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August 10<sup>th</sup>, 2023

Subject Management Discussion and Analysis of the 2<sup>nd</sup> Quarter in 2023

To Directors & Managers  
The Stock Exchange of Thailand

Inter Pharma Public Co., Ltd. (“the Company”) hereby submitting management discussion and analysis for the 3-month and 6-month periods ended June 30<sup>th</sup>, 2023 as per here below:

	Q2'23		Q2'22		Change		1H2023		1H2022		Change	
	MB	MB	MB	MB	MB	%	MB	MB	MB	MB	MB	%
Revenue from Sales & Services	444.29	406.44	37.86	9.3	917.32	679.91	237.42	34.9				
Total Revenue	447.69	408.24	39.44	9.7	925.17	684.48	240.69	35.2				
Cost of goods sold	274.67	256.26	18.42	7.2	558.88	409.89	148.99	36.3				
Gross Profit	169.62	150.18	19.44	12.9	358.45	270.02	88.43	32.7				
%Gross Profit	38.2%	36.9%			39.1%	39.7%						
Selling & Distribution Expenses	92.51	79.84	12.67	15.9	166.95	120.49	46.47	38.6				
Administrative expenses	54.18	40.13	14.05	35.0	109.08	74.94	34.14	45.6				
Selling, Distribution & Administrative Exp.	146.69	119.97	26.72	22.3	276.03	195.43	80.61	41.2				
%Selling, Distribution & Administrative Exp.	33.0%	29.5%			30.1%	28.7%						
Net Profit	14.30	31.56	-17.26	-54.7	56.89	63.98	-7.09	-11.1				
%Net Profit	3.2%	7.7%			6.1%	9.3%						

## Overview

Operating results for the three-month period ended June 30<sup>th</sup>, 2023, the Company had revenue from sales of THB 444.29 million, increased by THB 37.86 million or 9.3% compared to the same period last year. The growth was from human healthcare segment THB 299.73 million or 67.5%, animal healthcare segment increased by THB 88.07 million or 19.8% and also Hospital segment increased by THB 56.49 million or 12.7% compared to same period last year. The hospital segment was included in 2<sup>nd</sup> quarter this year, this segment was not included in 2<sup>nd</sup> quarter last year.

Operating results for the six-month period ended June 30<sup>th</sup>, 2023, the Company had revenue from sales and service of THB 917.32 million, increased by THB 237.42 million or 34.9% compared to same period last year. This was contributed by human healthcare segment THB 635.86 million, 69.3% growth compared to the same period last year and revenue from animal healthcare segment was THB 171.51 million, increased by 18.7%. The hospital segment was increased by THB 110 million, 12% growth for first half of 2023.

	Q2'23		Q2'22		Change		1H2023		1H2022		Change	
	MB	%	MB	%	MB	%	MB	%	MB	%	MB	%
1. Pharmaceutical Products	87.8	19.8	106.9	26.1	-19.1	-17.9	195.4	21.3	191.8	28.2	3.6	1.9
2. Wellness & Anti-Aging Nutraceuticals/Cosmeceuticals Aesthetic	65.4	14.7	87.1	21.3	-21.7	-24.9	156.5	17.1	176.5	26.0	-20.0	-11.3
3. Companion Animal Healthcare	80.3	18.1	69.7	17.0	10.6	15.3	152.4	16.6	143.1	21.0	9.3	6.5
4. Livestock Animal Healthcare	8.2	1.8	20.6	5.0	-12.4	-60.3	19.6	2.1	43.4	6.4	-23.9	-55.0
5. Pharmacy store	146.0	32.9	125.1	30.6	20.9	16.7	283.5	30.9	125.1	18.4	158.4	126.6
6. Hospital	56.5	12.7	-	-	56.5	100.0	110.0	12.0	-	-	110.0	100.0
<b>Revenue from Sales &amp; Services</b>	<b>444.3</b>	<b>100.0</b>	<b>409.4</b>	<b>100.0</b>	<b>34.9</b>	<b>8.5</b>	<b>917.3</b>	<b>100.0</b>	<b>679.9</b>	<b>100.0</b>	<b>237.4</b>	<b>34.9</b>

## Revenue by Segment

Operating results for the three-month period ended June 30<sup>th</sup> 2023, revenue of Pharmaceutical Products accounted for THB 87.8 million, increased by THB 19.1 million, 17.9% compared to the same period last year, Companion Animal Healthcare segment increased by 15.3%, the highest contribution was Pet food under brand MARIA and CHOO CHOO and medicated shampoo for pet. Revenue from pharmacy stores was THB 146.0 million, represented as 32.9% of revenue from sales. Currently, there are 27 stores and 1 online platform. We expect to open 3-5 new stores in the second half of the year 2023. The hospital segment has THB 56.5 million, 12.7% of revenue from sales

Operating result for the six-month period ended June 30<sup>th</sup>, 2023, revenue from Pharmaceutical Products posted THB 195.4 million, or 1.9% growth YoY, represented as 21.3% of revenue from sales. Companion Animal Healthcare segment increased by 6.5%, growth YoY, represented as 16.6% of revenue from sales, the growth was driven by Pet Food and Nutraceuticals from Pet, from pharmacy store THB 283.5 million or 126.6% growth YoY. And also from hospital segment THB 110 million.

	Q2'23		Q2'22		Change		1H2023		1H2022		Change	
	MB	%	MB	%	MB	%	MB	%	MB	%	MB	%
Cost of goods sold	274.67	61.82	256.26	63.05	18.42	7.2	558.88	60.92	409.89	60.29	148.99	36.3
Selling & Distribution Expenses	92.51	20.82	79.84	19.64	12.67	15.9	166.95	18.20	120.49	17.72	46.47	38.6
Administrative expenses	54.18	12.19	40.13	9.87	14.05	35.0	109.08	11.89	74.94	11.02	34.14	45.6
Financial cost	6.69	1.51	6.21	1.53	0.48	7.7	13.47	1.47	9.66	1.42	3.81	39.4
<b>Total Expenses</b>	<b>428.06</b>	<b>96.35</b>	<b>382.44</b>	<b>94.10</b>	<b>45.62</b>	<b>11.9</b>	<b>848.38</b>	<b>92.48</b>	<b>614.97</b>	<b>90.45</b>	<b>233.40</b>	<b>38.0</b>
Revenue from Sales & Services	444.29	100.00	406.44	100.00	37.86	9.3	917.32	100.00	679.91	100.00	237.42	34.9

## Cost of Goods sold and Gross Profit

For the three-month and six-month periods ended June 30<sup>th</sup>, 2023, Cost of goods sold amounted to THB 274.67 million and THB 558.88 million respectively, increased from the same period last year. The cost of goods sold was 61.82% and 60.92% respectively of revenue from sales gross profit margin increased from the same period last year. due to the change in product sales mix and consolidation of pharmacy store and hospital segments.

### Selling Expenses

Selling expenses for the three-month and six-month periods ended June 30<sup>th</sup>, 2023, amounted to THB 92.51 million and THB 166.95 million, respectively, increased from the same period last year. The selling expenses were 20.82% and 18.20% respectively. Most selling expenses varied with revenue from sales i.e., advertising expenses, commission for sales team, distribution fee paid to Zuellig Pharma under distribution agreement. Major selling expenses included employee expenses, pharmacist, store rental expense, and related selling expense mainly from consolidation of pharmacy store and hospital segments.

### Administrative Expenses

Administrative Expenses for the three-month and six-month periods ended June 30<sup>th</sup>, 2023 amounted to THB 54.18 million and THB 109.08 million respectively. Administrative Expenses were 12.19% and 11.89% of revenue from sales, respectively, increased from the same period last year. Mainly from the consolidation of Pharmacy store and hospital and also the staff expenses of our subsidiary company was increased.

### Net Profit

Net Profit for the three-month and six-month periods ended June 30<sup>th</sup>, 2023 amount of THB 14.30 million and THB 56.89 million, or 3.2% and 6.1% of revenue from sales, respectively. The net profit margin decreased compared to the same period last year due mainly to increasing in cost of raw material and packaging for Pharmaceutical Product. And also we invested higher marketing expenses both billboard and online channel. However, the net profit of pharmacy store and hospital business were increased.

### Financial Position

	As at June 30, 2023		As at December 31, 2022		Change	
	MB		MB		MB	%
Total Asset	2,942.37		3,025.83		-83.46	-2.8
Total Liabilities	878.95		952.25		-73.30	-7.7
Total Shareholders' Equity	2,063.42		2,073.58		-10.16	-0.5

#### Total Assets

The total assets of the Company and its subsidiaries as of June 30<sup>th</sup>, 2023 reported THB 2,942.37 million, a decrease of THB 83.46 million or 2.8% compared to as at December 31<sup>st</sup>, 2022 which was mainly from higher current assets THB 208 million. The majority consists of cash and cash equivalent, trade account receivables. And non-current assets increased by THB 124 million, mainly from restricted bank deposits and right-of-use assets.

#### Total Liabilities

The total liabilities of the Company and its subsidiaries as of June 30<sup>th</sup>, 2023, amounted to THB 879 million, a decrease of THB 73.30 million or 7.7% compared to as at December 31<sup>st</sup>, 2022. This was due to decrease in current liability THB 30 million from trade account payable, short-term loan from bank and accrue income tax. Non-current liability decreased by THB 73 million from long-term loan.

### **Shareholders' Equity**

The shareholders' equity of the Company and its subsidiaries as of June 30<sup>th</sup>, 2023, amounted to THB 2,063.42 million, a decrease of THB 10.16 million or 0.5% compared of as at December 31st, 2022, which mainly contributed by the net profit for six-month of 2023 at THB 51 million and paid of dividend THB 67 million.

**Yours sincerely,**

Chatkaew Krudkosol  
Chief Finance Officer