



Financial Highlights

In 2023, OSP invested in brand building and reinforced product portfolio strategy, resulting in improving financial performance with every quarter volume recovery and margin expansion. OSP started driving transformation across company, including operations, processes, assets, product portfolio, and strategic business restructuring activities to expand our core businesses where the company holds competitive advantages and divest non-core businesses or those with minority interest or no control. The main objective of the transformation is to drive the organization to be ready for the changing consumer trend, competitive environment, and related geopolitical risks affecting the economy and exchange rates, and thus accelerate profitable growth in the years ahead.

- OSP delivered 2023 net profit at THB 2,402 million, increased by 24.2% YoY, with net profit margin of 9.2%, expanded 210 bps YoY. OSP recorded extraordinary items from strategic business restructuring activities. Excluding these items, 2023 core profit from operation was at THB 2,181 million, grew 14.0% YoY, with core profit margin of 8.4% and Q4'23 core profit from operation was at THB 592 million with core profit margin of 9.1%.
- Our core businesses showed improving performance through the recovery of energy drinks and impressive double-digit growth from international business offset by the decline in OEM sales. As a result, 2023 revenues from sales, excluding C-Vitt due to base of vitamin C drinks post COVID-19 impact, grew 1.5% YoY, while reported 2023 revenues from sales at THB 26,062 million, declined by 4.4% YoY. In addition, Q4'23 revenues from sales grew 4.0% QoQ, driven by growth in domestic and international businesses.
- OSP made impressive progress on gross profit margin throughout the year 2023 with gross profit margin for FY2023 expanded 390 bps YoY to 34.5% and reaching peak in Q4'23 at 35.5%. The key drivers include our premiumization strategy and increased glass production efficiency after shutdown some furnaces to achieve higher yield and lower energy consumption.
- As a market leader in energy drinks market, OSP focused on driving market growth through premiumization and profitable long-term market share gain. OSP's energy drinks market share declined 290 bps YoY to 46.6% with recovery in Dec'23. OSP will continue improving our execution and portfolio to drive sustainable share recovery in long run. OSP is also a strong leader in both functional drinks market with market share of 41.6% and vitamin C drinks subsegment with market share of 68.7%.
- The Board of Directors passed a resolution to propose to the Annual General Meeting of Shareholders the total 2023 dividend payment of THB 1.65 per share paid from 2023 net profit and retained earnings, totaling THB 4,956 million or equivalent to dividend payout ratio of 206%. The total dividend includes special dividend payment of THB 0.80 per share on 20 July 2023 due to the divestment of our minority stakes in Uni.Charm (Thailand) Company Limited, interim dividend of THB 0.40 per share, and final dividend of THB 0.45 per share. The dividend payout ratio excluding special dividend payment is equivalent to 106%.
- Our balance sheet remained strong with a low net interest-bearing debt to equity ratio of 0.08 times, showing readiness to invest and capture the inorganic growth and partnership opportunities, backed by our dedicated and experienced team to drive strategic investments to be a higher performing company.

Financial Performance for Q4'23 and FY2023

Consolidated Income Statement Summary

Unit: THB million	Q4'23	Q4'22	%YoY	Q3'23	%QoQ	2023	2022	%YoY
Total revenues	6,590	6,471	1.8%	6,395	3.1%	26,644	27,482	-3.0%
Total revenues from sales	6,530	6,432	1.5%	6,277	4.0%	26,062	27,266	-4.4%
Beverages	5,292	4,953	6.8%	5,071	4.4%	21,130	22,020	-4.0%
Personal Care	718	706	1.7%	647	10.9%	2,486	2,451	1.4%
Others	520	773	-32.7%	559	-6.9%	2,446	2,795	-12.5%
Total other income	60	39	56.0%	118	-49.0%	582	216	169.4%
Gross profit	2,317	1,924	20.4%	2,220	4.4%	9,003	8,350	7.8%
SG&A	1,781	1,638	8.8%	1,624	9.7%	6,770	6,500	4.1%
Selling and distribution expenses	998	1,100	-9.3%	1,155	-13.5%	4,628	4,712	-1.8%
Administrative expenses	783	538	45.6%	469	66.9%	2,142	1,788	19.8%
Share of profit of associates and joint ventures	43	62	-31.9%	51	-16.3%	146	315	-53.8%
EBIT	637	386	65.0%	764	-16.6%	2,961	2,381	24.3%
EBITDA	1,018	793	28.5%	1,149	-11.3%	4,510	3,979	13.3%
Profit for the period	432	347	24.5%	642	-32.6%	2,423	1,924	26.0%
Profit attributable to owners of the parent	433	337	28.6%	642	-32.6%	2,402	1,934	24.2%
Core profit from operation	592	337	76.0%	562	5.4%	2,181	1,914	14.0%



	Q4'23	Q4'22	%YoY	Q3'23	%QoQ	2023	2022	%YoY
Key Ratios (%)								
Gross profit margin	35.5%	29.9%	5.6%	35.4%	0.1%	34.5%	30.6%	3.9%
SG&A to net sales ratio	27.3%	25.5%	1.8%	25.9%	1.4%	26.0%	23.8%	2.2%
EBIT margin	9.8%	6.0%	3.8%	12.2%	-2.4%	11.4%	8.7%	2.7%
EBITDA margin	15.6%	12.3%	3.3%	18.3%	-2.7%	17.3%	14.6%	2.7%
Net profit margin for the period	6.6%	5.4%	1.2%	10.2%	-3.6%	9.3%	7.1%	2.2%
Net profit margin attributable to the owners of the parent	6.6%	5.2%	1.4%	10.2%	-3.6%	9.2%	7.1%	2.1%
Core profit margin from operation	9.1%	5.2%	3.9%	8.9%	0.2%	8.4%	7.0%	1.4%

Financial Performance Summary for FY2023

Osotspa delivered our 2023 guidance on double-digit bottom-line growth through volume recovery, product innovation, and margin improvement, navigating through external challenges, including weak consumer confidence amid political uncertainties, prolonged geopolitical tensions, and elevated household debt levels. Our strategic actions include reinforcing strong brand and product portfolio strategy, accelerating product innovation to accommodate the shift in consumer segments, optimizing existing asset utilization to achieve highest production efficiency, digitizing and simplifying work processes, and implementing strategic business restructuring to focus on core businesses and divest non-core businesses in order to build good fundamental to support long-term growth.

OSP reported revenues from sales at THB 26,062 million, decreased by 4.4% YoY, due to the re-base of vitamin C drinks post COVID-19 impact in Q1'23. Excluding the re-base impact on C-Vitt, our revenues from sales grew 1.5% YoY, showing improvement in our core businesses from the recovery of energy drinks and impressive double-digit growth from international business offset by the decline in OEM sales.

Beverages Segment

OSP reported total 2023 beverages revenues of THB 21,130 million, declined by 4.0% YoY, while Q4'23 beverages revenues grew 4.4% QoQ. While 2023 domestic beverages revenues decreased by 7.1% YoY, domestic beverages revenues excluding the re-base impact on C-Vitt grew 0.6% YoY, of which energy drinks grew 2.2% YoY. This resulted from a quarterly improvement trend in the sales of our core energy drinks through M-Pire portfolio strategy, along with strong distribution network and superior marketing communications from M-150 superstar campaign to fortify our leadership in premium segment. In addition, OSP accelerated our product innovation in new formats and/or new benefits across beverages portfolio in anticipation of evolving consumer trend and lifestyle and acquiring new and growing consumer segments, such as white collar, new economy workers, silver generation, and millennials. OSP launched M-150 sparkling energy drinks in Q4'23 with modern design in can format, targeting younger and premium consumer segments, aligned with our premiumization strategy. Our functional drinks portfolio offers Peptein Drink D with new-easy-to-drink taste, high vitamin D to boost immunity, and enhancing brain function with original soy peptide. Calpis also introduced new benefits and seasonal flavor creation, including Calpis Lacto Original Fiber 5,000 mg. for balancing the digestive system and Calpis Lacto Soda Aomori Apple flavor, which come with refreshment and benefits from lactobacillus. C-Vitt offers 0% sugar for healthier choice comprising of lemon, orange, and newly launched peach flavors. These new innovations adopted unique ways to tap their target consumers, build awareness, and create trial, including social media and collaboration with partners such as Café Amazon, Yuzu House, and Dakasi for special co-creation menus. As a result, Peptein and Calpis achieved remarkable double-digit growth YoY, while C-Vitt showed recovery trend after the re-base effect in Q1'23. International beverages revenues posted 8.2% YoY growth in 2023, primarily driven by impressive double-digit growth in Myanmar and Laos, which achieved continuous growth for 3 consecutive years since commencing local production facility.

As a market leader in energy drinks market, OSP focused on driving market growth through premiumization and profitable long-term market share gain. OSP's energy drinks market share declined 290 bps YoY to 46.6% with recovery in Dec'23. OSP will continue improving our execution and portfolio to drive sustainable share recovery in long run through product innovation, differentiated marketing activities, and effective market execution in our strong distribution networks. OSP is also a strong leader in both functional drinks market with market share of 41.6% and vitamin C drinks subsegment with market share of 68.7%. Peptein and Calpis gained market share YoY along with C-Vitt that continued to reinforce its strong leadership position under vitamin C subsegment.

Personal Care Segment

OSP's total personal care revenues recorded at THB 2,486 million in 2023, grew by 1.4% YoY, and THB 718 million in Q4'23, grew by 10.9% QoQ. Our deodorant category under both Twelve Plus and Exit showed continued double-digit growth as people returning to workplace and start socializing again post COVID-19. Twelve Plus progressed its success journey to secure solid number 2 position in women's deodorant market through leveraging its strength in high quality fragrance and differentiating proposition with a series of innovation that offer longer-lasting protection, whitening, less shave, fast dry, and gentle for delicate underarm skin. During the year, Babi Mild also launched communication campaign under "The Power of Gentle Touch" with

the transition of the entire portfolio into new 100% organic formulation and eco-friendly packaging to create safe and sustainable products to drive positive change to consumer health and our environment.

Others Segment

The overall revenues under others segment were THB 2,446 million, declined by 12.5% YoY, mainly due to lower OEM glass bottles revenues. The overall glass production capacity was adjusted between OEM sales and own production in order to achieve improved margins and better manufacturing efficiency.

Gross profit margin improved every quarter and impressively expanded by 390 bps YoY to 34.5% in 2023 and reaching peak in Q4'23 at 35.5%. The margin improvement benefited from premiumization strategy across major brands, enhanced product mix, and increased efficiency in glass production. During the year, OSP shutdown furnaces in Q1'23 and Q4'23 and shifted glass production to produce our own product at higher margin, while improved efficiency of existing glass production, resulting in better output yield and reduced energy consumption. As a part of Fast Forward 10X program, which aims to manage overall costs and enhance profitability, commodity cost impact was minimal. OSP achieved THB 826 million in gross savings through this program by mitigating impact from higher raw material costs, enhancing production efficiency by optimizing the utilization of existing facilities, streamlining processes, and maximizing the potential of our people, technology, and assets with objective to build strong fundamentals for sustainable growth.

Selling and administrative expenses (SG&A) to revenues from sales were at 26.0%, compared to 23.8% in 2022. The increased spending on selling expenses was primarily attributed to the marketing activities and sales activation under the M-150 superstar campaigns to enhance our M-150 brand recognition but the spending started to optimize in Q4'23. Administrative expenses increased from the addition of the new experienced team to drive strategic investments for future growth opportunities, impact from foreign exchange losses, and the one-time expenses in Q4'23 mainly relating to cessation of the operations of the glass bottle factory in Samut Prakan.

OSP recognized share of profit of associates and joint ventures at the amount of THB 146 million, declined by 53.8% from the contracted share of profit of House Osotspa Foods Co. Ltd due to the re-base of vitamin C drinks post COVID-19 impact and share of loss of joint venture business in OEM glass bottle manufacturing in Myanmar, which impacted by the depreciation of Myanmar Kyat and the slowdown in purchasing power affecting glass bottle sales in Myanmar. OSP is aware of the increased risks and challenges in Myanmar arising from political instability and foreign exchange control imposed by the government, as well as economic sanctions on Myanmar imposed by the United States and the European Union. This has resulted in increased operational costs due to supply chain disruptions and the need to adjust our operational strategies as appropriate to align with the shift in regulatory policies during political uncertainty. Thus, OSP has continued to closely monitor situations in Myanmar to develop appropriate contingency plans to address issues in timely manner.

OSP delivered 2023 profit attributable to owners of the parent at THB 2,402 million, increased by 24.2% YoY, with net profit margin of 9.2%, expanded by 210 bps YoY. During the year, OSP recorded extraordinary items from strategic business restructuring activities to expand our core businesses where the company holds competitive advantages and divest non-core businesses or those with minority interest or no control. This mainly accounted for dividend received from investment in other company, one-time items from business restructuring activities, and one-time expenses from the cessation of operations of the glass bottle factory in Samut Prakan. Excluding these items, 2023 core profit from operation was at THB 2,181 million, grew 14.0% YoY, with core profit margin of 8.4% and Q4'23 core profit from operation was at THB 592 million with core profit margin of 9.1%. Our core profit from operation improved every quarter throughout the year.

2024 Business Outlook

In 2023, domestic economic growth was slower than expected owing to the decline in government spending, lower tourist arrivals, subdued demand along with high household debt, and global headwinds. Against a sluggish market backdrop, OSP made a good progress in recovery and delivered double-digit bottom-line growth as guidance, along with improved operating efficiency and strategic business restructuring.

Looking ahead to 2024, OSP takes a cautious outlook that the operating environment may persist with continued high household debt, softened global demand, and persistent geopolitical tension. The positive factor may depend on the government's fiscal stimulus and digital wallet stimulus package to temporarily bolster consumption. However, there are numerous challenges, including sustainability, drought, and intensified geopolitical tension, which could impact energy prices and global supply chains.

OSP initiates several measures to drive portfolio innovation for growth responding to the evolving consumer environment, pursue greater production efficiency and invest behind operational capabilities and talent, along with strong execution and realign our business and strategic priorities since 2023 and these will continue in 2024 with key priorities to drive return to shareholders and sustainable profitable growth over the long term as follows:

- **Setting ambition for mid-single-digit revenues growth** through strengthening core businesses, accelerating innovation, driving rising star brands with effective execution plan to match each targeted consumer group
- **Streamlining operations for improved margins** through boosting production efficiency, optimizing asset utilization, mitigating commodity cost impact, and better managed working capital, as well as strategic business restructuring activities to



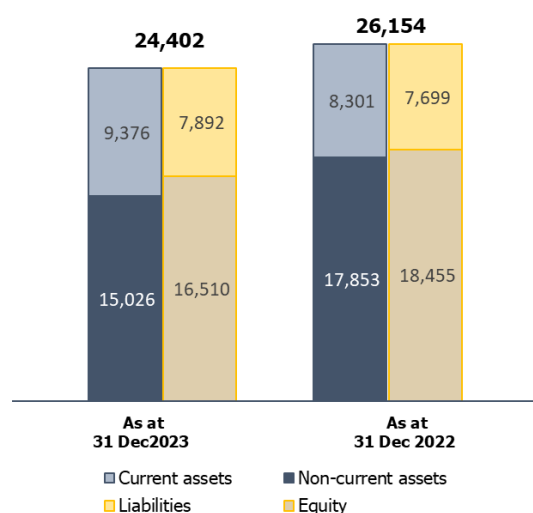
expand our core businesses where the company holds competitive advantages and divest non-core businesses or those with minority interest or no control

- **Progressing on sustainability agenda** towards 2025 ESG targets and established roadmap for carbon neutrality by 2050
- **Transforming organization** to build fundamental for growth by integrating digital technologies, refining processes and culture, and developing and maximizing the potential of our people to achieve increased productivity to be a higher performing organization
- **Managing international businesses** by strengthening leadership positions in core markets and investing for future growth in regional countries, while evaluating and prudently managing risks and opportunities with precautionary actions to mitigate the foreseeable risks
- **Pursuing inorganic growth** to drive strategic investment opportunities

Financial Position

Balance Sheet

Unit: THB million



Balance Sheet Breakdown

ASSETS (THB million)	As at 31 Dec 2023	As at 31 Dec 2022
Cash and cash equivalents	1,339	1,087
Trade and other receivables	4,389	4,051
Inventories	3,627	3,147
Other current assets	21	16
Total Current Assets	9,376	8,301
Net PP&E	13,020	13,480
Other non-current financial assets and long-term investments	1,207	3,625
Other assets	799	748
Total Non-Current Assets	15,026	17,853
Total Assets	24,402	26,154
LIABILITIES and EQUITY (THB million)	As at 31 Dec 2023	As at 31 Dec 2022
Trade and other payables	4,467	4,787
Loans from financial institutions	2,357	1,508
Other liabilities	1,068	1,404
Total Liabilities	7,892	7,699
Issued and paid-up share capital	3,004	3,004
Share Premium	11,848	11,848
Retained earnings	2,218	2,400
Other components of equity	(744)	1,212
Non-Controlling Interest	184	(9)
Total Equity	16,510	18,455
Total Liabilities & Equity	24,402	26,154

As of 31 December 2023, the Company had total assets of THB 24,402 million, decreased by THB 1,752 million (or -6.7%) from 31 December 2022 mainly from the divestment of Uni.Charm (Thailand) Company Limited, which resulted in a decline in other non-current financial assets, offsetting with an increase in cash and cash equivalents generated from operations, trade receivables, and inventories.

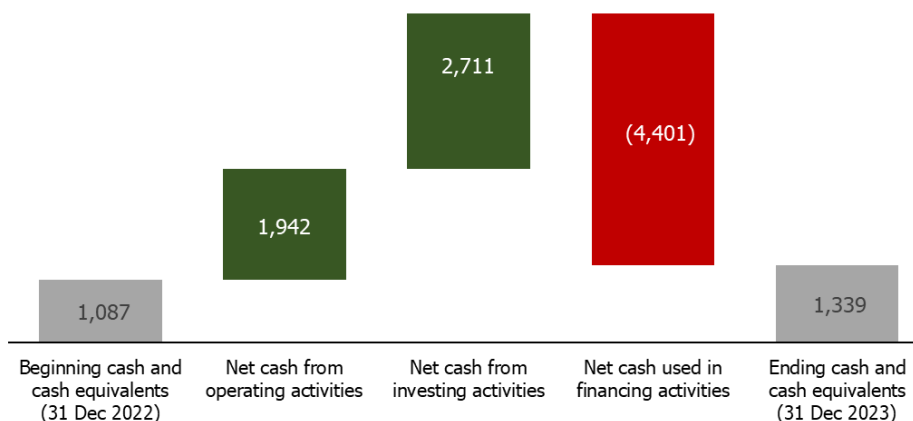
As of 31 December 2023, the Company had total liabilities of THB 7,892 million, increased by THB 193 million (or +2.5%) from 31 December 2022 primarily from increase in short-term loan from financial institutions.

As of 31 December 2023, the Company had total equity of THB 16,510 million, decreased by THB 1,945 million (or -10.5%) from 31 December 2022, mainly due to special dividend payment from the Company's retained earnings after the divestment of stakes in Uni.Charm (Thailand) Company Limited.



Cash Flows

Unit: THB million



As of 31 December 2023, the Company had cash and cash equivalents of THB 1,339 million, increased by THB 252 million, compared to 31 December 2022. The Company had positive cash flows from operating activities of THB 1,942 million. Net cash from investing activities of THB 2,711 million was mainly from the proceed from disposal of non-marketable equity securities. Cash outflows of financing activities of THB 4,401 million were primarily due to dividend paid offset with increase in short-term loans from financial institutions.

Financial Ratio Analysis

	Q4'23	Q4'22	FY'23	FY'22
Liquidity Ratios				
Current ratio (times)	1.4	1.4	1.4	1.4
Number of days of inventory	72	56	72	56
Collection period (days)	50	42	50	42
Accounts payable (days)	49	46	49	46
Profitability Ratios				
Gross profit margin (%)	35.5	29.9	34.5	30.6
EBITDA margin (%)	15.6	12.3	17.3	14.6
Net profit margin for the period (%)	6.6	5.4	9.3	7.1
Net profit margin attributable to owners of the parent (%)	6.6	5.2	9.2	7.1
Core profit margin from operation (%)	9.1	5.2	8.4	7.0
Return on equity (%) - trailing	13.9	10.0	13.9	10.0
Return on assets (%) - trailing	9.6	7.2	9.6	7.2
Other Ratios				
Interest-bearing debt to equity (times)	0.16	0.10	0.16	0.10

Gross profit margin improved every quarter and impressively expanded by 390 bps YoY to 34.5% in 2023 and reaching peak in Q4'23 at 35.5%. The margin improvement benefited from premiumization strategy across major brands, enhanced product mix, and increased efficiency in glass production. During the year, OSP shutdown furnaces in Q1'23 and Q4'23 and shifted glass production to produce our own product at higher margin, while improved efficiency of existing glass production, resulting in better output yield and reduced energy consumption. As a part of Fast Forward 10X program, which aims to manage overall costs and enhance profitability, commodity cost impact was minimal. OSP achieved THB 826 million in gross savings through this program by mitigating impact from higher raw material costs, enhancing production efficiency by optimizing the utilization of existing facilities, streamlining processes, and maximizing the potential of our people, technology, and assets with objective to build strong fundamentals for sustainable growth.

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Cash cycle (Number of days of inventory + Collection period – Accounts payable days) was 73 days, increased from 52 days in 2022. An increase in inventory days reflecting inventory built up prior cessation of the operations of the glass bottle factory in Samut Prakan. The inventory days are expected to decline in 2024 with volume recovery matching with the production capacity. The average collection period in 2023 was 50 days, higher compared to last year from higher proportion of growing modern retail channels. OSP continues to closely monitor credit risk exposure, ensuring that it remains within the company's established credit terms, which range from 7 days to 100 days. Our current ratio was favorable at 1.4 times, indicating a strong liquidity position and financial strength. Furthermore, our interest-bearing debt to equity ratio was at 0.16 times and net interest-bearing debt to equity ratio was at 0.08 times, signifying healthy balance sheet that is well-positioned to seize inorganic opportunities.

Dividend

OSP has a dividend payout policy to shareholders of at least 60% of consolidated net profit after deducting the legal reserve. On 28 February 2024, the Board of Directors passed a resolution to propose to the Annual General Meeting of Shareholders, to be held on 24 April 2024, approval of a total dividend payment of THB 1.65 per share paid from the 2023 net profit and retained earnings, totaling THB 4,956 million or equivalent to dividend payout ratio of 206%. The total dividend includes as follows:

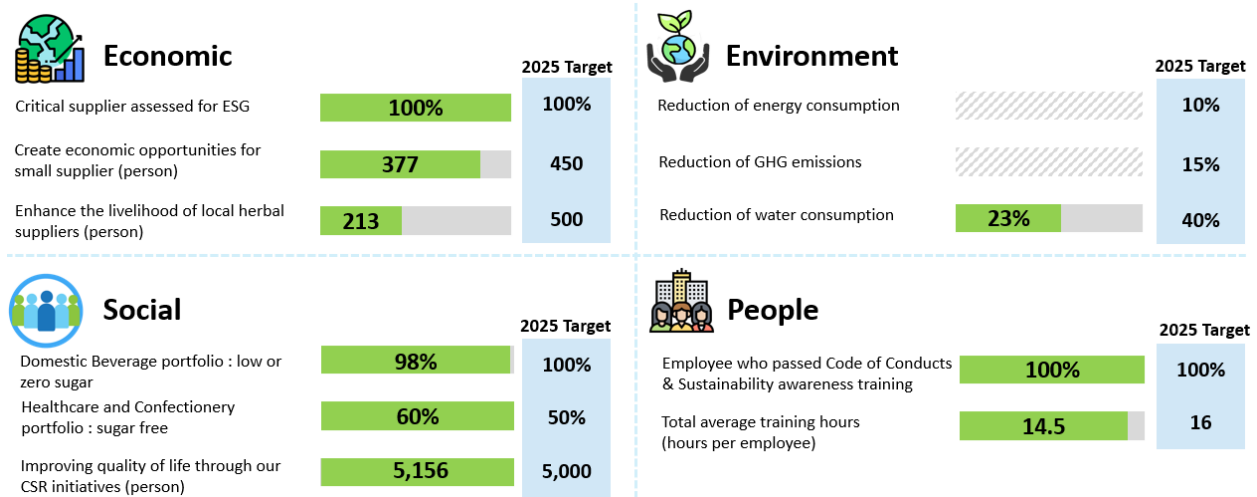
- Special dividend payment of THB 0.80 per share on 20 July 2023 due to the divestment of our minority stakes in Uni.Charm (Thailand) Company Limited
- Interim dividend of THB 0.40 per share, already paid on 8 September 2023
- Proposed final dividend to be paid at THB 0.45 per share

The dividend payout ratio excluding special dividend payment is equivalent to 106%.

OSP ESG Updates

In 2023, Osotspa, as one of the leading consumer goods companies in Thailand, announced our mission to achieve carbon neutrality by 2050. OSP has realized and recognized the importance of addressing impact of climate change to the global in various dimensions. We are moving forward to create a framework for sustainable development along with our business plan covering all three aspects including environment, social, and governance or "ESG". OSP strives to deliver our committed target through clear objectives and action plans with full effort from our employees as a key driver.

During the year, OSP has done number of actions to drive sustainability mission towards our 2025 sustainability target which key progresses can be summarized as follows:



OSP has also announced a health & nutrition policy for our beverage products, introduced the human rights policy and conducted the human rights due diligence process (HRDD), as well as being the first company in the Thai consumer goods industry to receive a certification in sustainable procurement and contracting standards (ISO20400: Sustainable Procurement), which all these considered as the company's continuous development in sustainability.

These successes have led to the recognition from both domestic and international sustainability standards which OSP has been listed in SET ESG Ratings at AA level, while evaluated by global institutions such as S&P Global ESG, MSCI ESG Rating, and FTSE4Good index.

Looking forward into 2024, OSP will continue to implement key number of actions to ensure our commitment towards 2025 sustainability target, as well as develop our sustainability roadmap to achieve carbon neutrality ambition by 2050.



APPENDIX: Ratios & Formulas

Liquidity Ratios

Current ratio (times) = Total current assets / Total current liabilities

Number of days of inventory = $365 / (\text{Cost of sales of goods}^1 / \text{Average inventory}^2)$

Collection period (days) = $365 / (\text{Total revenues from sales}^1 / \text{Average trade account receivables}^2)$

Accounts payable (days) = $365 / (\text{Cost of sales of goods}^1 / \text{Average account payables}^2)$

Profitability Ratios

Gross profit margin (%) = $(\text{Total revenues from sales} - \text{Total cost of sales of goods}) / \text{Total revenues from sales}$

SG&A to sales ratio (%) = $(\text{Selling and distribution expenses} + \text{Administrative expenses}) / \text{Total revenues from sales}$

EBIT margin (%) = $(\text{Profit before income tax expense} + \text{Finance Cost}) / \text{Total revenues from sales}$

EBITDA margin (%) = $(\text{Profit before income tax expense} + \text{Finance Cost} + \text{Depreciation and Amortization}) / \text{Total revenues from sales}$

Net profit margin for the period (%) = $\text{Net Profit for the period} / \text{Total revenues from sales}$

Net profit margin attributable to the owners of the parent (%) = $\text{Net Profit attributable to owners of the parent} / \text{Total revenues from sales}$

Return on equity (%) = $\text{Profit for the period} / \text{Average total equity}$

Return on assets (%) = $\text{Profit for the period} / \text{Average total assets}$

Other Ratios

Interest-bearing debt to equity (times) = $\text{Interest-bearing liabilities} / \text{Total equity}$

Net interest-bearing debt to equity (times) = $(\text{Interest-bearing liabilities} - \text{Cash and cash equivalents}) / \text{Total equity}$

¹ Annualized amount by summing the current quarter with the previous three quarters or the trailing twelve months

² Average ending balance between the current year and the prior year