

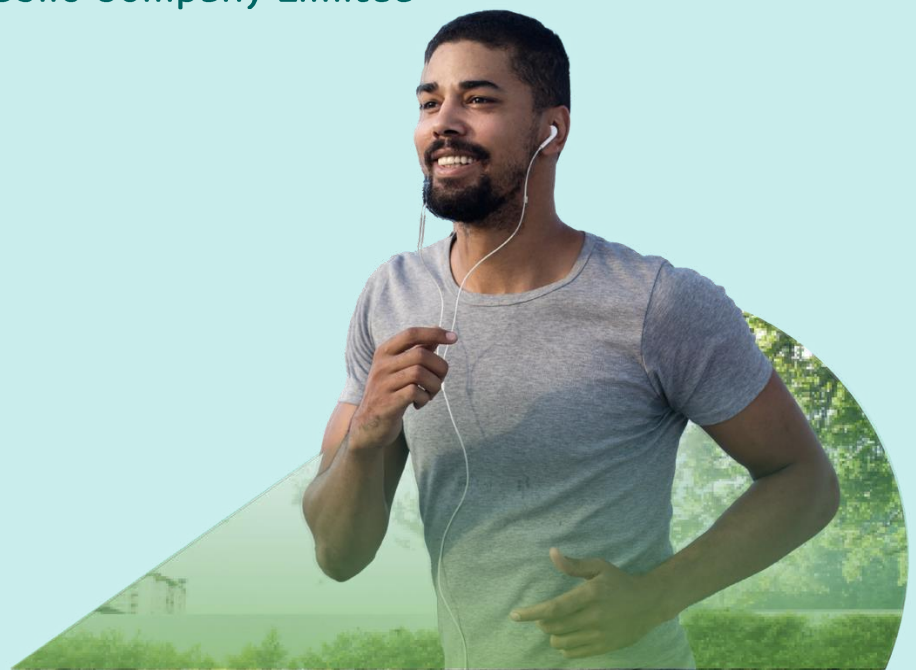


# MANAGEMENT DISCUSSION AND ANALYSIS

## 1H2023

MEGA Lifesciences Public Company Limited

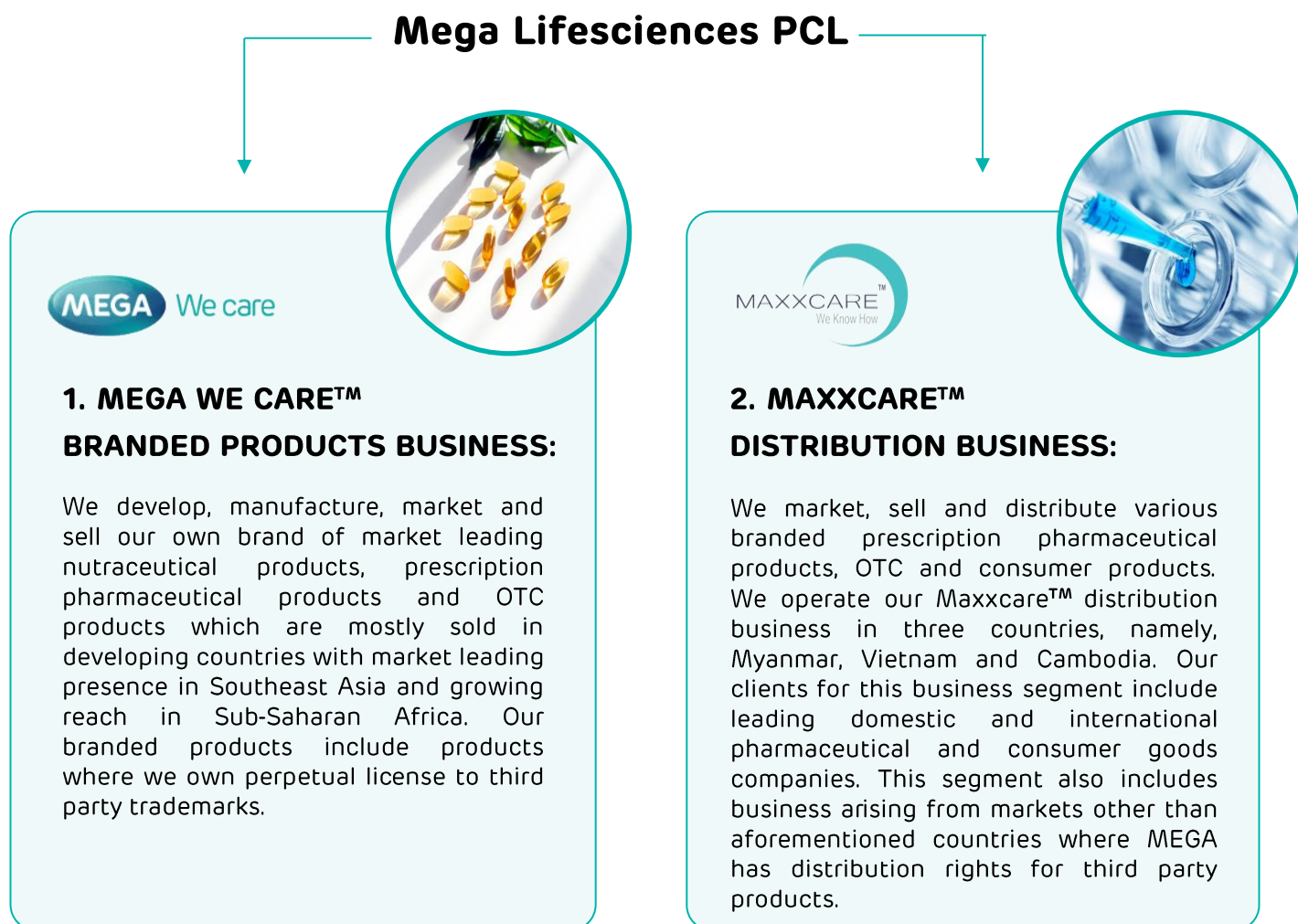
Forbes Asia  
**BEST** UNDER A  
BILLION  
2022



# BUSINESS OVERVIEW

Mega Lifesciences PCL (MEGA) is a leading participant in the health and wellness industry in developing countries. Our core business may be categorized into below segments:

## Mega Lifesciences PCL



### 1. MEGA WE CARE™

#### BRANDED PRODUCTS BUSINESS:

We develop, manufacture, market and sell our own brand of market leading nutraceutical products, prescription pharmaceutical products and OTC products which are mostly sold in developing countries with market leading presence in Southeast Asia and growing reach in Sub-Saharan Africa. Our branded products include products where we own perpetual license to third party trademarks.



### 2. MAXXCARE™

#### DISTRIBUTION BUSINESS:

We market, sell and distribute various branded prescription pharmaceutical products, OTC and consumer products. We operate our Maxxcare™ distribution business in three countries, namely, Myanmar, Vietnam and Cambodia. Our clients for this business segment include leading domestic and international pharmaceutical and consumer goods companies. This segment also includes business arising from markets other than aforementioned countries where MEGA has distribution rights for third party products.

# ANALYSIS OF FINANCIAL STATUS AND PERFORMANCE 1H23



## CONSOLIDATED INCOME STATEMENT SUMMARY

<b>Overall Operating Revenue</b>	<b>THB 7,720 mn</b> <sup>1H23</sup> Overall operating revenue for 1H23 was stable YoY.	<b>THB 3,992 mn</b> <sup>2Q23</sup> Overall operating revenue for 2Q23 was up by 1.6% YoY, growth coming from Mega We Care™ business.
<b>Gross Profit</b>	<b>THB 3,451 mn</b> <sup>1H23</sup> Gross profit for 1H23 at 44.7% improved compared to 43.7% for 1H22.	<b>THB 1,825 mn</b> <sup>2Q23</sup> Gross profit for 2Q23 at 45.7% improved compared to 42.6% for 2Q22.
<b>SG&amp;A Expenses</b>	<b>THB 2,066 mn</b> <sup>1H23</sup> SG&A expenses for 1H23 remained steady at 26.8% compared to 26.7% for 1H22.	<b>THB 1,038 mn</b> <sup>2Q23</sup> SG&A expenses for 2Q23 at 26.0% compared to 27.6% for 2Q22.
<b>Adjusted Net Profit<sup>1</sup></b>	<b>THB 1,180 mn</b> <sup>1H23</sup> Adjusted net profit for 1H23 almost flat as compared to 1H22 of THB 1,191 mn. We have been able to maintain high base of 1H22	<b>THB 641 mn</b> <sup>2Q23</sup> Adjusted net profit for 2Q23 up by 15.2% YoY, growth mainly arising due to improved gross margins of Maxxcare™ distribution business and comparatively lower SG&A spending.
<b>Reported Net Profit</b>	<b>THB 984 mn</b> <sup>1H23</sup> Reported net profit for 1H23 down by 16.8% YoY, decline mainly arising from one time impact of forex loss in Nigeria due to depreciation of Nigerian Naira to USD in 1H23.	<b>THB 531 mn</b> <sup>2Q23</sup> Reported net profit for 2Q23 down by 6.7% YoY, decline mainly arising from one time impact of forex loss in Nigeria due to depreciation of Nigerian Naira to USD in 2Q23.
<b>Operating Cash Flow</b>	<b>THB 864 mn</b> <sup>1H23</sup>	Healthy Operating cash flow for 1H23 representing 87.8% of reported net profits.
<b>Interim Dividend</b>	<b>THB 0.80 per share</b> <sup>1H23</sup>	Interim dividend of 80 satang per share representing 70.9% of 1H23 net profits and growth of 6.7% YoY has been approved by Board of Directors.

<sup>1</sup> Adjusted net profits are net profit adjusted for losses from newly started businesses including startups, net foreign exchange gains or losses and non-recurring material income or expenses or taxes, based on best estimates, to reflect normal business performance. For details, please see summarized income statement on Page 6 of this report.

# HIGHLIGHTS



**Overall operating revenue for 1H23 was**

**THB 7,720mn**

was stable YoY and THB 3,992mn for 2Q23, up by 1.6% YoY.

**Mega We Care™** revenue was THB 3,972mn for 1H23 (up by 0.4% YoY) and THB 2,019 mn for 2Q23 (up by 0.8% YoY). Southeast Asia remained stable while Africa grew at 9.8%. Compared to the high base of 1H22 where Mega We Care™ revenue grew at 23.7%, we have been able to maintain revenue in 1H23 compared to 1H22.

**Maxxcare™** revenue was THB 3,592mn for 1H23, flat YoY, and THB 1,876mn for 2Q23, flat YoY as well. Adjusting for the dual currency rate effect in Myanmar<sup>2</sup>, the Maxxcare™ revenue for 1H23 was down by 10.6% and for 2Q23 was down by 8.6%. The decline in Maxxcare™ revenue is partly attributable to loss of one principal in Myanmar, as was guided earlier.

**Overall gross margin for 1H23 improved to**

**44.7%**

compared to 43.7% for 1H22

**Overall**, the gross margins in 1H23 have improved as compared to 1H22 on account of better gross margins of Maxxcare™ distribution business.

**Mega We Care™** business gross margin in 1H22 were abnormally high at 68.0%, which has been at sustainable level of 65.2% in 1H23, as guided. The gross margins of Mega We Care™ business are influenced by revenue growth, product mix, country mix and level of output amongst other factors.

**Maxxcare™** business gross margin *adjusted* for 1H23 was 21.5%, improved compared to 17.5% for 1H22. Gross margins of Maxxcare™ business has improved partly due to exit of one principal in Myanmar which had a relatively lower gross margins and also gross margins are influenced by principal mix amongst other factors. The gross margins *adjusted* for 2Q23 was 23.1%.

The reported higher gross margins for 1H23 of 22.5% was mainly attributable to dual currency rate effect in Myanmar<sup>2</sup>, not materially impacting profitability.

**Maxxcare™** business *adjusted* net margins (EBITDA/gross profits) for 1H23 have improved to 59.9% as compared to 48.7% in 1H22 for reasons as explained above and also implementation of cost containment measures in Myanmar.



<sup>2</sup> Based on best estimates, the impact of Dual currency rate effect in Myanmar, is due to difference between bank rate of exchange by Central bank of Myanmar adopted for financial reporting per International Financial Reporting Standards vs Actual transacted market rates, resulting in inflated sales, gross margins, SG&A and forex loss, not materially impacting the overall profitability.

**Selling and administrative expenses (SG&A) was**

**THB 2,066 mn**

for 1H23, remained steady, representing 26.8% and THB 1,038mn for 2Q23 representing 26.0% compared to 26.7% for 1H22 and 27.6% for 2Q22.

**Adjusted net profit<sup>1</sup> for 1H23 came in at**

**THB 1,180 mn**

Adjusted net profit for 1H23 almost flat as compared to 1H22 of THB 1,191 mn. We have been able to maintain high base of 1H22.

Adjusted net profit for 2Q23 up by 15.2% YoY, growth mainly arising due to improved gross margins of Maxxcare™ distribution business and comparatively lower SG&A spending.

**Reported net profit for 1H23 came in at**

**THB 984mn**

Reported net profit for 1H23 down by 16.8% YoY, decline mainly arising from one time impact of forex loss in Nigeria due to depreciation of Nigerian Naira to USD in 1H23.

Reported net profit for 2Q23 down by 6.7% YoY, decline mainly arising similarly from one time impact of forex loss in Nigeria due to depreciation of Nigerian Naira to USD in 2Q23.



## Future Outlook

MEGA remains focused on further cementing its leadership position in Southeast Asia and deepening presence in the Sub-Saharan African countries, driven by market leading brands, healthy pipeline of new products, underlying potential in these regions, strategic tie-ups, partnerships, joint ventures and acquisitions. MEGA has the strategies in place to double its 2019 business by 2025. However, due to the nature of the developing and underdeveloped markets we do business in, growth may not be a straight line up but with occasional impacts that may be caused by economic, political and other factors.

# SUMMARIZED INCOME STATEMENT



## INCOME STATEMENT

Figures in THBmn	2Q22	1Q23	2Q23	YoY Gr.	1H22	1H23	YoY Gr.
Operating revenue	3,929.8	3,728.3	3,992.2	1.6%	7,749.6	7,720.5	(0.4%)
Gross profits	1,674.2	1,626.3	1,824.8	9.0%	3,384.5	3,451.1	2.0%
Gross margin (%)	42.6%	43.6%	45.7%		43.7%	44.7%	
Selling and Admin. exp (SGA)	1,084.0	1,027.7	1,038.3	(4.2%)	2,072.8	2,066.0	(0.3%)
SGA (% to operating revenue)	27.6%	27.6%	26.0%		26.7%	26.8%	
Reported net profit	569.3	453.0	530.9	(6.7%)	1,182.1	984.0	(16.8%)
Net losses from new businesses	13.1	11.7	7.3	(44.4%)	22.2	19.0	(14.3%)
Net foreign exchange loss/(gain)	(25.7)	81.1	150.5	(684.6%)	(13.0)	224.7	(1831.7%)
Normalizing tax expense	-	-	(47.5)	0.0%	-	(47.5)	0.0%
Net profit (Adjusted)	556.7	545.8	641.2	15.2%	1,191.3	1,180.2	(0.9%)

**Maintaining high base revenue in 1H23 compared to 1H22, stable gross margin and SG&A, resulted in maintaining adjusted net profits in 1H23**

## 1. Overall Revenue

**Overall operating revenue for 1H23 was**

**THB 7,720 mn**

was stable YoY and THB 3,992mn for 2Q23, up by 1.6% YoY.

**Mega We Care™** revenue was THB 3,972mn for 1H23 (up by 0.4% YoY) and THB 2,019 mn for 2Q23 (up by 0.8% YoY). Southeast Asia remained stable while Africa grew at 9.8%.

Compared to the high base of 1H22 where Mega We Care™ revenue grew at 23.7%, we have been able to maintain revenue in 1H23 compared to 1H22.

**Maxxcare™** revenue was THB 3,592mn for 1H23, flat YoY, and THB 1,876mn for 2Q23, flat YoY as well. Adjusting for the dual currency rate effect in Myanmar<sup>2</sup>, the Maxxcare™ revenue for 1H23 was down by 10.6% and for 2Q23 was down by 8.6%. The decline in Maxxcare™ revenue is partly attributable to loss of one principal in Myanmar, as was guided earlier.

Southeast Asia<sup>3</sup> and Indochina<sup>4</sup> contributed 86.7% and 78.9% of overall operating revenues for 1H23.

<sup>3</sup> Thailand, Myanmar, Vietnam, Cambodia, Malaysia, Philippines, Indonesia and Singapore.

<sup>4</sup> Thailand, Myanmar, Vietnam and Cambodia

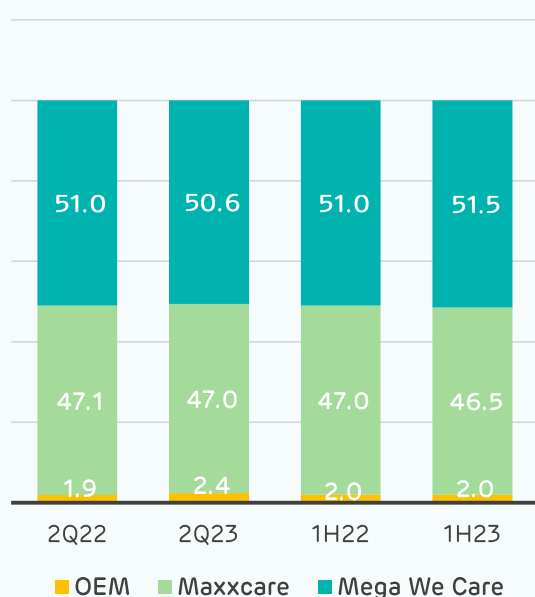
The following table represents the revenue generated under each operating segments.

## Revenue\* by Business Segment

Figures in THBmn	2Q22	1Q23	2Q23	YoY Gr.	1H22	1H23	YoY Gr.
Mega We Care™	2,003.6	1,952.6	2,019.2	0.8%	3,957.4	3,971.8	0.4%
Maxxcare™	1,852.3	1,716.6	1,875.9	1.3%	3,639.7	3,592.5	(1.3%)
OEM	73.9	59.1	97.1	31.4%	152.5	156.1	2.4%
<b>Total</b>	<b>3,929.8</b>	<b>3,728.3</b>	<b>3,992.2</b>	<b>1.6%</b>	<b>7,749.6</b>	<b>7,720.5</b>	<b>(0.4%)</b>

\*Revenue is net of inter-segment charges & eliminations relating to consolidation

## Revenue mix by segments (%)



Proportion of Mega We Care™ business revenue to total operating revenue was at 51.5% for 1H23 and 50.6% for 2Q23

Maxxcare™ business revenue to total operating revenue was 46.5% for 1H23 and 47.0% of total operating revenue for 2Q23.

Mega We Care™ revenue contribution to overall revenue marginally improved for 1H23.



## Mega We Care™ Branded Products Revenue

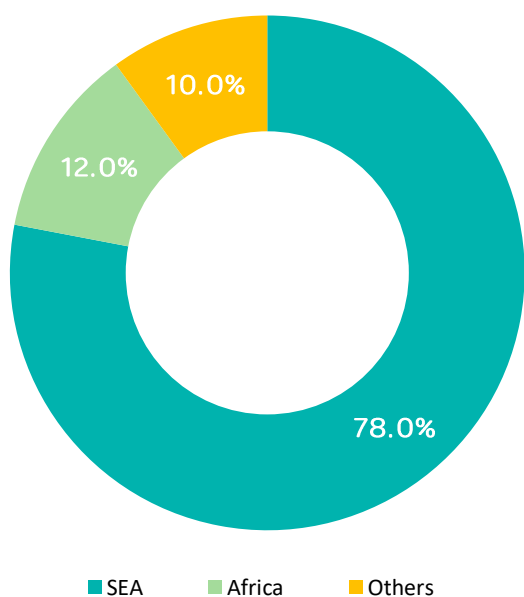
Mega We Care™ revenue was THB 3,972mn for 1H23 (up by 0.4% YoY) and THB 2,019 mn for 2Q23 (up by 0.8% YoY). Southeast Asia remained stable while Africa grew at 9.8%.

Compared to the high base of 1H22 where Mega We Care™ revenue grew at 23.7%, we have been able to maintain revenue in 1H23 compared to 1H22.

## Mega We Care™ Branded Products Revenue by Geography

Figures in THBmn	2Q22	1Q23	2Q23	YoY Gr.	1H22	1H23	YoY Gr.
Southeast Asia	1,625.3	1,519.3	1,577.1	(3.0%)	3,137.7	3,096.5	(1.3%)
Africa	216.5	230.5	246.7	14.0%	434.8	477.2	9.8%
Others	161.9	202.8	195.4	20.7%	384.9	398.2	3.4%
<b>Total</b>	<b>2,003.6</b>	<b>1,952.6</b>	<b>2,019.2</b>	<b>0.8%</b>	<b>3,957.4</b>	<b>3,971.8</b>	<b>0.4%</b>

## Mega We Care™ Branded Products Revenue by Geography (1H23)



**Southeast Asia contributed**

**78.0%**

while Indochina contributed 62.8% of Mega We Care™ branded products business revenue.

**Africa, the second largest region contributed**

**12.0%**

of the Mega We Care™ branded products business revenue.



## Maxxcare™ Distribution Revenue

Maxxcare™ Distribution Business Revenue was

THB 3,592 mn

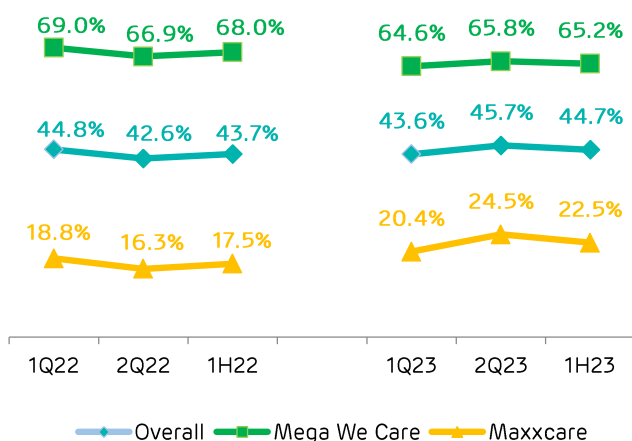
for 1H23, flat YoY and 2Q23 was THB 1,876 mn, flat YoY as well.

Maxxcare™ revenue was THB 3,592mn for 1H23, flat YoY, and THB 1,876mn for 2Q23, flat YoY as well. Adjusting for the dual currency rate effect in Myanmar<sup>2</sup>, the Maxxcare™ revenue for 1H23 was down by 10.6% and for 2Q23 was down by 8.6%. The decline in Maxxcare™ revenue is partly attributable to loss of one principal in Myanmar, as was guided earlier.



## 2. Gross Profits

### Segmental gross profit (%) to segmental operating revenue



Overall gross margin for 1H23 was

44.7%

Overall, the gross margins in 1H23 have improved as compared to 1H22 on account of better gross margins of Maxxcare™ distribution business.

Mega We Care™ business gross margin in 1H22 were abnormally high at 68.0%, which has been at sustainable level of 65.2% in 1H23, as guided. The gross margins of Mega We Care™ business are influenced by revenue growth, product mix, country mix and level of output amongst other factors.

Maxxcare™ business gross margin *adjusted* for 1H23 was 21.5%, improved compared to 17.5% for 1H22. Gross margins of Maxxcare™ business has improved partly due to exit of one principal in Myanmar which had a relatively lower gross margins and also gross margins are influenced by principal mix amongst other factors. The gross margins *adjusted* for 2Q23 was 23.1%. The reported higher gross margins for 1H23 of 22.5% was mainly attributable to dual currency rate effect in Myanmar<sup>2</sup>, not materially impacting profitability.

Maxxcare™ business *adjusted* net margins (EBITDA/gross profits) for 1H23 have improved to 59.9% as compared to 48.7% in 1H22 for reasons as explained above and also implementation of cost containment measures in Myanmar.



## Mega We Care™ Branded Products Business Gross Profit



**Mega We Care™ business gross margins remained stable at**

# 65.2%

for 1H23 and 65.8% for 2Q23 compared to 68.0% for 1H22 and 66.9% for 2Q22.

The gross margin for 1H22 were abnormally high at 68.0%, which has been at sustainable level of 65.2% in 1H23, as guided.

The gross margins of Mega We Care™ business are influenced by revenue growth, product mix, country mix and level of output amongst other factors.

## Maxxcare™ Distribution Business Gross Profit

**Maxxcare™ business gross margin was**

# 22.5%

for 1H23 compared to 17.5% for 1H22 and 24.5% for 2Q23 compared to 16.3% for 2Q22.

**Maxxcare™ business gross margin *adjusted*** for 1H23 was 21.5%, improved compared to 17.5% for 1H22. Gross margins of Maxxcare™ business has improved partly due to exit of one principal in Myanmar which had a relatively lower gross margins and also gross margins are influenced by principal mix amongst other factors. The gross margins ***adjusted*** for 2Q23 was 23.1%.

The reported higher gross margins for 1H23 of 22.5% was mainly attributable to dual currency rate effect in Myanmar<sup>2</sup>, not materially impacting profitability.

**Maxxcare™ business *adjusted*** net margins (EBITDA/gross profits) for 1H23 have improved to 59.9% as compared to 48.7% in 1H22 for reasons as explained above and also implementation of cost containment measures in Myanmar.

## OEM Business

**OEM business contributed**

# 2.0%

to overall operating revenue for 1H23.

OEM revenue came in at THB 156mn for 1H23 (up 2.4% YoY) and THB 97mn for 2Q23 (up 31.4% YoY). Gross margins came in at 32.7% for 1H23 compared to 37.3% for 1H22 and 37.6% for 2Q23 compared to 41.7% for 2Q22. Gross margins are influenced by customer mix amongst other factors.

### 3. Consolidated Selling and Administration Expenses (SG&A)

**Selling and administrative expenses (SG&A) was**

**THB 2,066 mn**

SG&A expenses for 1H23, remained steady, representing 26.8% and THB 1,038mn for 2Q23 representing 26.0% compared to 26.7% for 1H22 and 27.6% for 2Q22.

### 4. Consolidated Net Profit

**Reported net profit for 1H23 came in at**

**THB 984 mn**

Reported net profit for 1H23 down by 16.8% YoY, decline mainly arising from one time impact of forex loss in Nigeria due to depreciation of Nigerian Naira to USD in 1H23.

Reported net profit for 2Q23 down by 6.7% YoY, decline mainly arising similarly from one time impact of forex loss in Nigeria due to depreciation of Nigerian Naira to USD in 2Q23.

**Adjusted net profit for 1H23 came in at**

**THB 1,180 mn**

Adjusted net profit for 1H23 almost flat as compared to 1H22 of THB 1,191 mn. We have been able to maintain high base of 1H22.

Adjusted net profit for 2Q23 up by 15.2% YoY, growth mainly arising due to improved gross margins of Maxxcare™ distribution business and comparatively lower SG&A spending.



## 5. Cash Flow

### Operating Activities

Operating cash inflow of THB 864mn for 1H23. Operating cash inflow represents 87.8% of net profits.

### Core working capital

	Dec'22	Mar'23	Jun'23
Average receivable days	65	71	74
Average inventory days	165	166	166
Average payable days	(111)	(107)	(113)
Cash cycle (days)	119	130	126

Cash cycle days similar in Jun'23 at 126 days compared to 130 days in Mar'23 and 119 days in Dec'22.

### Investing Activities

In 1H23, THB 128mn was invested in tangible assets<sup>5</sup> mainly driven by spending of towards Thailand and Australia manufacturing plant.

#### Capex plan:

Besides regular improvement and maintenance capex which are incurred every year, an amount of THB 337mn is expected to be spent during 2023-24 towards below projects:

**Thailand:** THB 133mn towards consolidation of manufacturing operations and capacity expansion and THB 34mn towards ESG.

**Indonesia:** THB 170mn towards adding new dosage form, warehouse and plant up-gradation in acquired Indonesian manufacturing plant

We are looking at a possibility of building a manufacturing facility in Vietnam with a Capital investment of approximately USD 20 million. We are still in the process of getting finer details and more accurate information will be shared in due course.

### Financing Activities

In 1H23, net cash outflow from financing activities was THB 780mn, mainly arising from dividend payout of THB 741mn

<sup>5</sup> Capital advances are not considered as cash outflow towards acquisition of tangible assets in this report.



## 6. Balance Sheet

### Current Assets

Cash and bank balance (including cash and cash equivalents and term deposits with bank) was THB 2,751mn as at 30 June 2023, at similar level of THB 2,789 mn as at 31 December 2022.

Trade receivables were THB 3,304mn as at 30 June 2023, an increase of THB 197mn compared to THB 3,107mn as at 31 December 2022. Inventories were THB 3,889mn as at 30 June 2023, a decrease of THB 220mn compared to THB 4,109mn as at 31 December 2022. Overall the cash cycle has remained stable at 126 days as at 30 Jun 2023, similar to earlier years.

As at 30 June 2023, Current ratio was stable at 2.0 times. The cash cycle days as at 30 June 2023 was 126 days similar and comparable to 119 days as at 31 December 2022.



### Non-current Assets

Non-current assets were

**THB 4,139 mn**

as at 30 June 2023, an increase of THB 83mn or 2.0% from 31 December 2022 mainly on account of additions to tangible assets for manufacturing operations and renovation of corporate office.

### Non-current Liabilities

Non-current liabilities were

**THB 350 mn**

as at 30 June 2023, an increase of THB 19mn or 5.7% from 31 December 2022 mainly on account of change in lease liabilities and employees benefits obligation.

As at 30 June 2023, net-debt to equity was (0.28) times, while debt to equity was 0.62 times and interest bearing debt to equity at 0.03 times.

### Current Liabilities

Current liabilities were

**THB 5,252 mn**

as at 30 June 2023, a decrease of THB 287mn or 5.2% compared to 31 December 2022. The decrease in current liabilities was mainly a result of payment for trade payables, taxes and settlement of accrued expenses.

Trade payables were THB 2,670mn as at 30 June 2023, a decrease of THB 123mn or 4.4% from 31 December 2022 levels. Overall the cash cycle has remained stable at 126 days as at 30 Jun 2023, similar to earlier years.

### Shareholders' Equity

Shareholders' equity was

**THB 9,095 mn**

as at 30 June 2023, an increase of THB 319mn compared to 31 December 2022, mainly driven by 1H23 net profits net of dividend payouts and translation gains due to depreciation of THB to USD.



# CONSOLIDATED BALANCE SHEET

Figures in THBmn	30-Jun-23		31-Dec-22		Change	
	Amount	%	Amount	%	Amount	%
<b>Current Assets</b>						
Cash and bank balances <sup>6</sup>	2,750.7	18.7%	2,788.9	19.0%	(38.2)	(1.4%)
Trade accounts receivable	3,304.3	22.5%	3,107.2	21.2%	197.1	6.3%
Inventories	3,888.7	26.5%	4,108.5	28.1%	(219.8)	(5.4%)
Other current assets	614.8	4.2%	585.4	4.0%	29.4	5.0%
<b>Total Current Assets</b>	<b>10,558.4</b>	<b>71.8%</b>	<b>10,590.0</b>	<b>72.3%</b>	<b>(31.6)</b>	<b>(0.3%)</b>
<b>Non-Current Assets</b>						
Property, plant and equipment <sup>7</sup>	1,977.5	13.5%	1,936.2	13.2%	41.3	2.1%
Intangible assets <sup>8</sup>	1,339.5	9.1%	1,329.2	9.1%	10.3	0.8%
Deferred tax asset	273.1	1.9%	250.3	1.7%	22.8	9.1%
Right-of-use assets	256.0	1.7%	249.3	1.7%	6.7	2.7%
Other non-current assets	292.8	2.0%	291.5	2.0%	1.4	0.5%
<b>Total Non-Current Assets</b>	<b>4,139.0</b>	<b>28.2%</b>	<b>4,056.4</b>	<b>27.7%</b>	<b>82.5</b>	<b>2.0%</b>
<b>Total Assets</b>	<b>14,697.4</b>	<b>100.0%</b>	<b>14,646.4</b>	<b>100.0%</b>	<b>51.0</b>	<b>0.3%</b>
<b>Current Liabilities</b>						
Bank overdrafts & short-term Loans	275.0	1.9%	229.2	1.6%	45.8	20.0%
Trade accounts payable	2,670.0	18.2%	2,793.4	19.1%	(123.4)	(4.4%)
Other payables	1,340.2	9.1%	1,286.5	8.8%	53.7	4.2%
Current portion of lease liabilities	54.4	0.4%	83.0	0.6%	(28.6)	(34.5%)
Income tax payable	126.0	0.9%	204.2	1.4%	(78.2)	(38.3%)
Accrued expenses	786.0	5.3%	941.8	6.4%	(155.8)	(16.5%)
<b>Total Current Liabilities</b>	<b>5,251.6</b>	<b>35.7%</b>	<b>5,538.0</b>	<b>37.8%</b>	<b>(286.5)</b>	<b>(5.2%)</b>
<b>Non-Current Liabilities</b>						
Lease liabilities	118.4	0.8%	108.7	0.7%	9.7	8.9%
Deferred tax liability	1.0	0.0%	0.0	0.0%	1.0	
Employees benefits obligation	231.0	1.6%	222.9	1.5%	8.0	3.6%
Other non-current liabilities	0.0	0.0%	0.0	0.0%	0.0	
<b>Total Non-Current Liabilities</b>	<b>350.4</b>	<b>2.4%</b>	<b>331.7</b>	<b>2.3%</b>	<b>18.7</b>	<b>5.7%</b>
<b>Total Liabilities</b>	<b>5,602.0</b>	<b>38.1%</b>	<b>5,869.7</b>	<b>40.1%</b>	<b>(267.7)</b>	<b>(4.6%)</b>
<b>Equity</b>						
Issued and paid-up share capital	435.9	3.0%	435.9	3.0%	0.0	0.00%
Premium on ordinary shares	2,304.5	15.7%	2,304.5	15.7%	0.0	0.00%
Retained earnings:						
Appropriated	76.1	0.5%	76.1	0.5%	0.0	0.0%
Unappropriated	6,838.0	46.5%	6,595.1	45.0%	242.8	3.7%
Other components of equity	(559.2)	(3.8%)	(635.0)	(4.3%)	75.8	(11.9%)
<b>Owner's Equity</b>	<b>9,095.3</b>	<b>61.9%</b>	<b>8,776.7</b>	<b>60.3%</b>	<b>318.7</b>	<b>3.6%</b>
Non-controlling interests	0.1	0.0%	0.1	0.0%	0.0	51.1%
<b>Total Equity</b>	<b>9,095.4</b>	<b>61.9%</b>	<b>8,776.7</b>	<b>59.9%</b>	<b>318.7</b>	<b>3.6%</b>
<b>Total Liabilities and Equity</b>	<b>14,697.4</b>	<b>100.0%</b>	<b>14,646.4</b>	<b>100.0%</b>	<b>51.0</b>	<b>0.3%</b>

6 Cash and bank balances as at balance sheet dates include non-restricted term deposits with banks

7 Includes asset classified as investment property of THB 35.2mn as at Jun'23 and THB 34.9mn as at Dec'22.

8 Includes goodwill of THB 478.6mn as at Jun'23 and THB 465.9mn as at Dec'22.

# CONSOLIDATED INCOME STATEMENT

Figures in THBmn	2Q22	1Q23	2Q23	YoY Gr.	1H22	1H23	YoY Gr.
Operating Revenue	3,929.8	3,728.3	3,992.2	1.6%	7,749.6	7,720.5	(0.4%)
Other income	22.4	17.6	19.2	(14.5%)	36.2	36.7	1.5%
<b>Total Income</b>	<b>3,952.3</b>	<b>3,745.9</b>	<b>4,011.3</b>	<b>1.5%</b>	<b>7,785.8</b>	<b>7,757.2</b>	<b>(0.4%)</b>
Cost of goods sold	2,255.7	2,102.0	2,167.4	(3.9%)	4,365.1	4,269.4	(2.2%)
<b>Gross profits</b>	<b>1,674.2</b>	<b>1,626.3</b>	<b>1,824.8</b>	<b>9.0%</b>	<b>3,384.5</b>	<b>3,451.1</b>	<b>2.0%</b>
Gross margin (%)	42.6%	43.6%	45.7%		43.7%	44.7%	
Selling expense	622.7	611.0	617.1	(0.9%)	1,230.3	1,228.1	(0.2%)
Administrative expense	461.3	416.7	421.2	(8.7%)	842.5	837.9	(0.5%)
<b>Selling &amp; Administrative exp (SGA)</b>	<b>1,084.0</b>	<b>1,027.7</b>	<b>1,038.3</b>	<b>(4.2%)</b>	<b>2,072.8</b>	<b>2,066.0</b>	<b>(0.3%)</b>
SGA (% to operating revenue)	27.6%	27.6%	26.0%		26.7%	26.8%	
Net foreign exchange loss/(gain)	(25.7)	81.1	225.8	(977.1%)	(13.0)	306.8	(2464.6%)
Depreciation & Amortization	67.7	69.3	70.9	4.8%	134.5	140.3	4.3%
Finance cost	6.4	9.2	9.0	39.9%	12.4	18.2	47.7%
Share of profit/(loss) from JV	0.0	0.2	0.0	(394.2%)	(0.1)	0.2	(427.9%)
Profit before tax	631.9	526.0	571.0	(9.6%)	1,348.5	1,097.0	(18.7%)
Tax expense	62.6	73.0	40.1	(35.9%)	166.4	113.0	(32.1%)
<b>Reported net profit</b>	<b>569.3</b>	<b>453.0</b>	<b>530.9</b>	<b>(6.7%)</b>	<b>1,182.1</b>	<b>984.0</b>	<b>(16.8%)</b>
Basic earning per share	0.65	0.52	0.61	(6.7%)	1.36	1.13	(16.8%)
Net losses from new businesses	13.1	11.7	7.3	(44.4%)	22.2	19.0	-14.3%
Net foreign exchange loss/(gain)	(25.7)	81.1	150.5	(684.6%)	(13.0)	224.7	(1831.7%)
Normalizing tax expense	-	-	(47.5)		-	(47.5)	
Normalized tax expense%	<b>9.9%</b>	<b>13.9%</b>	<b>12.0%</b>		<b>12.3%</b>	<b>12.8%</b>	
<b>Net profit (Adjusted)</b>	<b>556.7</b>	<b>545.8</b>	<b>641.2</b>	<b>15.2%</b>	<b>1,191.3</b>	<b>1,180.2</b>	<b>(0.9%)</b>
<b>Net profit margin to operating revenue</b>	<b>14.2%</b>	<b>14.6%</b>	<b>16.1%</b>		<b>15.4%</b>	<b>15.3%</b>	
<b>Basic earning per share</b>	<b>0.64</b>	<b>0.63</b>	<b>0.74</b>	<b>15.2%</b>	<b>1.37</b>	<b>1.35</b>	<b>(0.9%)</b>

## Disclaimer

The information contained in our analysis is intended solely for your personal reference only. In addition, any forward-looking statements reflect our current views with respect to future events and financial performance.

These views are based on assumptions subject to various risks and uncertainties. No assurance is given that future events will occur or that our assumptions are correct. Actual results may differ materially from those projected.