

-Translations-

At ICHI- 008/2023

August 9th, 2023

Subject: Report on operating results of Quarter 2/2023 and sixth-month periods, ended June 30th, 2023.
To: President,
The Stock Exchange of Thailand

Ichitan Group Public Company Limited (“the Company”) reported on operating results of Quarter 2/2023 and sixth-month periods, ended June 30th, 2023 as following;

Revenue

In Quarter 2/2023, the Company had sales revenue of 2,029.7 million baht, which increased by 413.2 million baht or equivalent to 25.6% from the same period of previous year that earned sales revenue of 1,616.5 million baht, resulting from domestic sales increased by 26.0% from the growth of the ready-to-drink tea market segment and new products, export sales increased by 22.5% due to the economic recovery of trading partner countries and revenue from contract manufacturing (OEM).

In the first half of year 2023 and year 2022, the Company had earned sales revenue of 3,862.3 million baht and 3,058.8 million baht respectively, which increased by 803.5 million baht or equivalent to 26.3%, with domestic sales increasing 27.8% from the growth of the ready-to-drink tea market segment and new products, for the export sales increased by 13.1% due to the economic recovery of trading partner countries and revenue from contract manufacturing (OEM) in the 2nd quarter of 2023.

Cost of sales

In Quarter 2/2023, the Company had cost of sales was 1,563.7 million baht or equivalent to the cost of sales to revenue of 77.0%. The cost of sales in the same period of the previous year was 1,325.3 million baht or 82.0% of sales, the cost of sales ratio decreased due to producing much more products according to market demand (Economy of Scale), the adjustment of the sugar reduction formula in some groups of products and the price of some raw materials decreased.

In the first half of year 2023 and year 2022, the Company had cost of sales of 3,015.7 million baht and 2,555.3 million baht respectively, which accounted for 78.1% and 83.5% of sales revenue, the cost of sales ratio decreased from the producing much more products according to market demand (Economy of Scale), the adjustment of the sugar reduction formula in some groups of products and the price of some raw materials decreased.

Distribution Costs

The Company had distribution costs in Quarter 2/2023 and Quarter 2/2022, were accounted for 111.5 million baht and 74.6 million baht respectively, or equivalent to 5.5% which was increased from the same quarter of previous year that was 4.6% due to increased marketing budget for new products.

In the first half of year 2023 and year 2022, the Company had distribution costs of 194.8 million baht and 132.4 million baht or equivalent to 5.0% and 4.3% of sales revenue respectively, the distribution costs has increased from the use of marketing budget for new products.

Administrative Expenses

The Company had administrative expenses in Quarter 2/2023 and Quarter 2/2022 were 46.8 million baht and 43.9 million baht respectively, and the ratio of administrative expense to sales were 2.3% and 2.7% respectively, which administrative expense ratio was slightly decreased.

In the first half of year 2023 and year 2022, the Company had administrative expenses of 83.2 million baht and 82.7 million baht, or 2.2% and 2.7% of sales revenue respectively, which administrative expense ratio was slightly decreased.

Finance Costs

The Company had finance costs in Quarter 2/2023 was 0.5 million baht which equal to Quarter 2/2022 that had finance costs of 0.5million baht.

In the first half of year 2023 and year 2022, the Company had finance costs of 0.9 million baht and 1.0 million baht respectively, the finance costs slightly decreased.

Share of profit of investment in joint venture

The Company had share of profit of investment in joint venture in Quarter 2/2023 and Quarter 2/2022 were 1.0 million baht and 14.6 million baht respectively. The share of profit from investment had decreased by 13.6 million baht, due to the use of marketing communications budget and intense price competition in Indonesia.

In the first half of year 2023 and year 2022, the Company had share of profit at 10.5 million baht and 44.6 million baht respectively, the share of profit had been decreased by 34.1 million baht, due to the use of marketing communications budget since Quarter 1/2023 and intense price competition in Indonesia.

Net profit

The Company's net profit in Quarter 2/2023 and Quarter 2/2022 earned 255.6 million baht and 152.5 million baht, or accounted for the net profit margin to sales revenues of 12.6% and 9.4% respectively. As a result, this period's net profit increased by 103.1 million baht or equal to 67.6%. In the first half of year 2023 and year 2022, the Company earned net profit of 477.3 million baht or equivalent to net profit margin of 12.4%, as compared to the same period of previous year that earned 256.5 million baht or equivalent to net profit margin to sales revenues of 8.4%. As a result, this period's net profit increased by 220.8 million baht or equivalent to 86.1%

Please be informed accordingly.

Yours Sincerely,



(Mrs.Eng Passakornnatee)

Senior Executive Vice President

Ichitan Group PLC.