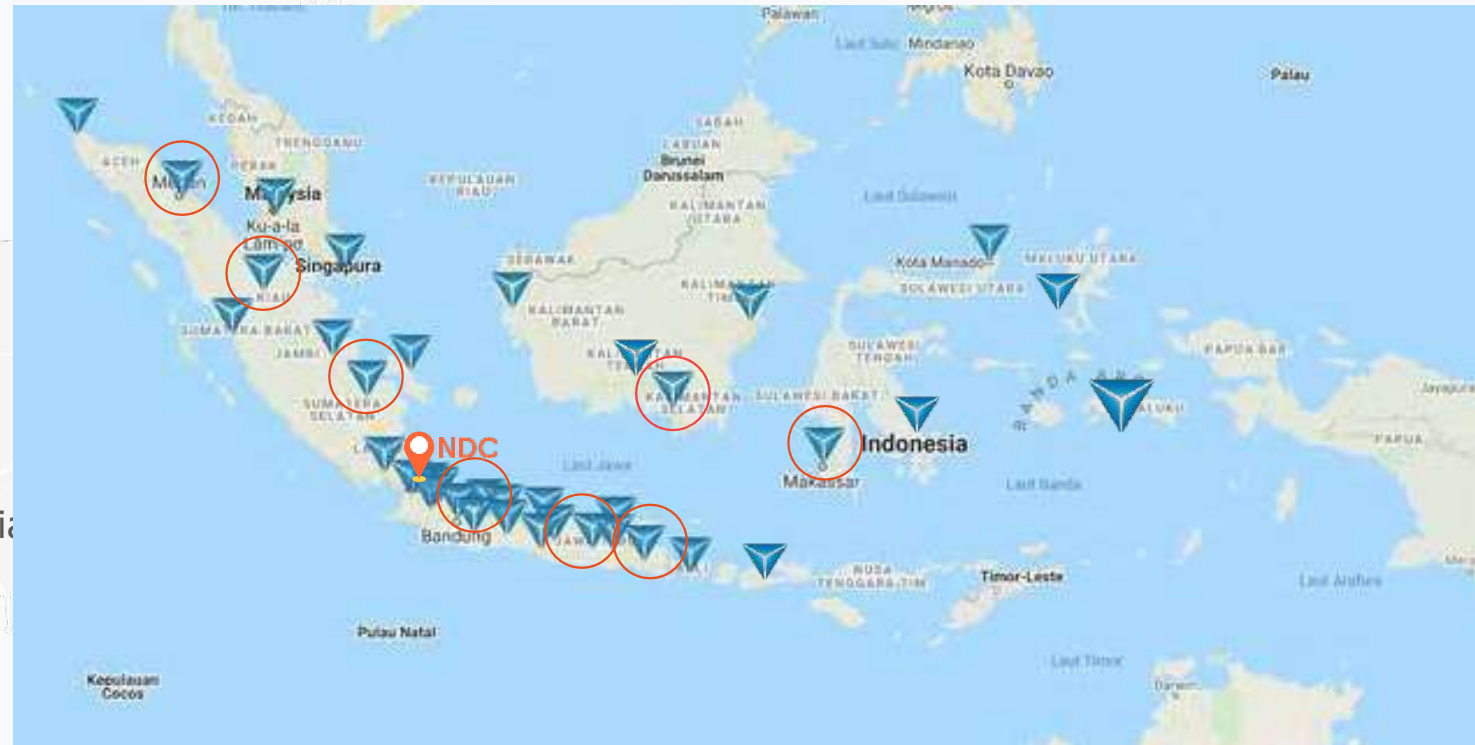
PROFILE

NATIONAL DISTRIBUTION CENTER

Deliver products to **all** Distribution Centre and Regional Distribution Centre

180 million pcs cosmetic product delivered (2019)

27 million pcs product storage capacity

13,000 sqm warehouse, **8,000 pallet** places

>1900 sku

Up to 1 million pcs throughput per day

400-500 trip per month

PROFILE

DISTRIBUTION CENTRE

Equipped with **ERP (Enterprise Resouces Planning)** and **WMS (Warehouse Management System)**

185 million pcs
cosmetic product delivered p.a (2022)

43 million pcs
product storage capacity

32,000 sqm warehouse,
13,000 sqm office

>2.000 sku +
3.500 PO served per day

>2.000 employee

278 fleet (car) + 16 motor
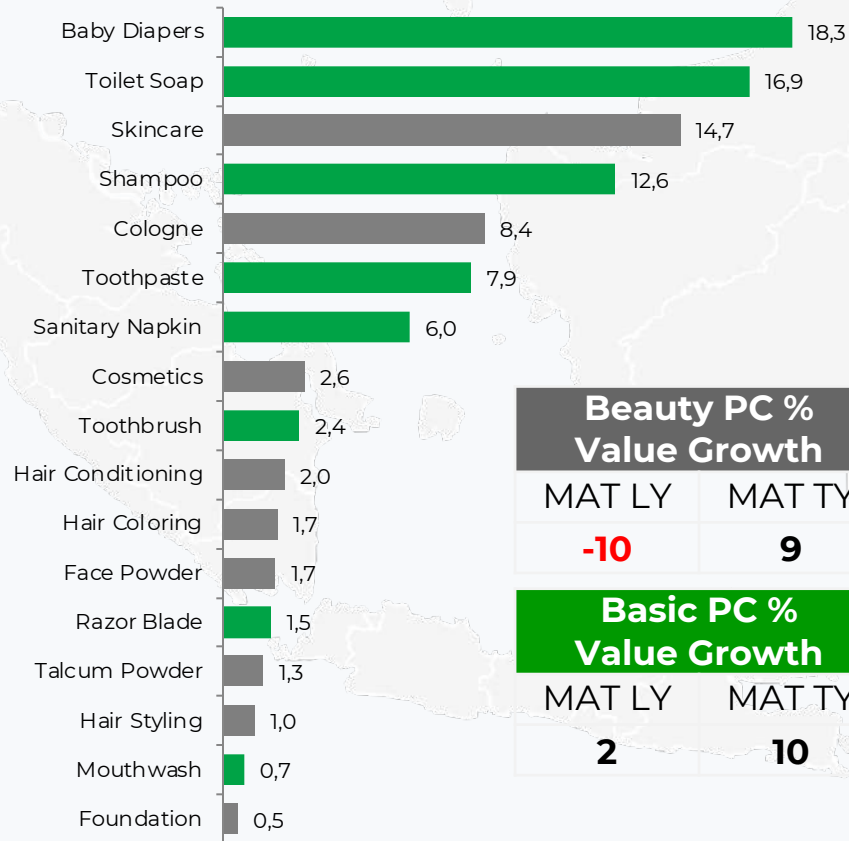**>22,000** delivery points

2022 : The Year Of Re-Bound

Most Personal Category categories & Beauty are growing positively this year

Indonesia | Personal Care | Value Share, Value Growth, Unit Growth | Data Jun '22

PC CATEGORY CONTRIBUTION

Total Personal Care

Category	Contribution
Baby Diapers	18,3
Toilet Soap	16,9
Skincare	14,7
Shampoo	12,6
Cologne	8,4
Toothpaste	7,9
Sanitary Napkin	6,0
Cosmetics	2,6
Toothbrush	2,4
Hair Conditioning	2,0
Hair Coloring	1,7
Face Powder	1,7
Razor Blade	1,5
Talcum Powder	1,3
Hair Styling	1,0
Mouthwash	0,7
Foundation	0,5

Beauty PC % Value Growth	
MAT LY	MAT TY
-10	9

Basic PC % Value Growth	
MAT LY	MAT TY
2	10

Value Growth		Unit Growth	
MAT LY vs MAT 2YA	MAT TY vs MAT LY	MAT LY vs MAT 2YA	MAT TY vs MAT LY
-2	10	-2	15
7	9	-2	12
3	14	-3	11
-7	7	-12	7
0	9	3	19
-6	12	-7	15
-4	4	-6	1
2	15	-1	18
-22	11	-17	22
-2	12	-2	13
-3	9	-4	27
-2	14	-2	15
-27	13	-21	22
-9	11	-10	14
-6	7	-7	7
-24	5	-33	12
10	5	3	0
-24	15	-23	23

Make Up category is growing MAT H1 2022 driven by lower-price products as volume growth while the price growth keeps declining

- Economy price of make up provides wide range of appealing valuable options within allocated budget for consumers
- The economy segment has offered "value" that is not lonely low price but also aspirational (esp. appealing packaging that doesn't look cheap)

Sales trend

Legend: Volume (Mill Units) — Value (Bill IDR)
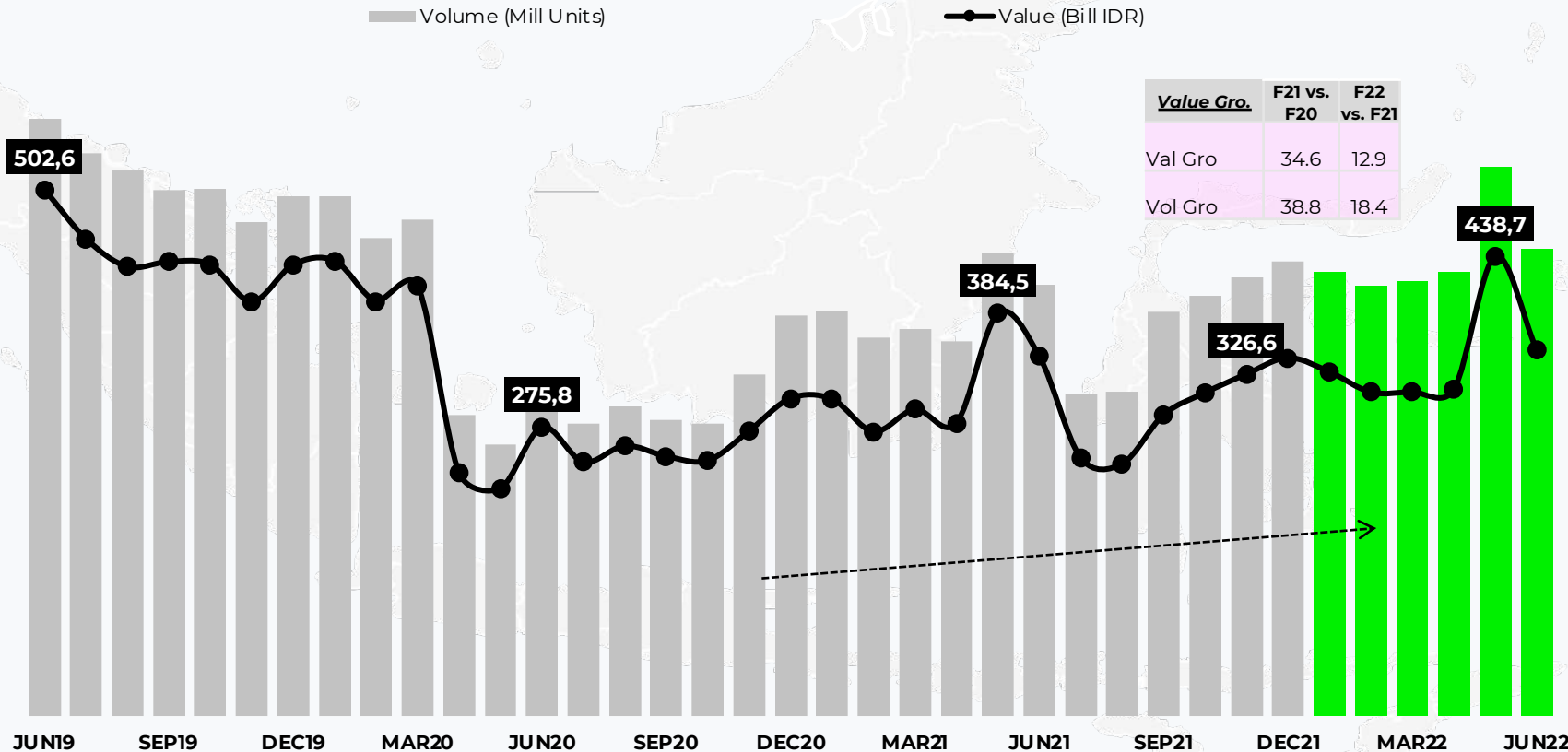
Value Gro.	F21 vs. F20	F22 vs. F21
Val Gro	34.6	12.9
Vol Gro	38.8	18.4

Chart data labels: 502,6 · 275,8 · 384,5 · 326,6 · 438,7

X-axis: JUN19 · SEP19 · DEC19 · MAR20 · JUN20 · SEP20 · DEC20 · MAR21 · JUN21 · SEP21 · DEC21 · MAR22 · JUN22

Growth

	MAT		Vs PP
	LY	TY	P4M
Value	-24.2	10.3	7.9
Volume	-21.5	17.3	7.2
Price	-3.4	-6.0	0.7

Channel Outlook 2023

- Increase of beauty consumers to multiple digital platform
- More brands entering market
- Channel shifting to proximity channel → faster distribution higher cost
- The rise of shoppertainment bring e-commerce to the next level
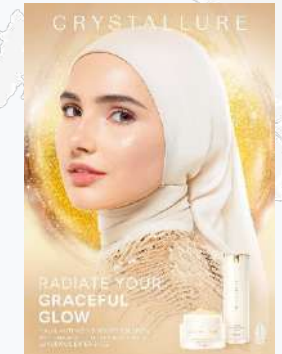
Summary

Market and Channel

- Most categories on personal care and beauties (make up, moisturizer, cleanser) are growing positively in 2022 and will continue to grow in 2023
- Economy price of make up provides wide range of appealing valuable options within allocated budget for consumers
- The economy segment has offered "value" that is not low price but also aspirational (esp. appealing packaging that doesn't look cheap)
- Channel shifting to proximity channel and exposure of digital platform especially shoppertainment

Logistic Outlook for Cosmetic Industry 2023

- Cosmetic industry will still grow with its challenge in shifting to more digital platform → enabler ability for logistic of beauty products
- Need to manage logistic cost due to the growing of economy segment and personal care categories
- Need to manage more ability in e-commerce but with its challenge in complexity and total service cost

Summary of Market and Channel

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Logistic Outlook for Cosmetic Industry 2023

- Cosmetic industry will grow higher in 2023 → opportunity
- Challenge on logistic for cosmetic industry in 2023 is the shifting to more digital platform → enabler ability for logistic of beauty products
- Need to manage logistic cost due to the growing of economy segment and personal care categories
- Need to manage service cost due to still growing e-commerce channel