

IP_AC003/2566

November 14th, 2023

Subject Management Discussion and Analysis of the 3rd Quarter in year 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 9-month periods ended September 30, 2023 as per here below:

	Q3'23		Q3'22		Change		9 Month'23		9 Month'22		Change	
	MB		MB		MB	%	MB		MB		MB	%
Revenue from Sales & Services	438.84		402.31		36.54	9.1	1,356.17		1,082.22		273.95	25.3
Total Revenue	443.03		403.49		39.54	9.8	1,368.20		1,087.97		280.23	25.8
Cost of goods sold	281.32		243.87		37.45	15.4	840.20		653.75		186.44	28.5
Gross Profit	157.52		158.44		-0.92	-0.6	515.97		428.46		87.51	20.4
%Gross Profit	35.9%		39.4%				38.0%		39.6%			
Selling & Distribution Expenses	91.72		76.54		15.18	19.8	258.67		196.57		62.10	31.6
Administrative expenses	39.53		39.95		-0.43	-1.1	148.61		114.89		33.71	29.3
Selling, Distribution & Administrative Exp.	131.24		116.49		14.75	12.7	407.28		311.46		95.82	30.8
%Selling, Distribution & Administrative Exp.	29.9%		29.0%				30.0%		28.8%			
Net Profit	15.29		30.81		-15.52	-50.4	72.18		94.79		-22.61	-23.9
%Net Profit	3.5%		7.6%				5.3%		8.7%			

ประเภทรายได้	Q3'23		Q3'22		Change		9 Month'23		9 Month'22		Change	
	MB	%	MB	%	MB	%	MB	%	MB	%	MB	%
1. Human Healthcare	290.45	66.2	316.31	78.6	-25.86	-8.2	925.73	68.3	809.73	74.8	116.00	14.3
2. Animal Healthcare	88.27	20.1	86.00	21.4	2.27	2.6	260.25	19.2	272.49	25.2	- 12.24	- 4.5
3. Hospital	60.12	13.7	-	-	60.12		170.20	12.5	-	-	170.20	
Revenue from Sales & Services	438.84	100	402.31	100	36.53	9.1	1,356.17	100	1,082.22	100.0	273.95	25.3

Overview

Operating results for the three-month period ended September 30, 2023, the Company had revenue from sales and service of THB 438.84 million, increased by THB 36.54 million or 9.1% compared to the same period last year. The growth was from human healthcare segment THB 290.45 million or 66.2%, animal healthcare segment THB 88.27 million or 20.1% and also Hospital segment THB 60.12 million or 13.7%.

Operating results for the nine-month period ended September 30, 2023, the Company had revenue from sales and service of THB 1,356.17 million, increased by THB 273.95 million or 25.3% compared to same period last year. This was contributed by human healthcare segment THB 925.73 million, animal healthcare segment THB 260.25 million and hospital segment THB 170.20 million.

Currently, the pharmacy store business are 30 stores and online platform and be expect to open 4 stores in quarter 4. Also, this year the company have consolidation of hospital business. As a result, increased in total income compared to the last year.

	Q3'23		Q3'22		Change		9 Month'23		9 Month'22		Change	
	MB	%	MB	%	MB	%	MB	%	MB	%	MB	%
Cost of goods sold	281.32	64.10	243.87	60.62	37.45	15.4	840.20	61.95	653.75	60.41	186.44	28.5
Selling & Distribution Expenses	91.72	20.90	76.08	18.91	15.63	20.5	258.67	19.07	196.57	18.16	62.10	31.6
Administrative expenses	39.53	9.01	39.95	9.93	-0.43	(1.1)	148.61	10.96	114.89	10.62	33.71	29.3
Financial cost	8.01	1.83	6.70	1.66	1.31	19.6	21.48	1.58	16.36	1.51	5.12	31.3
Total Expenses	420.57	95.84	366.60	91.12	53.97	14.7	1,268.95	93.57	981.58	90.70	287.37	29.3

Cost of Goods sold and Gross Profit

For the three-month and nine-month periods ended September 30, 2023, cost of goods sold amounted to THB 281.32 million and THB 840.20 million respectively, increased from the same period last year or 64.10% and 61.95% respectively of revenue from sales. Gross profit margin decreased from the same period last year due to the consolidation of pharmacy store business in quarter 2 of year 2022 and hospital business in quarter 4 of year 2022, both businesses have lower gross profit margins.

Selling Expenses

Selling expenses for the three-month and nine-month periods ended September 30th, 2023, amounted to THB 91.72 million and THB 258.67 million, respectively, increased from the same period last year. The selling expenses were 20.90% and 19.07% respectively. Most selling expenses are advertising expenses of Pharmaceutical Products, Wellness & Anti-Aging Nutraceuticals/Cosmeceuticals Aesthetic and Companion Animal Healthcare, commission, distribution fee. 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 nine-month periods ended September 30, 2023 amounted to THB 39.53 million and THB 148.61 million respectively or 9.01% and 10.96% of revenue from sales, respectively. The main expenses arise from the consolidation of pharmacy store and hospital business and increasing of the staff expenses of the subsidiaries.

Net Profit

Net Profit for the three-month and nine-month periods ended September 30, 2023 amount of THB 15.29 million and THB 72.18 million, or 3.5% and 5.3% of revenue from sales, respectively. The ratio to income decreased compared to the same period last year. The Main expenses are marketing expenses both television media, billboard and online channel. However, the net profit of pharmacy store and hospital business were increased.

Financial Position

	As at September 30,	As at December 31,	Change	
	2023 MB	2022 MB	MB	%
Total Asset	2,928.64	3,025.83	-97.18	-3.2
Total Liabilities	843.74	952.25	-108.51	-11.4
Total Shareholders' Equity	2,084.91	2,073.58	11.33	0.5

Total Assets

Total assets of the Company and its subsidiaries as of September 30, 2023 reported THB 2,928.64 million, a decrease of THB 97.18 million or 3.2% compared to as at December 31, 2022 which was mainly from higher current assets THB 242 million. The majority consists of cash and cash equivalent, trade account receivables. And non-current assets increased by THB 145 million, mainly from restricted bank deposits, property plant and equipment and right-of-use assets.

Total Liabilities

Total liabilities of the Company and its subsidiaries as of September 30, 2023, amounted to THB 843.7 million, a decrease of THB 108.5 million or 11.4% compared to as at December 31, 2022. This was due to decrease in current liability THB 48 million from trade account payable, short-term loan from bank and accrue income tax. Non-current liability decreased by THB 60 million from long-term loan and liabilities under lease agreements.

Shareholders' Equity

The shareholders' equity of the Company and its subsidiaries as of September 30, 2023, amounted to THB 2,084.91 million, a increase of THB 11.3 million or 0.5% compared of as at December 31, 2022, which mainly contributed by net profit for the nine-month period of 2023 of THB 51 million, paid of dividend of THB 67 million and non-controlling interests of the subsidiaries from the increase in share capital of the subsidiary of THB 6 million.

Yours sincerely,

Chatkaew Krudkosol
Chief Finance Officer