



MANAGEMENT DISCUSSION AND ANALYSIS

9 Months 2023

MEGA Lifesciences Public Company Limited



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 9M23

CONSOLIDATED INCOME STATEMENT SUMMARY



Overall Operating Revenue **THB 11,523 mn** ^{9M23}
 Overall operating revenue for 9M23 had a marginal decline of 2.4% YoY, attributable to 3Q23 decline.

THB 3,803 mn ^{3Q23}
 Overall operating revenue for 3Q23 declined by 6.2% YoY, mainly due to appreciation in Thai Baht in 3Q23 compared to 3Q22.

Gross Profit **THB 5,190 mn** ^{9M23}
 Gross profit for 9M23 stable at 45%

THB 1,739 mn ^{3Q23}
 Gross profit for 3Q23 stable at 46%

SG&A Expenses **THB 3,087 mn** ^{9M23}
 SG&A expenses for 9M23 remained stable at 27%

THB 1,021 mn ^{3Q23}
 SG&A expenses for 3Q23 remained stable at 27%

Adjusted Net Profit¹ **THB 1,706 mn** ^{9M23}
 Adjusted net profit for 9M23 remained steady at THB 1,706 mn. 9M22 adjusted net profits¹ were THB 1,774 mn.

THB 526 mn ^{3Q23}
 Adjusted net profit for 3Q23 decline by 9.8% YoY, commensurate with decline in revenue as explained above.

Reported Net Profit **THB 1,519 mn** ^{1H23}
 Reported net profit for 9M23 down by 17.4% YoY, decline mainly arising from one time impact of forex loss in Nigeria due to depreciation of Nigerian Naira to USD in 9M23.

THB 535 mn ^{3Q23}
 Reported net profit for 3Q23 decline by 18.7% YoY, mainly arising on account of strengthening of Thai Baht.

Operating Cash Flow **THB 1,561 mn** ^{9M23}

Healthy Operating cash flow for 9M23 representing 103% of reported net profits.

¹ 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 9M23 was

THB 11,523mn

Decline of 2.4% YoY and THB 3,803mn for 3Q23, decline by 6.2% YoY.

Mega We Care™ revenue was THB 5,879mn for 9M23 decline of 1.9% YoY, mainly arising from decline in 3Q23. **Mega We Care™** revenue was THB 1,907 mn for 3Q23, decline of 6.2% YoY, mainly due to appreciation in Thai Baht in 3Q23 compared to 3Q22. Southeast Asia had a marginal decline of 2.8% while Africa grew at 3.6%. Compared to the high base of 9M22 where Mega We Care™ revenue grew at 14.3%, we have been able to maintain revenue in 9M23.

Maxxcare™ revenue was THB 5,417mn for 9M23, decline of 2.7% YoY, and THB 1,825mn for 3Q23, decline of 5.3% YoY. Adjusting for the dual currency rate effect in Myanmar², the Maxxcare™ revenue for 9M23 was down by 9.8% and for 3Q23 was down by 8.2%. The decline in Maxxcare™ revenue is mainly attributable to loss of one principal in Myanmar, as was guided earlier.

Overall gross margin for 9M23 improved to

45.0%

compared to 44.5% for 9M22

Overall, the gross margins in 9M23 have improved as compared to 9M22 on account of better gross margins of Maxxcare™ distribution business.

Mega We Care™ business gross margin in 9M22 were abnormally high at 67.6%, which has been at sustainable level of 65.2% in 9M23, 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 9M23 was 22.4%, improved compared to gross margin *adjusted* 19.2% for 9M22. Gross margins of Maxxcare™ business has improved partly due to exit of one principal in Myanmar which had relatively lower gross margins and also gross margins are influenced by principal mix amongst other factors. The gross margins *adjusted* for 3Q23 was 24.0% as compared to gross margins *adjusted* of 22.7% in 3Q22.

The reported higher gross margins for 9M23 of 23.7% was mainly attributable to dual currency rate effect in Myanmar², not materially impacting profitability.



2 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 3,087 mn

for 9M23, remained stable, representing 26.8% and THB 1,021mn for 3Q23 representing 26.8% compared to 26.8% for 9M22 and 27.0% for 3Q22.

Adjusted net profit¹ for 9M23 came in at

THB 1,706 mn

Adjusted net profit for 9M23 remained steady at THB 1,706 mn. 9M22 adjusted net profits¹ were THB 1,774 mn.

Adjusted net profit for 3Q23 at THB 526 mn, decline by 9.8% YoY, commensurate with decline in revenue as explained above.

Reported net profit for 9M23 came in at

THB 1,519 mn

Reported net profit for 9M23 down by 17.4% YoY, decline mainly arising from one time impact of forex loss in Nigeria due to depreciation of Nigerian Naira to USD in 9M23.

Reported net profit of THB 535 mn for 3Q23 decline by 18.7% YoY, mainly arising on account of strengthening of Thai Baht.

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	3Q22	2Q23	3Q23	YoY Gr.	9M22	9M23	YoY Gr.
Operating revenue	4,052.2	3,992.2	3,802.9	(6.2%)	11,801.8	11,523.4	(2.4%)
Gross profits	1,863.8	1,824.8	1,738.9	(6.7%)	5,248.4	5,190.0	(1.1%)
Gross margin (%)	46.0%	45.7%	45.7%		44.5%	45.0%	
Selling and Admin. exp (SGA)	1,094.3	1,038.3	1,020.8	(6.7%)	3,167.1	3,086.8	(2.5%)
SGA (% to operating revenue)	27.0%	26.0%	26.8%		26.8%	26.8%	
Reported net profit	658.2	530.9	535.4	(18.7%)	1,840.3	1,519.4	(17.4%)
Net losses from new businesses	21.2	7.3	11.3	(46.5%)	43.4	30.4	(30.0%)
Net foreign exchange loss/(gain)	(96.9)	150.5	(37.7)	(61.1%)	(109.8)	187.0	(270.2%)
Normalizing tax expense	-	(47.5)	16.5		-	(31.0)	
Net profit (Adjusted)	582.5	641.2	525.5	(9.8%)	1,773.9	1,705.7	(3.8%)

Maintaining high base revenue, stable gross margin and SG&A in 9M23 compared to 9M22, resulted in maintaining high base adjusted net profits

1. Overall Revenue

Overall operating revenue for 9M23 was

THB 11,523 mn

Decline of 2.4% YoY and THB 3,803mn for 3Q23, decline by 6.2% YoY.

Mega We Care™ revenue was THB 5,879mn for 9M23 decline of 1.9% YoY, mainly arising from decline in 3Q23. **Mega We Care™ revenue** was THB 1,907 mn for 3Q23, decline of 6.2% YoY, mainly due to appreciation in Thai Baht in 3Q23 compared to 3Q22. Southeast Asia had a marginal decline of 2.8% while Africa grew at 3.6%. Compared to the high base of 9M22 where Mega We Care™ revenue grew at 14.3%, we have been able to maintain revenue in 9M23.

Maxxcare™ revenue was THB 5,417mn for 9M23, decline of 2.7% YoY, and THB 1,825mn for 3Q23, decline of 5.3% YoY. Adjusting for the dual currency rate effect in Myanmar², the Maxxcare™ revenue for 9M23 was down by 9.8% and for 3Q23 was down by 8.2%. The decline in Maxxcare™ revenue is mainly attributable to loss of one principal in Myanmar, as was guided earlier.

Southeast Asia³ and Indochina⁴ contributed 87.0% and 79.0% of overall operating revenues for 9M23.

³ Thailand, Myanmar, Vietnam, Cambodia, Malaysia, Philippines, Indonesia and Singapore.

⁴ Thailand, Myanmar, Vietnam and Cambodia

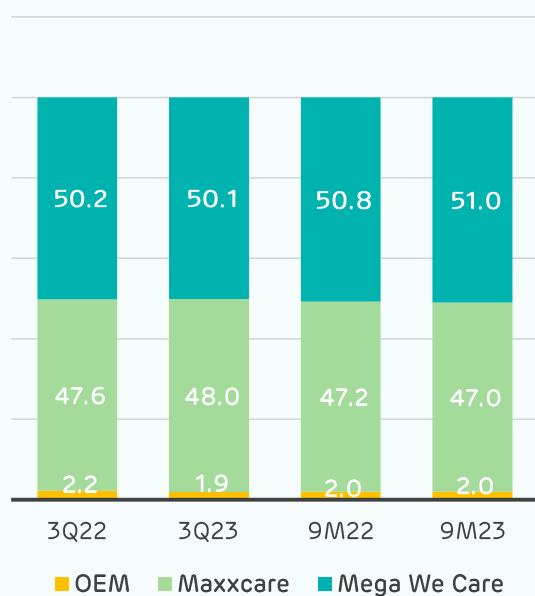
The following table represents the revenue generated under each operating segments.

Revenue* by Business Segment

Figures in THBmn	3Q22	2Q23	3Q23	YoY Gr.	9M22	9M23	YoY Gr.
Mega We Care™	2,033.9	2,019.2	1,907.3	(6.2%)	5,991.3	5,879.2	(1.9%)
Maxxcare™	1,928.0	1,875.9	1,824.9	(5.3%)	5,567.7	5,417.4	(2.7%)
OEM	90.3	97.1	70.7	(21.7%)	242.7	226.8	(6.6%)
Total	4,052.2	3,992.2	3,802.9	(6.2%)	11,801.8	11,523.4	(2.4%)

*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 51.0% for 9M23 and 50.1% for 3Q23

Maxxcare™ business revenue to total operating revenue was 47.0% for 9M23 and 48.0% of total operating revenue for 3Q23.

Mega We Care™ revenue contribution to overall revenue marginally improved for 9M23.



Mega We Care™ Branded Products Revenue

Mega We Care™ revenue was THB 5,879mn for 9M23 decline of 1.9% YoY, mainly arising from decline in 3Q23. Mega We Care™ revenue was THB 1,907 mn for 3Q23, decline of 6.2% YoY, mainly due to appreciation in Thai Baht in 3Q23 compared to 3Q22.

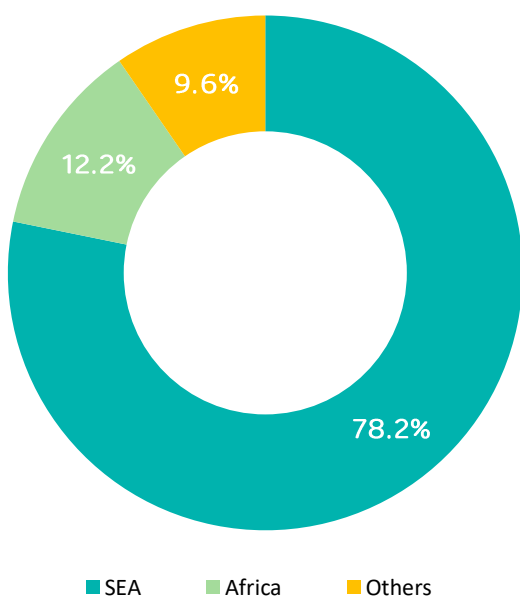
Southeast Asia had a marginal decline of 2.8% while Africa grew at 3.6%.

Compared to the high base of 9M22 where Mega We Care™ revenue grew at 14.3%, we have been able to maintain revenue in 9M23.

Mega We Care™ Branded Products Revenue by Geography

Figures in THBmn	3Q22	2Q23	3Q23	YoY Gr.	9M22	9M23	YoY Gr.
Southeast Asia	1,595.4	1,577.1	1,503.4	(5.8%)	4,733.0	4,599.9	(2.8%)
Africa	255.9	246.7	238.4	(6.8%)	690.7	715.6	3.6%
Others	182.7	195.4	165.5	(9.4%)	567.6	563.7	(0.7%)
Total	2,033.9	2,019.2	1,907.3	(6.2%)	5,991.3	5,879.2	(1.9%)

Mega We Care™ Branded Products Revenue by Geography (9M23)



Southeast Asia contributed

78.2%

while Indochina contributed 62.5% of Mega We Care™ branded products business revenue.

Africa, the second largest region contributed

12.2%

of the Mega We Care™ branded products business revenue.

Maxxcare™ Distribution Revenue

Maxxcare™ Distribution Business Revenue was

THB 5,417 mn

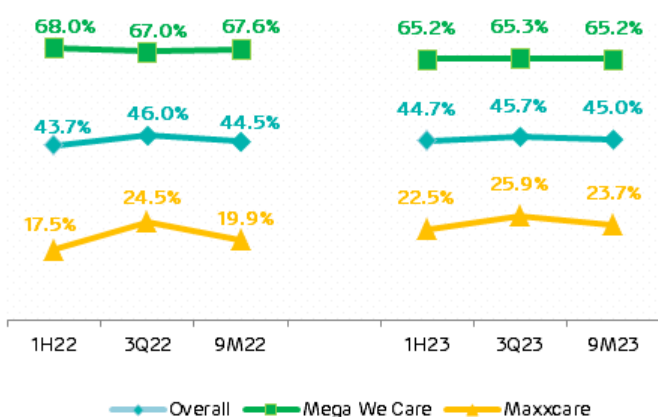
for 9M23, decline of 2.7% YoY and 3Q23 was THB 1,825 mn, decline of 5.3% YoY.

Maxxcare™ revenue was THB 5,417mn for 9M23, decline of 2.7% YoY, and THB 1,825mn for 3Q23, decline of 5.3% YoY. Adjusting for the dual currency rate effect in Myanmar², the Maxxcare™ revenue for 9M23 was down by 9.8% and for 3Q23 was down by 8.2%. The decline in Maxxcare™ revenue is mainly 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 9M23 was **45.0%**

Overall, the gross margins in 9M23 have improved as compared to 9M22 on account of better gross margins of Maxxcare™ distribution business.

Mega We Care™ business gross margin in 9M22 were abnormally high at 67.6%, which has been at sustainable level of 65.2% in 9M23, 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 9M23 was 22.4%, improved compared to gross margin *adjusted* 19.2% for 9M22. 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 3Q23 was 24.0% as compared to gross margins *adjusted* of 22.7% in 3Q22.

The reported higher gross margins for 9M23 of 23.7% was mainly attributable to dual currency rate effect in Myanmar², not materially impacting profitability.



Mega We Care™ Branded Products Business Gross Profit



Mega We Care™ business gross margins remained stable at

65.2%

for 9M23 and 65.3% for 3Q23 compared to 67.6% for 9M22 and 67.0% for 3Q22.

Mega We Care™ business gross margin in 9M22 were abnormally high at 67.6%, which has been at sustainable level of 65.2% in 9M23, 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

23.7%

for 9M23 compared to 19.9% for 9M22 and 25.9% for 3Q23 compared to 24.5% for 3Q22.

Maxxcare™ business gross margin *adjusted* for 9M23 was 22.4%, improved compared to gross margin *adjusted* 19.2% for 9M22. Gross margins of Maxxcare™ business has improved partly due to exit of one principal in Myanmar which had relatively lower gross margins and also gross margins are influenced by principal mix amongst other factors. The gross margins *adjusted* for 3Q23 was 24.0% as compared to gross margins *adjusted* of 22.7% in 3Q22.

The reported higher gross margins for 9M23 of 23.7% was mainly attributable to dual currency rate effect in Myanmar², not materially impacting profitability.

OEM Business

OEM business contributed

2.0%

to overall operating revenue for 9M23.

OEM revenue came in at THB 227mn for 9M23 (decline 6.6% YoY) and THB 71mn for 3Q23 (decline 21.7% YoY). Gross margins came in at 31.2% for 9M23 compared to 35.7% for 9M22 and 27.9% for 3Q23 compared to 33.1% for 3Q22. 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 3,087 mn

SG&A expenses for 9M23, remained steady, representing 26.8% and THB 1,021mn for 3Q23 representing 26.8% compared to 26.8% for 9M22 and 27.0% for 3Q22.

4. Consolidated Net Profit

Adjusted¹ net profit for 9M23 came in at

THB 1,706 mn

Adjusted net profit for 9M23 remained steady at THB 1,706 mn. 9M22 adjusted net profits¹ were THB 1,774 mn.

Adjusted net profit for 3Q23 at THB 526 mn, decline by 9.8% YoY, commensurate with decline in revenue as explained above.

Reported net profit for 9M23 came in at

THB 1,519 mn

Reported net profit for 9M23 down by 17.4% YoY, decline mainly arising from one time impact of forex loss in Nigeria due to depreciation of Nigerian Naira to USD in 9M23.

Reported net profit of THB 535 mn for 3Q23 decline by 18.7% YoY, mainly arising on account of strengthening of Thai Baht.



5. Cash Flow

Operating Activities

Operating cash inflow of THB 1,561mn for 9M23. Operating cash inflow represents 102.7% of net profits.

Core working capital

	Sep'22	Jun'23	Sep'23
Average receivable days	72	74	76
Average inventory days	170	166	168
Average payable days	(115)	(113)	(111)
Cash cycle (days)	128	126	133

Cash cycle days
Sep'23 at 133 days
similar compared to
128 days in Sep'22.

Investing Activities

In 9M23, THB 193mn was invested in tangible assets⁵ mainly driven by spending towards manufacturing facilities in Thailand, Indonesia and Australia.

Capex plan:

Besides regular improvement and maintenance capex which are incurred every year, an amount of THB 590mn is expected to be spent during 2024-25 towards below projects:

Thailand: THB 40mn towards consolidation of manufacturing operations and capacity expansion and THB 40mn towards ESG.

Indonesia: THB 510mn towards adding new dosage form, warehouse and plant up-gradation in acquired Indonesian manufacturing plant

Financing Activities

In 9M23, net cash outflow from financing activities was THB 1,700mn, mainly arising from dividend payout of THB 1,438mn and THB 159mn towards repayment of working capital facilities with banks.

⁵ 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 2,451mn as at 30 Sep 2023 as compared to THB 2,789 mn as at 31 December 2022. Cash utilized for repayment of working capital facilities with banks and investment in tangible assets mainly driven by spending of towards Thailand, Indonesia and Australia manufacturing plant.

Trade receivables were THB 3,509mn as at 30 Sep 2023, an increase of THB 402mn compared to THB 3,107mn as at 31 December 2022. Inventories were THB 3,937mn as at 30 Sep 2023, a decrease of THB 171mn compared to THB 4,109mn as at 31 December 2022. Overall the cash cycle has remained stable at 133 days as at 30 Sep 2023, similar to 30 Sep 2022.

As at 30 Sep 2023, Current ratio was stable at 1.9 times. The cash cycle days as at 30 Sep 2023 was 133 days similar and comparable to 128 days as at 30 September 2022.



Non-current Assets

Non-current assets were

THB 4,184mn

as at 30 Sep 2023, an increase of THB 127mn or 3.1% from 31 December 2022 mainly on account of additions to tangible assets for manufacturing operations.

Non-current Liabilities

Non-current liabilities were

THB 351 mn

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

As at 30 Sep 2023, net-debt to equity was (0.27) times, while debt to equity was 0.64 times and interest bearing debt to equity at 0.01 times.

Current Liabilities

Current liabilities were

THB 5,423 mn

as at 30 Sep 2023, a decrease of THB 115mn or 2.1% compared to 31 December 2022. The decrease in current liabilities was mainly a result of payment for trade payables, taxes, settlement of accrued expenses and repayment of working capital facilities with banks.

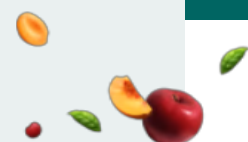
Trade payables were THB 2,514mn as at 30 Sep 2023, a decrease of THB 279mn or 10.0% from 31 December 2022 levels. Overall the cash cycle has remained stable at 133 days as at 30 Sep 2023, similar to 30 Sep 2022.

Shareholders' Equity

Shareholders' equity was

THB 8,966mn

as at 30 Sep 2023, an increase of THB 189mn compared to 31 December 2022, mainly driven by 9M23 net profits net of dividend payouts and translation gains due to depreciation of THB.



CONSOLIDATED BALANCE SHEET

Figures in THBmn	30-Sep-23		31-Dec-22		Change	
	Amount	%	Amount	%	Amount	%
Current Assets						
Cash and bank balances ⁶	2,451.2	16.6%	2,788.9	19.0%	(337.7)	(12.1%)
Trade accounts receivable	3,508.8	23.8%	3,107.2	21.2%	401.6	12.9%
Inventories	3,937.2	26.7%	4,108.5	28.1%	(171.3)	(4.2%)
Other current assets	657.9	4.5%	585.4	4.0%	72.5	12.4%
Total Current Assets	10,555.1	71.6%	10,590.0	72.3%	(34.9)	(0.3%)
Non-Current Assets						
Property, plant and equipment ⁷	1,999.1	13.6%	1,936.2	13.2%	62.9	3.2%
Intangible assets ⁸	1,358.7	9.2%	1,329.2	9.1%	29.5	2.2%
Deferred tax asset	272.5	1.8%	250.3	1.7%	22.2	8.9%
Right-of-use assets	242.4	1.6%	249.3	1.7%	(6.8)	(2.7%)
Other non-current assets	311.1	2.1%	291.5	2.0%	19.7	6.8%
Total Non-Current Assets	4,183.9	28.4%	4,056.4	27.7%	127.4	3.1%
Total Assets	14,739.0	100.0%	14,646.4	100.0%	92.6	0.6%
Current Liabilities						
Bank overdrafts & short-term Loans	81.0	0.5%	229.2	1.6%	(148.2)	(64.7%)
Trade accounts payable	2,514.3	17.1%	2,793.4	19.1%	(279.1)	(10.0%)
Other payables	1,876.9	12.7%	1,286.5	8.8%	590.4	45.9%
Current portion of lease liabilities	47.5	0.3%	83.0	0.6%	(35.5)	(42.8%)
Income tax payable	54.7	0.4%	204.2	1.4%	(149.5)	(73.2%)
Accrued expenses	848.7	5.8%	941.8	6.4%	(93.1)	(9.9%)
Total Current Liabilities	5,423.0	36.8%	5,538.0	37.8%	(115.1)	(2.1%)
Non-Current Liabilities						
Lease liabilities	113.1	0.8%	108.7	0.7%	4.3	4.0%
Deferred tax liability	0.0	0.0%	0.0	0.0%	0.0	
Employees benefits obligation	237.5	1.6%	222.9	1.5%	14.5	6.5%
Other non-current liabilities	0.0	0.0%	0.0	0.0%	0.0	
Total Non-Current Liabilities	350.5	2.4%	331.7	2.3%	18.9	5.7%
Total Liabilities	5,773.5	39.2%	5,869.7	40.1%	(96.2)	(1.6%)
Equity						
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	15.6%	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	6,676.0	45.3%	6,595.1	45.0%	80.8	1.2%
Other components of equity	(527.1)	(3.6%)	(635.0)	(4.3%)	108.0	(17.0%)
Owner's Equity	8,965.5	60.8%	8,776.7	59.9%	188.8	2.2%
Non-controlling interests	0.0	0.0%	0.1	0.0%	(0.1)	(119.9%)
Total Equity	8,965.5	60.8%	8,776.7	59.9%	188.7	2.2%
Total Liabilities and Equity	14,739.0	100.0%	14,646.4	100.0%	92.6	0.6%

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 Sep'23 and THB 34.9mn as at Dec'22.

8 Includes goodwill of THB 483.0mn as at Sep'23 and THB 465.9mn as at Dec'22.

CONSOLIDATED INCOME STATEMENT

Figures in THBmn	3Q22	2Q23	3Q23	YoY Gr.	9M22	9M23	YoY Gr.
Operating Revenue	4,052.2	3,992.2	3,802.9	(6.2%)	11,801.8	11,523.4	(2.4%)
Other income	27.0	19.2	27.0	0.1%	63.2	63.7	0.9%
Total Income	4,079.1	4,011.3	3,829.9	(6.1%)	11,864.9	11,587.1	(2.3%)
Cost of goods sold	2,188.3	2,167.4	2,064.0	(5.7%)	6,553.4	6,333.4	(3.4%)
Gross profits	1,863.8	1,824.8	1,738.9	(6.7%)	5,248.4	5,190.0	(1.1%)
Gross margin (%)	46.0%	45.7%	45.7%		44.5%	45.0%	
Selling expense	658.1	617.1	613.8	(6.7%)	1,888.4	1,841.9	(2.5%)
Administrative expense	436.2	421.2	407.0	(6.7%)	1,278.7	1,244.8	(2.6%)
Selling & Administrative exp (SGA)	1,094.3	1,038.3	1,020.8	(6.7%)	3,167.1	3,086.8	(2.5%)
SGA (% to operating revenue)	27.0%	26.0%	26.8%		26.8%	26.8%	
Net foreign exchange loss/(gain)	10.5	225.8	103.6	886.7%	(2.5)	410.4	
Depreciation & Amortization	69.5	70.9	72.5	4.3%	204.0	212.7	4.3%
Finance cost	7.5	9.0	8.4	11.4%	19.9	26.6	33.9%
Share of profit/(loss) from JV	0.1	0.0	(0.1)	(156.3%)	0.0	0.2	439.4%
Profit before tax	778.5	571.0	633.1	(18.7%)	2,127.1	1,730.1	(18.7%)
Tax expense	120.3	40.1	97.6	(18.9%)	286.8	210.7	(26.5%)
Reported net profit	658.2	530.9	535.4	(18.7%)	1,840.3	1,519.4	(17.4%)
Basic earning per share	0.75	0.61	0.61	(18.7%)	2.11	1.74	(17.4%)
Net losses from new businesses	21.2	7.3	11.3	(46.5%)	43.4	30.4	(30.0%)
Net foreign exchange loss/(gain)	(96.9)	150.5	(37.7)	(61.1%)	(109.8)	187.0	(270.2%)
Normalizing tax expense	-	(47.5)	16.5		-	(31.0)	
Normalized tax expense%	15.5%	12.0%	14.0%		13.5%	13.2%	
Net profit (Adjusted)	582.5	641.2	525.5	(9.8%)	1,773.9	1,705.7	(3.8%)
Net profit margin to operating revenue	14.4%	16.1%	13.8%		15.0%	14.8%	
Basic earning per share	0.67	0.74	0.60	(9.8%)	2.03	1.96	(3.8%)

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.