



KCG Corporation Public Company Limited



Management Discussion and Analysis (MD&A)

For the Third Quarter Ended 30 September 2023

Business Overview

- ✦ KCG Corporation Plc (the "Company" or "KCG") operates business in manufacturing and distributing products for consumption covering activities from research and development process to create production formula, procurement of raw materials, product manufacturing, distribution, and transportation to customers domestically, as well as exporting products to other countries. The Company is also an importer and distributor of leading products from overseas to Thailand. The Company's products can be categorized into three main groups:
 - (1) Dairy products, consisting of butter, cheese, and other dairy products.
 - (2) Food and Bakery Ingredients and other products (FBI), consisting of food ingredient, packaged food, frozen food, bakery ingredients, food additives, concentrated fruit juice, and bakery and cooking equipment.
 - (3) Biscuits, consisting of cookies, crackers, and wafers.
- ✦ The Company is the market leader in both butter and cheese products, with the No.1 market share of 55.0% for butter, and the No. 1 market share of 31.6% for cheese. The Company is also ranked in the top 5 market share for FBI and biscuits. The Company's brands include "Allowrie", "Imperial", "DAIRYGOLD", "Violet", "Premio", "SUNQUICK", etc.
- ✦ The Company was listed and started trading on the Stock Exchange of Thailand (SET) in the Agro & Food Industry group, Food & Beverage sector, under the ticker symbol "KCG" on 3 August 2023.

Summary of the Operating Results Q3/2023 and 9M/2023 and Outlook

| Operating Results | Q3/2022 | Q2/2023 | Q3/2023 | Change | | 9M/2022 | 9M/2023 | Change |
|-----------------------------------|----------------|----------------|----------------|--------|--------|----------------|----------------|--------|
| | | | | %YoY | %QoQ | | | %YoY |
| (Unit: THB Million, %) | | | | | | | | |
| Sales | 1,573.2 | 1,561.0 | 1,681.0 | +6.9% | +7.7% | 4,226.2 | 4,949.9 | +17.1% |
| Other income | 32.1 | 9.6 | 12.7 | -60.2% | +32.3% | 75.6 | 37.7 | -50.2% |
| Total revenue | 1,605.2 | 1,570.7 | 1,693.7 | +5.5% | +7.8% | 4,301.9 | 4,987.6 | +15.9% |
| Cost of sales | 1,152.6 | 1,098.4 | 1,179.0 | +2.3% | +7.3% | 3,026.4 | 3,524.4 | +16.5% |
| Gross profit | 420.6 | 462.7 | 502.0 | +19.4% | +8.5% | 1,199.9 | 1,425.6 | +18.8% |
| Selling and distribution expenses | 236.0 | 243.2 | 271.0 | +14.8% | +11.4% | 675.5 | 759.0 | +12.4% |
| Administrative expenses | 137.8 | 139.5 | 152.7 | +10.8% | +9.5% | 399.0 | 426.7 | +6.9% |
| SG&A | 373.8 | 382.7 | 423.7 | +13.4% | +10.7% | 1,074.5 | 1,185.7 | +10.3% |
| Finance costs | 12.8 | 22.9 | 18.4 | +44.2% | -19.7% | 34.9 | 64.1 | +83.7% |
| Profit before income tax expenses | 66.0 | 66.6 | 72.6 | +9.9% | +8.9% | 166.1 | 213.4 | +28.5% |
| Tax expenses | 16.0 | 15.9 | 17.3 | +8.0% | +8.6% | 38.9 | 48.9 | +25.7% |
| Net profit | 50.1 | 50.8 | 55.3 | +10.5% | +9.0% | 127.2 | 164.5 | +29.3% |
| EBITDA | 125.6 | 133.8 | 137.2 | +9.2% | +2.5% | 339.0 | 411.9 | +21.5% |
| Gross profit margin (%) | 26.7% | 29.6% | 29.9% | +3.1% | +0.2% | 28.4% | 28.8% | +0.4% |
| SG&A to sales (%) | 23.8% | 24.5% | 25.2% | +1.4% | +0.7% | 25.4% | 24.0% | -1.5% |
| Net profit margin (%) | 3.1% | 3.2% | 3.3% | +0.1% | +0.04% | 3.0% | 3.3% | +0.3% |
| EBITDA margin (%) | 7.8% | 8.5% | 8.1% | +0.3% | -0.4% | 7.9% | 8.3% | +0.4% |

Note: Numbers may not align with the calculation by one decimal point due to rounding of figures.

Q3/2023 vs Q3/2022 (YoY)

- ✦ In Q3/2023, the Company recorded net profit of THB 55.3 million, increased by 10.5% YoY, with the following key matters:
 - ✦ Sales increased by 6.9% YoY, with growth from every product category and every sales channel, supported by the increased consumer demand and the new product launch during the first half of the year.
 - ✦ Gross profit margin improved by 3.1% YoY, even though the overall cost of raw materials and trading goods has not decreased compared to the same period last year, supported by a selling price increase starting in the second half of 2022 and effective production cost management. Meanwhile, the overall cost of raw materials and trading goods has been gradually declining since the beginning of 2023.
 - ✦ SG&A increased by 13.4% YoY, following the higher sales. Higher expenses mainly came from advertising and promotion, transportation, warehouse rental, utilities, employee, and IPO expenses preparing before listing on the stock exchange of Thailand. SG&A to sales thus increased by 1.4% YoY.
 - ✦ Finance costs increased by 44.2% YoY, mainly due to 1) the use of credit lines for investment projects while waiting for IPO proceeds to finance the investment, and 2) higher interest rates. However, the Company has already used some IPO proceeds received in Q3/2023 to repay some portion of loans, which will lower financial costs of the Company in the future. At the end of Q3/2023, loans from financial institutions were THB 1,700.1 million, decreased by THB 599.0 million from THB 2,299.2 million at the end of Q3/2022.
 - ✦ Income tax expenses increased by 8.0% YoY due to higher profit before income tax.

Q3/2023 vs Q2/2023 (QoQ)

- ✦ In Q3/2023, the Company recorded net profit of THB 55.3 million, increased by 9.0% QoQ, with the following key matters:
 - ✦ Sales increased by 7.7% QoQ, following the seasonal increase after passing the low sales season in Q2, which is usually the lowest sales period of the year.
 - ✦ Gross profit margin increased by 0.2% QoQ, supported by the decreased cost of raw materials and trading goods, improved capacity utilization rate, and effective production cost management.
 - ✦ SG&A increased by 10.7% QoQ, mainly due to higher advertising and promotion, transportation, warehouse rental, utilities, employee, and IPO expenses preparing before listing on the stock exchange of Thailand. SG&A to sales thus increased by 0.7% QoQ.
 - ✦ Finance costs decreased by 19.7% QoQ as the Company used some IPO proceeds received in Q3/2023 to repay loans from financial institutions. At the end of Q3/2023, loans from financial institutions were THB 1,700.1 million, decreased by THB 908.0 million from THB 2,608.1 million at the end of Q2/2023.
 - ✦ Income tax expenses increased by 8.6% QoQ due to higher profit before income tax.

9M/2023 vs 9M/2022 (YoY)

- ✦ In 9M/2023, the Company recorded net profit of THB 164.5 million, increased by 29.3% YoY, with the following key matters:
 - ✦ Sales increased by 17.1% YoY, with growth from every product category and every sales channel, supported by higher consumer demand, new product launch during the first half of the year, as well as additional sales from Indoguna (Thailand) Co., Ltd. ("Indoguna" or "IDG"), a new subsidiary the Company acquired in March 2022.
 - ✦ Gross profit margin increased by 0.4% YoY, even though the overall cost of raw materials and trading goods has not decreased compared to the same period last year mainly supported by a selling price increase in the second half of 2022 and effective production cost management. Meanwhile, the overall cost of raw materials and trading goods has been gradually declining since the beginning of this year.
 - ✦ SG&A increased by 10.3% YoY, following higher sales. Increased expenses mainly due to higher advertising and promotion, transportation, warehouse rental, utilities, employee, and IPO expenses preparing before listing on the stock exchange of Thailand. However, SG&A to sales decreased by 1.5% YoY, supported by increased sales and effective cost management.
 - ✦ Finance costs increased by 83.7% YoY, mainly due to 1) the use of credit lines for investment projects while waiting for IPO proceeds to finance the investment; and 2) higher interest rates. However, the Company has already used some IPO proceeds received in Q3/2023 to repay some portion of loans, which will lower financial costs of the Company in the future.
 - ✦ Income tax expenses increased by 25.7% YoY due to higher profit before income tax.

Major Development and Outlook

From the beginning of 2023 until the end of Q3/2023, the overall cost of raw materials and trading goods started to stabilize and gradually decrease after an increase throughout the year 2022, resulting in the Company's gradual increase of gross profit margin in 2023, quarter by quarter. The good outlook also tends to continue in Q4/2023.

The overall cost of raw materials and trading goods in 2024 is likely to be relatively stable, even though there might be some impact from the El Niño situation. El Niño is likely to have more impact on raw materials from the European region than the Oceania region (Australia and New Zealand), which is the main source of raw materials for the Company.

The Company has finished the trial run of additional capacity of IWS (Individually Wrapped Processed Cheese Slices) and started commercial production in October 2023, resulting in the increased total production capacity of IWS from 2,106 tons to 4,212 tons per annum. The Company expects to fully utilize the new production capacity in 3-5 years since the product has high consumption demand, while the Company can create demand for consumption from new products and new formats, which will further help support the Company's sales growth in the future.

In addition, the Company's distribution center and warehouse KCG Logistics Park is under construction. The project will have a total of 6 buildings, consisting of 2 buildings for frozen storage, 3 buildings for room temperature storage (Ambient), and one building to store raw materials, flour and sugar. The ambient buildings are expected to be ready for use in Q1/2024, and the whole project will be complete by Q2/2024. KCG Logistics Park will add storage space, increase product management efficiency, and significantly reduce warehouse rental costs in the future.

| Sales by Product Category (Unit: THB Million) | Q3/2022 | Q2/2023 | Q3/2023 | Change | | 9M/2022 | 9M/2023 | Change %YoY |
|--|----------------|----------------|----------------|--------------|--------------|----------------|----------------|----------------|
| | | | | %YoY | %QoQ | | | |
| Dairy products | 927.4 | 933.0 | 1,009.7 | +8.9% | +8.2% | 2,518.7 | 2,951.5 | +17.2% |
| Foods & Bakery Ingredients and others (FBI) | 472.5 | 471.8 | 488.5 | +3.4% | +3.5% | 1,268.1 | 1,482.6 | +16.9% |
| Biscuits | 173.3 | 156.3 | 182.9 | +5.5% | +17.0% | 439.5 | 515.8 | +17.4% |
| Total Sales | 1,573.2 | 1,561.0 | 1,681.0 | +6.9% | +7.7% | 4,226.2 | 4,949.9 | +17.1% |
| %Sales by Product Category (Unit: %) | Q3/2022 | Q2/2023 | Q3/2023 | Change | | 9M/2022 | 9M/2023 | Change %YoY |
| | | | | %YoY | %QoQ | | | |
| Dairy products | 59.0% | 59.8% | 60.1% | +1.1% | +0.3% | 59.6% | 59.6% | +0.0% |
| Foods & Bakery Ingredients and others (FBI) | 30.0% | 30.2% | 29.1% | -1.0% | -1.2% | 30.0% | 30.0% | -0.0% |
| Biscuits | 11.0% | 10.0% | 10.9% | -0.1% | +0.9% | 10.4% | 10.4% | +0.0% |
| Total | 100.0% | 100.0% | 100.0% | | | 100.0% | 100.0% | |

| Sales by Channel (Unit: THB Million) | Q3/2022 | Q2/2023 | Q3/2023 | Change | | 9M/2022 | 9M/2023 | Change %YoY |
|---|----------------|----------------|----------------|--------------|--------------|----------------|----------------|----------------|
| | | | | %YoY | %QoQ | | | |
| B2B | 674.0 | 699.0 | 707.3 | +5.0% | +1.2% | 1,796.5 | 2,088.0 | +16.2% |
| B2C | 826.0 | 786.1 | 893.7 | +8.2% | +13.7% | 2,237.4 | 2,638.7 | +17.9% |
| Export | 73.3 | 75.9 | 80.0 | +9.2% | +5.4% | 192.4 | 223.3 | +16.1% |
| Total Sales | 1,573.2 | 1,561.0 | 1,681.0 | +6.9% | +7.7% | 4,226.2 | 4,949.9 | +17.1% |
| %Sales by Channel (Unit: %) | Q3/2022 | Q2/2023 | Q3/2023 | Change | | 9M/2022 | 9M/2023 | Change %YoY |
| | | | | %YoY | %QoQ | | | |
| B2B | 42.8% | 44.8% | 42.1% | -0.8% | -2.7% | 42.5% | 42.2% | -0.3% |
| B2C | 52.5% | 50.4% | 53.2% | +0.7% | +2.8% | 52.9% | 53.3% | +0.4% |
| Export | 4.7% | 4.9% | 4.8% | +0.1% | -0.1% | 4.6% | 4.5% | -0.1% |
| Total | 100.0% | 100.0% | 100.0% | | | 100.0% | 100.0% | |

| Sales by Operation (Unit: THB Million) | Q3/2022 | Q2/2023 | Q3/2023 | Change | | 9M/2022 | 9M/2023 | Change %YoY |
|---|----------------|----------------|----------------|--------------|--------------|----------------|----------------|----------------|
| | | | | %YoY | %QoQ | | | |
| Own-manufacturing products | 1,192.0 | 1,160.8 | 1,232.3 | +3.4% | +6.2% | 3,201.5 | 3,638.7 | +13.7% |
| Trading products | 381.1 | 400.2 | 448.7 | +17.7% | +12.1% | 1,024.7 | 1,311.2 | +28.0% |
| Total Sales | 1,573.2 | 1,561.0 | 1,681.0 | +6.9% | +7.7% | 4,226.2 | 4,949.9 | +17.1% |
| %Sales by Operation (Unit: %) | Q3/2022 | Q2/2023 | Q3/2023 | Change | | 9M/2022 | 9M/2023 | Change %YoY |
| | | | | %YoY | %QoQ | | | |
| Own-manufacturing products | 75.8% | 74.4% | 73.3% | -2.5% | -1.1% | 75.8% | 73.5% | -2.2% |
| Trading products | 24.2% | 25.6% | 26.7% | +2.5% | +1.1% | 24.2% | 26.5% | +2.2% |
| Total | 100.0% | 100.0% | 100.0% | | | 100.0% | 100.0% | |

Note: Numbers may not align with the calculation by one decimal point due to rounding of figures.

Operating Results

1. Revenue from sales

| Operating Results (Unit: THB Million) | Q3/2022 | Q2/2023 | Q3/2023 | Change | | 9M/2022 | 9M/2023 | Change |
|--|---------|---------|---------|--------|-------|---------|---------|--------|
| | | | | %YoY | %QoQ | | | %YoY |
| Revenue from sales | 1,573.2 | 1,561.0 | 1,681.0 | +6.9% | +7.7% | 4,226.2 | 4,949.9 | +17.1% |

Q3/2023 vs Q3/2022 (YoY)

- In Q3/2023, the Company recorded total sales of THB 1,681.0 million, increased by THB 107.8 million or 6.9% YoY, with growth from every product category and every sales channel, supported by the increased consumer demand and the new product launch during the first half of the year.

Q3/2023 vs Q2/2023 (QoQ)

- In Q3/2023, the Company recorded total sales of THB 1,681.0 million, increased by THB 120.0 million or 7.7% QoQ, following the seasonal increase after passing the low sales season in Q2, which is usually the lowest sales period of the year.

9M/2023 vs 9M/2022 (YoY)

- In 9M/2023, the Company recorded total sales of THB 4,949.9 million, increased by THB 727.3 million or 17.1% YoY, with growth from every product category and every sales channel, supported by the increased consumer demand, new product launch, and additional sales from IDG, a subsidiary of the Company acquired in March 2022. IDG operates the business of importing and distributing frozen food products such as meat, lobster, and cold cuts, which are categorized as food and bakery ingredients and other products (FBI).

Note: Numbers may not align with the calculation by one decimal point due to rounding of figures.

2. Cost of Sales and Gorrss Profit

| Operating Results (Unit: THB Million, %) | Q3/2022 | Q2/2023 | Q3/2023 | Change | | 9M/2022 | 9M/2023 | Change |
|---|---------|---------|---------|--------|-------|---------|---------|--------|
| | | | | %YoY | %QoQ | | | %YoY |
| Sales | 1,573.2 | 1,561.0 | 1,681.0 | +6.9% | +7.7% | 4,226.2 | 4,949.9 | +17.1% |
| Cost of sales | 1,152.6 | 1,098.4 | 1,179.0 | +2.3% | +7.3% | 3,026.4 | 3,524.4 | +16.5% |
| Gross profit | 420.6 | 462.7 | 502.0 | +19.4% | +8.5% | 1,199.9 | 1,425.6 | +18.8% |
| Gross profit margin (%) | 26.7% | 29.6% | 29.9% | +3.1% | +0.2% | 28.4% | 28.8% | +0.4% |

Q3/2023 vs Q3/2022 (YoY)

- In Q3/2023, the Company recorded cost of sales of THB 1,179.0 million, increased by THB 26.4 million or 2.3% YoY, following the higher sales and increased cost of raw materials and trading goods. However, the cost of raw materials and imported products has been gradually declining since the beginning of this year.
- Gross profit in Q3/2023 was THB 502.0 million, increased by THB 81.4 million or 19.4% YoY, following the higher sales, with gross profit margin in Q3/2023 of 29.9%, improved from 26.7% in Q3/2022, even though the overall cost of raw materials and trading goods has not decreased compared to the same period last year. Increased gross profit margin was supported by a selling price increase starting in the second half of 2022 and effective production cost management. Meanwhile, the overall cost of raw materials and trading goods has been gradually declining since the beginning of 2023.

Q3/2023 vs Q2/2023 (QoQ)

- In Q3/2023, the Company recorded cost of sales of THB 1,179.0 million, increased by THB 80.7 million or 7.3% QoQ, following the seasonal sales increase after passing the low sales season in Q2, which is usually the lowest sales period of the year.
- Gross profit in Q3/2023 was THB 502.0 million, increased by THB 39.3 million or 8.5% QoQ, with gross profit margin of 29.9%, improved from 29.6% in Q2/2023, supported by the decrease of cost of raw materials and trading goods, increased capacity utilization rate, and effective production cost management.

9M/2023 vs 9M/2022 (YoY)

- In 9M/2023, the Company recorded cost of sales of THB 3,524.4 million, increased by THB 498.0 million or 16.5% YoY, following the higher sales and increased cost of raw materials and trading goods.
- Gross profit in 9M/2023 was THB 1,425.6 million, increased by THB 225.7 million or 18.8% YoY, following the higher sales. Gross profit margin in 9M/2023 stood at 28.8%, increased from 28.4% in 9M/2022, even though the overall cost of raw materials and trading goods has not decreased compared to the same period last year. Increased gross profit margin was supported by a selling price increase starting in the second half of 2022 and effective production cost management. Meanwhile, the overall cost of raw materials and trading goods has been gradually declining since the beginning of 2023.

Note: Numbers may not align with the calculation by one decimal point due to rounding of figures.

3. Selling, General and Administrative Expenses (SG&A)

| Operating Results (Unit: THB Million, %) | Q3/2022 | Q2/2023 | Q3/2023 | Change | | 9M/2022 | 9M/2023 | Change |
|---|---------|---------|---------|--------|--------|---------|---------|--------|
| | | | | %YoY | %QoQ | | | %YoY |
| Sales | 1,573.2 | 1,561.0 | 1,681.0 | +6.9% | +7.7% | 4,226.2 | 4,949.9 | +17.1% |
| Selling and distribution expenses | 236.0 | 243.2 | 271.0 | +14.8% | +11.4% | 675.5 | 759.0 | +12.4% |
| Administrative expenses | 137.8 | 139.5 | 152.7 | +10.8% | +9.5% | 399.0 | 426.7 | +6.9% |
| SG&A | 373.8 | 382.7 | 423.7 | +13.4% | +10.7% | 1,074.5 | 1,185.7 | +10.3% |
| SG&A to sales (%) | 23.8% | 24.5% | 25.2% | +1.4% | +0.7% | 25.4% | 24.0% | -1.5% |

Q3/2023 vs Q3/2022 (YoY)

- In Q3/2023, the Company recorded selling, general and administrative expenses (SG&A) of THB 423.7 million, increased by THB 49.9 million or 13.4% YoY, following the higher sales. Higher expenses mainly came from advertising and promotion, transportation, warehouse rental, utilities, employee, and IPO expenses preparing before listing on the stock exchange of Thailand.
- SG&A to sales in Q3/2023 was 25.2%, increased from 23.8% in Q3/2022 mainly due to increased expenses, despite effective cost management.

Q3/2023 vs Q2/2023 (QoQ)

- In Q3/2023, the Company recorded SG&A of THB 423.7 million, increased by THB 41.0 million or 10.7% QoQ, following the higher sales. despite the lower sales. Higher expenses mainly came from advertising and promotion, transportation, warehouse rental, utilities, employee, and IPO expenses preparing before listing on the stock exchange of Thailand.
- SG&A to sales in Q3/2023 was 25.2%, increased from 24.5% in Q2/2023 mainly due to increased expenses, despite effective cost management.

9M/2023 vs 9M/2022 (YoY)

- In 9M/2023, the Company recorded SG&A of THB 1,185.7 million, increased by THB 111.2 million or 10.3% YoY, following the higher sales. Higher expenses mainly came from advertising and promotion, transportation, warehouse rental, utilities, employee, and IPO expenses preparing before listing on the stock exchange of Thailand.
- SG&A to sales in 9M/2023 was 24.0%, decreased from 25.4% in 9M/2022, supported by increased sales and effective cost management.

Note: Numbers may not align with the calculation by one decimal point due to rounding of figures.

4. Finance Costs

| Operating Results (Unit: THB Million) | Q3/2022 | Q2/2023 | Q3/2023 | Change | | 9M/2022 | 9M/2023 | Change %YoY |
|--|---------|---------|---------|--------|--------|---------|---------|----------------|
| | | | | %YoY | %QoQ | | | |
| Finance costs | 12.8 | 22.9 | 18.4 | +44.2% | -19.7% | 34.9 | 64.1 | +83.7% |
| Total loans from financial institutions* | 2,299.2 | 2,608.1 | 1,700.1 | -26.1% | -34.8% | 2,299.2 | 1,700.1 | -26.1% |
| Total interest-bearing debts* | 2,368.0 | 2,725.1 | 1,815.7 | -23.3% | -33.4% | 2,368.0 | 1,815.7 | -23.3% |

* 9M/2022 and 9M/2023 Total loans from financial institutions and total interest-bearing debts were from the Q3/2022 and Q3/2023 financial statements, respectively.

Q3/2023 vs Q3/2022 (YoY)

- In Q3/2023, the Company recorded finance costs of THB 18.4 million, increased by THB 5.6 million or 44.2% YoY, mainly due to 1) the use of credit lines for investment projects while waiting for IPO proceeds to finance the investment; and 2) higher interest rates. However, the Company has already used some IPO proceeds received in Q3/2023 to repay some portion of loans, which will lower financial costs of the Company in the future. At the end of Q3/2023, loans from financial institutions were THB 1,700.1 million, decreased by THB 599.0 million from THB 2,299.2 million at the end of Q3/2022.

Q3/2023 vs Q2/2023 (QoQ)

- In Q3/2023, the Company recorded finance costs of THB 18.4 million, decreased by THB 4.5 million or 19.7% QoQ, as the Company used some IPO proceeds received in Q3/2023 to repay loans from financial institutions. At the end of Q3/2023, loans from financial institutions were THB 1,700.1 million, decreased by THB 908.0 million from THB 2,608.1 million at the end of Q2/2023.

9M/2023 vs 9M/2022 (YoY)

- In 9M/2023, the Company recorded finance costs of THB 64.1 million, increased by THB 29.2 million or 83.7% YoY, mainly due to the use of credit lines for investment projects while waiting for IPO proceeds to finance the investment; and 2) higher interest rates. However, the Company has already used some IPO proceeds received in Q3/2023 to repay some portion of loans, which will further lower financial costs of the Company in the future.

Note: Numbers may not align with the calculation by one decimal point due to rounding of figures.

5. Income Tax Expenses

| Operating Results | Q3/2022 | Q2/2023 | Q3/2023 | Change | | 9M/2022 | 9M/2023 | Change |
|-----------------------------------|---------|---------|---------|--------|-------|---------|---------|--------|
| | | | | %YoY | %QoQ | | | %YoY |
| (Unit: THB Million, %) | | | | | | | | |
| Profit before income tax expenses | 66.0 | 66.6 | 72.6 | +9.9% | +8.9% | 166.1 | 213.4 | +28.5% |
| Tax expenses | 16.0 | 15.9 | 17.3 | +8.0% | +8.6% | 38.9 | 48.9 | +25.7% |
| Effective tax rate (%) | 24.2% | 23.8% | 23.8% | -0.4% | -0.1% | 23.4% | 22.9% | -0.5% |

Q3/2023 vs Q3/2022 (YoY)

- In Q3/2023, the Company recorded tax expenses of THB 17.3 million, increased by THB 1.3 million or 8.0% YoY, mainly due to higher profit before income tax expenses.

Q3/2023 vs Q2/2023 (QoQ)

- In Q3/2023, the Company recorded tax expenses of THB 17.3 million, increased by THB 1.4 million or 8.6% QoQ, mainly due to higher profit before income tax expenses.

9M/2023 vs 9M/2022 (YoY)

- In 9M/2023, the Company recorded tax expenses of THB 48.9 million, increased by THB 10.0 million or 25.7% YoY, mainly due to higher profit before income tax expenses.

Note: Numbers may not align with the calculation by one decimal point due to rounding of figures.

6. Net Profit

| Operating Results (Unit: THB Million) | Q3/2022 | Q2/2023 | Q3/2023 | Change | | 9M/2022 | 9M/2023 | Change |
|--|---------|---------|---------|--------|--------|---------|---------|--------|
| | | | | %YoY | %QoQ | | | %YoY |
| Total revenue | 1,605.2 | 1,570.7 | 1,693.7 | +5.5% | +7.8% | 4,301.9 | 4,987.6 | +15.9% |
| Net profit | 50.1 | 50.8 | 55.3 | +10.5% | +9.0% | 127.2 | 164.5 | +29.3% |
| Net profit margin (%) | 3.1% | 3.2% | 3.3% | +0.1% | +0.04% | 3.0% | 3.3% | +0.3% |

Q3/2023 vs Q3/2022 (YoY)

- In Q3/2023, the Company recorded net profit of THB 55.3 million, increased by THB 5.3 million or 10.5% YoY, supported by the following reasons:
 - Total revenue increased by 5.5% YoY, mainly from sales growth of 6.9% YoY supported by higher consumer demand and the new product launch during the first half year.
 - Gross profit margin improved by 3.1% YoY, even though the overall cost of raw materials and trading goods has not decreased compared to the same period last year, supported by a selling price increase starting in the second half of 2022 and effective production cost management.

Q3/2023 vs Q2/2023 (QoQ)

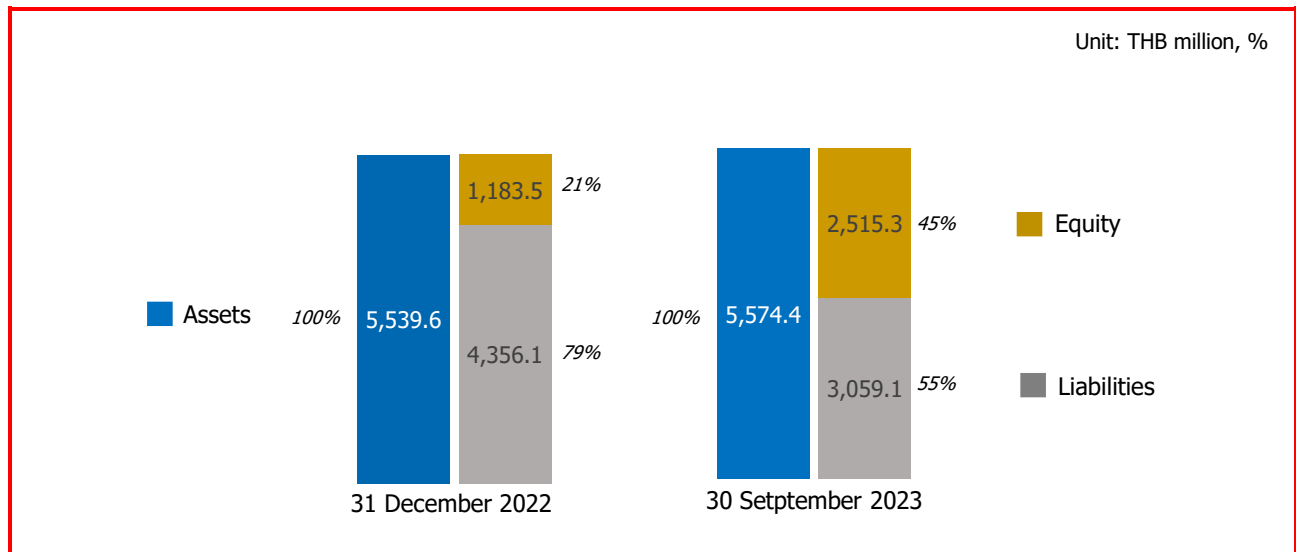
- In Q3/2023, the Company recorded net profit of THB 55.3 million, increased by THB 4.6 million or 9.0% QoQ, mainly due to the following reasons:
 - Total revenue increased by 7.8% QoQ, mainly from sales growth of 7.7% QoQ following the seasonal increase after passing the low sales season in Q2, which is usually the lowest sales period of the year.
 - Gross profit margin improved by 0.2% QoQ, supported by the decreased cost of raw materials and trading goods compared to the previous quarter, improved capacity utilization rate, and effective production cost management.
 - Finance costs decreased by 19.7% QoQ, as the Company used some IPO proceeds received in Q3/2023 to repay loans from financial institutions.

9M/2023 vs 9M/2022 (YoY)

- In 9M/2023, the Company recorded net profit of THB 164.5 million, increased by THB 37.3 million or 29.3% YoY, supported by the following reasons:
 - Total revenue increased by 15.9% YoY, mainly from sales growth of 17.1% YoY, supported by higher consumer demand, the new product launch, and additional sales from IDG, a new subsidiary the Company acquired in March 2022.
 - Gross profit margin improved by 0.4% YoY, even though the overall cost of raw materials and trading goods has not decreased compared to the same period last year, supported by a selling price increase starting in the second half of 2022 and effective production cost management.
 - The percentage of SG&A to sales decreased by 1.5% YoY, supported by increased sales and effective cost management.

Note: Numbers may not align with the calculation by one decimal point due to rounding of figures.

Statement of Financial Position



Assets

- As at 30 September 2023, the Company had total assets of THB 5,574.4 million, increased by THB 34.8 million or 0.6% from THB 5,539.6 million at the end of 2022. The increase was mainly resulting from 1) the increase in property, plant, and equipment (PP&E) from investment projects; and 2) the increase in cash and cash equivalents.

Liabilities

- As at 30 September 2023, the Company had total liabilities of THB 3,059.1 million, decreased by THB 1,297.0 million or 29.8% from THB 4,356.1 million at the end of 2022. The decrease was mainly due to 1) reduced trade payables resulting from the lower purchase of raw materials and trading goods; 2) the decrease in loans from financial institutions as the Company used some IPO proceeds received in Q3/2023 to repay loans from financial institutions. At the end of Q3/2023, loans from financial institutions were THB 1,700.1 million, decreased by THB 1,130.2 million from THB 2,830.3 million at the end of 2022; 3) lower lease liabilities; and 4) reduced provision for long-term employee benefits.

Equity

- As at 30 September 2023, the Company had equity of THB 2,515.3 million, increased by THB 1,331.7 million or 112.5% from THB 1,183.5 million at the end of 2022, mainly resulting from 1) the Company's initial offering of 155 million newly issued common shares to the general public (IPO), with a par value of THB 1.00, at THB 8.50 per share for a total THB 1,317.5 million fund raised; and 2) the Company's net profit during 9M/2023 of THB 164.5 million, deducted by dividends paid of THB 124.8 million.

Note: Numbers may not align with the calculation by one decimal point due to rounding of figures.