

**DOD BIOTECH PUBLIC COMPANY LIMITED**

เลขที่ 111 หมู่ที่ 2 ตำบลท่าจีน อำเภอเมืองสมุทรสาคร จังหวัดสมุทรสาคร 74000

111 Moo 2 TambonThachin, Amphurmuangsamutsakhon, Samutsakhon 74000

No. DOD43/2563

May 14, 2020

To: The President  
The Stock Exchange of Thailand (SET)

Subject: Management's Discussion and Analysis for the first Quarter of 2020

DOD Biotech Public Company Limited and its subsidiaries ("Company") would like to notify the operating result stated in consolidated financial statements for the first Quarter period ended March 31, 2020 compared with the same period of 2019.

For the operating result of the first Quarter ended March 31, 2020 compared with the same period of 2019, the Company had the Revenue from Sale of THB 341.59 Million which was increased by THB 221.46 Million or 184.35% compared with the same period of last year and generated the net profit for the year attributable to Owners of the parent by THB 27.96 Million which was decreased by THB 13.25 Million or 32.15% compared with the same period of last year. The income statement in brief is presented as following:

	Unit : Million THB					
	Jan – Mar 63		Jan – Mar 62		Increase/(Decrease)	
Revenues from Sale	341.59	100.00%	120.13	100.00%	221.46	184.35%
Cost of Sales	140.12	41.02%	47.20	39.29%	92.92	196.86%
<b>Gross Profit</b>	<b>201.47</b>	<b>58.98%</b>	<b>72.93</b>	<b>60.71%</b>	<b>128.54</b>	<b>176.25%</b>
Selling Expenses	87.56	25.63%	4.97	4.14%	82.59	1661.77%
Administrative Expenses	53.48	15.66%	25.76	21.44%	27.72	107.61%
<b>Operating Profit (Loss)</b>	<b>60.43</b>	<b>17.69%</b>	<b>42.20</b>	<b>35.13%</b>	<b>18.23</b>	<b>43.20%</b>
Finance Cost	2.65	0.78%	2.53	2.11%	0.12	4.74%
Other Revenues	3.64	1.07%	3.00	2.50%	0.64	21.33%
Unrealized gain (loss) on revaluation of investment	(41.91)	(12.27%)	-	0.00%	(41.91)	0.00%
<b>Earning before tax</b>	<b>19.51</b>	<b>5.71%</b>	<b>42.67</b>	<b>35.52%</b>	<b>(23.16)</b>	<b>(54.28%)</b>
Income tax expenses	(7.52)	(2.20%)	1.27	1.06%	(8.79)	(692.13%)
<b>Profit for the year</b>	<b>27.03</b>	<b>7.91%</b>	<b>41.40</b>	<b>34.46%</b>	<b>(14.37)</b>	<b>(34.71%)</b>
Profit for the year attributable to Non-controlling interest	(0.93)	(0.27%)	0.19	0.16%	(1.12)	(589.47%)
<b>Profit for the year attributable to Owners of the parent</b>	<b>27.96</b>	<b>8.19%</b>	<b>41.21</b>	<b>34.30%</b>	<b>(13.25)</b>	<b>(32.15%)</b>

### **Revenue from Sale**

For the first Quarter 2020, The Company had the Revenue from Sale of THB 341.59 Million which was increased by THB 221.46 Million or 184.35% compared with the same period of last year. The Revenue from Sale of the first Quarter 2020 comprised into 3 business units as following;

- Revenue from the business of food supplements and health drinks of all kinds was THB 223.89 Million having growth by 164.96% year over year.
- Revenue from production cosmetic products was THB 53.49 Million having growth by 50.13% compared with the same period of the year over year.
- Revenue from network marketing business was THB 107.56 Million that it was the new business of the Company. Hence, there was no revenue from sale in the first Quarter 2019.

*The revenue of each business unit which were shown above, didn't eliminate related transaction.*

### **Gross Profit and Gross Profit Margin**

For the first Quarter 2020, the Company had gross profit by THB 201.47 Million which was increased by THB 128.54 Million or 176.25% and Gross Profit Margin was 58.98%. The details of the Gross Profit Margin by business unit were as following:

- The Gross Profit Margin of the business of food supplements and health drinks of all kinds was 43.44%
- The Gross Profit Margin of the production of cosmetic products was 53.26%
- The Gross Profit Margin of the network marketing business was 77.21%

### **Selling Expenses**

For the first Quarter 2020, the Company had the selling expenses by THB 87.56 Million which was increased by THB 82.59 Million or 1,661.77% compared with the same period of last year because the network marketing business fully operated in the second half of last year. There were the commission expenses for business members together with marketing expenses for building brand awareness.



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### **Administrative Expenses**

For the first Quarter 2020, the Company had administrative expenses by THB 53.48 Million which increased by THB 27.72 Million or 107.61% compared with the same period of the last year, mainly came from the network marketing business.

### **Operating Profit**

For the first Quarter 2020, the Company had the operating profit by THB 60.43 Million which increased by THB 18.23 Million or 43.20% compared with the same period of the last year due to the business of food supplements and health drinks of all kinds and the production of cosmetic products.

### **Unrealized gain (loss) on revaluation of investment**

The Company had unrealized loss on revaluation of investment by THB 41.91 Million for the first Quarter 2020, caused from capital market crash compared with the ended of the last year. However, it was unrealized loss because the Company still hold this investment.

### **Income Tax Revenue**

The Company had income tax revenue by THB 7.52 Million for the first Quarter 2020, mainly derived from tax benefits of the unrealized loss on revaluation of investment.

### **The profit for the year attributable to Owners of the parent**

The Company had the profit for the year attributable to Owners of the parent by THB 27.96 Million which was decreased THB 13.25 Million or 32.15% compared with the same period of the year 2019.

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The Statement of Financial position as of March 31, 2020 is as following;

	31 March 2020		31 December 2020		Change	
Cash and cash equivalents	117.94	6.93%	82.42	5.23%	35.52	43.10%
Trade Receivables&Other current receivable	263.60	15.49%	231.72	14.72%	31.88	13.76%
Inventories	178.12	10.47%	114.52	7.27%	63.60	55.54%
Other current assets	6.56	0.39%	11.51	0.73%	-4.95	-43.01%
<b>Total Current Assets</b>	<b>566.22</b>	<b>33.28%</b>	<b>440.17</b>	<b>27.95%</b>	<b>126.05</b>	<b>28.64%</b>
Fixed deposit used as collateral	15.88	0.93%	15.88	1.01%	0.00	0.00%
Investments held as available-for-sale	78.06	4.59%	113.97	7.24%	-35.91	-31.51%
Other long-term investment	-	0.00%	6.00	0.38%	-6.00	-100.00%
Property, plant and equipment	812.97	47.78%	801.24	50.88%	11.73	1.46%
Goodwill	107.87	6.34%	107.87	6.85%	0.00	0.00%
Intangible assets	45.01	2.65%	28.48	1.81%	16.53	58.04%
Other non-current assets	75.52	4.44%	61.00	3.87%	14.52	23.80%
<b>Total Non-Current Assets</b>	<b>1,135.31</b>	<b>66.72%</b>	<b>1,134.44</b>	<b>72.05%</b>	<b>0.87</b>	<b>0.08%</b>
<b>Total Assets</b>	<b>1,701.53</b>	<b>100.00%</b>	<b>1,574.61</b>	<b>100.00%</b>	<b>126.92</b>	<b>8.06%</b>

As of March 31, 2020, the total assets were increased by THB 126.92 Million or 8.06% compared with December 31, 2019. The increase of total assets mainly came from increasing in trade receivable and other receivable together with inventories due to revenue growth. In addition, the increase of cash and cash equivalents due to profit of the Company. However, there was a decrease of investment held as available-for-sale by THB 41.91 Million due to market devaluation of the securities as at March 31, 2020 but it was unrealized loss.

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	31 March 2020		31 December 2020		Unit : Million THB	
					Change	
Bank overdraft and short-term borrowings from financial institution	93.58	5.50%	93.15	5.92%	0.43	0.46%
Trade and other current payables	235.50	13.84%	134.48	8.54%	101.02	75.12%
Current portion of long-term borrowings	43.85	2.58%	48.68	3.09%	-4.83	-9.92%
Current portion of Operating Leases Agreement	7.74	0.45%	-	0.00%	7.74	
Other current liabilities	9.23	0.54%	12.40	0.79%	-3.17	-25.56%
<b>Total Current Liabilities</b>	<b>389.90</b>	<b>22.91%</b>	<b>288.71</b>	<b>18.34%</b>	<b>101.19</b>	<b>35.05%</b>
Long-term borrowings	29.84	1.75%	32.36	2.06%	-2.52	-7.79%
Liabilities under operating lease agreement	7.97	0.47%	-	0.00%	7.97	
Employee benefit obligations	4.43	0.26%	4.10	0.26%	0.33	8.05%
Other non-current liabilities	7.14	0.42%	11.18	0.71%	-4.04	-36.14%
<b>Total Non-Current Liabilities</b>	<b>49.38</b>	<b>2.90%</b>	<b>47.64</b>	<b>3.03%</b>	<b>1.74</b>	<b>3.65%</b>
<b>Total Liabilities</b>	<b>439.28</b>	<b>25.82%</b>	<b>336.35</b>	<b>21.36%</b>	<b>102.93</b>	<b>30.60%</b>
<b>Shareholder's Equity</b>	<b>1,262.25</b>	<b>74.18%</b>	<b>1,238.26</b>	<b>78.64%</b>	<b>23.99</b>	<b>1.94%</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>1,701.53</b>	<b>100.00%</b>	<b>1,574.61</b>	<b>100.00%</b>	<b>126.92</b>	<b>8.06%</b>

As of March 31, 2020, total liabilities were increased by THB 102.93 Million or 30.60% compared with December 31, 2019 mainly came from increasing in trade payable due to increase of production order.

In conclusion, the Company operates with our corporate strategy to balance its business units by diversification in revenue structure and risk into 3 main businesses supporting each other and focusing on Healthy & Beauty Sector. Although the economic circumstance has been suffering from the COVID-19 outbreak, but the Company's revenue of the first Quarter had impressive growth compared with the same period of the last year and also maintained the gross profit margin in nearly same level of year on year, led to operating profit growth. For the Company's financial position, the Company still had current ratio 1.45 times and debt to equity ratio 0.35 times, shown that its sufficient liquidity and strong financial position.

Please be informed accordingly,

Yours Sincerely,

DOD Biotech Public Company Limited

(Miss Suwarin Konthong)

Director