

Management Discussion and Analysis

for the operation results of the Third quarter of fiscal year 2024 (1 Jan 2024 – 31 Mar 2024)

MC Group Public Company Limited and its subsidiaries (“the Company”) summarized the operating results for the third quarter of fiscal year 2024 (1 Jan 2024 – 31 Mar 2024) and for the 9-month period of the fiscal year 2024 (1 July 2023 - 31 March 2024) details as follows:

Overall Economic and Industry Overview

In the third quarter of fiscal year 2024 (1 Jan - 31 Mar 2024), Consumer Confidence Index slightly dropped to 54.1 compared to 54.8 in Dec 2023 as a result of the Thai economy was not recovery as expectation. Including drought and PM 2.5 crisis, concern over the war situation between Russia and Ukraine. Battle between Israel and Hamas that may prolong and escalate. However, government measures to stimulate the economy such as the project to reduce electricity prices and reduce the price of both diesel and gasoline. Including the opening of free visas to tourists from China, Kazakhstan, India and Taiwan. that help better recover in Thai economy.

Overall Performance for Q3'24 and 9-month period of FY2024

Unit: THB million	Jan - Mar 24	Jan - Mar 23	Change	9 Month Period		Change
				Jul - Mar 24	Jul - Mar 23	
Sales Revenue	995	957	4.0%	3,178	2,832	12.2%
Gross Profit	623	621	0.4%	2,038	1,839	10.8%
Gross Profit Margin	62.6%	64.9%	-2.2%	64.1%	64.9%	-0.8%
SG&A	418	424	-1.4%	1,332	1,193	11.6%
%SG&A	42.0%	44.3%	-2.3%	41.9%	42.1%	-0.2%
Other Revenue	9	7	21.5%	37	19	99.2%
EBITDA	314	302	4.0%	1,051	951	10.5%
%EBITDA	31.3%	31.3%	0.0%	32.7%	33.4%	-0.7%
NPAT	165	163	0.8%	577	525	9.8%
%NPAT	16.4%	17.0%	-0.5%	17.9%	18.4%	-0.5%

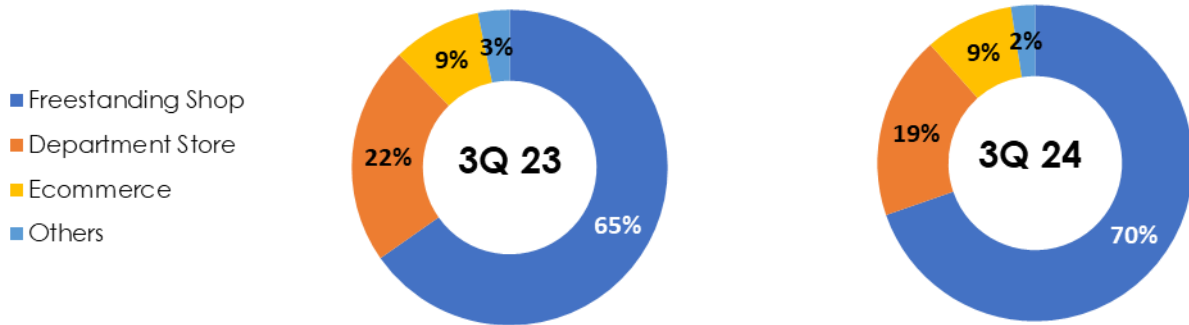
Revenue

In the third quarter of FY2024, The company reported sales revenue of THB 995 million increased THB 38 million or 4.0% YoY. The improvement contributes from both offline and online channels, due to volume and channel management and continued expansion in offline channel.

For 9-month period of FY2024, The company reported sales revenue of THB 3,178 million increased THB 346 million or 12.2% YoY. The improvement contributes from growth in offline channel from government resolutions to stimulate consumption and continued expansion in offline channel also continuing growth from online channel.

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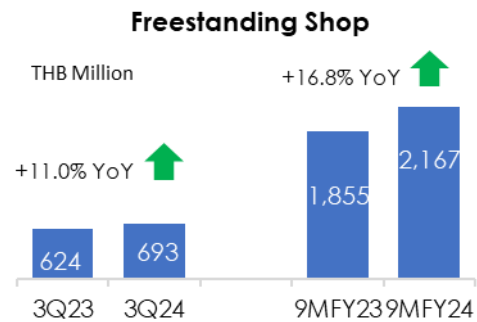
Revenue break down by channel



In the third quarter of fiscal year 2024 revenue breakdown by channels consisted of revenue from free-standing shop 70%, Department stores 19%, E-commerce 9% and other channels 2%.

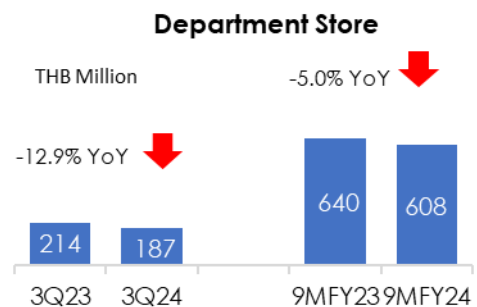
Freestanding Shop

Sales revenue from free standing shop in 3Q24 was THB 693 million increased THB 69 million or +11.0% YoY. From same store sales growth and expansion. For the 9-month period was THB 2,167 million increased by THB 312 million or +16.8% YoY from sales volume and store expansion.



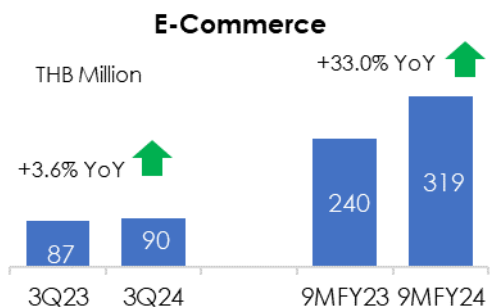
Department Store

Sales revenue from Department Stores in 3Q24 period was THB 187 million decreased THB 28 million or -12.9% YoY. For the 9-month period was THB 608 million decreased by THB 32 million or -5.0% YoY.



E-commerce

Sales revenue from E-commerce in 3Q24 was THB 90 million increased THB 3 million or +3.6% YoY. For the 9-month period was THB 319 million increased by THB 79 million or +33.0% YoY.



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As of 31 Mar 2024 and 30 Jun 2023, the Company had a total of 569 and 555 point of sales respectively details as follows

By Distribution Channel	Apparel and Lifestyle Products under "MC Group"		
	31 Mar 2024	30 Jun 2023	Increase (+) / Decrease (-) from end FY2023
Free-standing Shop	421	403	+18
Modern Trade	133	137	-4
Mobile Unit	6	6	-
Total POS (domestic)	560	546	+14
International Markets	9	9	-
Total	569	555	+14

Gross Profit

For the third quarter of FY2024, the company's gross profit was THB 623 million increased THB 2 million or 0.4%, gross profit margin decreased from 64.9% to 62.6% in the same period last year due to sales promotion to drive sales.

For 9-month period of FY2024, the company's gross profit was THB 2,038 million increased THB 199 million or 10.8% YoY from higher sales however gross profit margin slightly decrease from 64.9% to 64.1% in the same period last year due to sales promotion to drive sales.

Selling, General and Administrative Expenses (SG&A)

For the third quarter of FY2024, SG&A was THB 418 million decreased THB 6 million or 1.4% YoY from continuing control expense, SG&A to sales decreased from 44.3% previous year to 42.0% from higher sales as mention earlier.

For 9-month period of FY2024, SG&A was THB 1,332 million increased THB 139 million or 11.6% YoY result from higher sales, expansion in point of sales and impact from loss on impairment in Q1 FY24, SG&A to sales change from 42.1% previous year to 41.9% from better sales.

Earnings before interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA for the third quarter of FY2024 was THB 314 million increased THB 12 million or 4.0%. EBITDA margin was 31.3% same level as previous year.

EBITDA for 9-month period of FY2024 was THB 1,051 million increased THB 100 million or 10.5%. EBITDA margin was 32.7% compared to 33.4% in the previous year.

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Net Profit

For the third quarter of FY2024, the company reported net profit THB 165 million increased THB 1 million or 0.8%. Net profit margin was 16.4%, slightly decreased from 17.0% in the previous year.

For 9-month period of FY2024, net profit was THB 577 million increased THB 51 million or 9.8%. Net profit margin was 17.9% slightly decreased from 18.4% in the previous year.

Financial Position Analysis

Statement of Financial Position

(THB million)	31 Mar 2024	30 Jun 2023	% Change
Cash and short-term investments	1,487	1,727	-14%
Account receivables	254	203	25%
Inventory	1,347	1,294	4%
Right-of-use assets	1,217	974	25%
Other assets	1,175	1,173	0%
Total Assets	5,479	5,371	2%
Account payables	207	233	-11%
Interest-bearing liabilities	0	0	0%
Lease liabilities	1,237	984	26%
Other liabilities	422	434	-3%
Total Liabilities	1,867	1,650	13%
Equity attributable to the firm	3,611	3,719	-3%
Non-controlling interest	2	2	-17%
Shareholders' Equity	3,613	3,721	-3%

Assets

As of 31 Mar 2024, the Company reported total assets of THB 5,479 million, increased 2% or THB 108 million from period 30 June 2023 mainly comprised:

- Right-of-use assets increased THB 243 million from THB 974 million on 30 June 2023 to 1,217 million on 31 Mar 2024 from expansion and extension of store.
- Inventories increased THB 52 million from THB 1,294 million on 30 June 2023 to THB 1,347 million on 31 Mar 2024 to prepared on next quarter sales.
- Account receivables increased THB 51 million from THB 203 million on 30 June 2023 to THB 254 million 31 Mar 2024.
- Offset with Cash and short-term investments decreased THB 240 million from THB 1,127 million on 30 June 2023 to THB 1,487 million 31 Mar 2024.

Liabilities

As of 31 Mar 2024, total liabilities were THB 1,867 million compared to THB 1,650 million on 30 June 2023, an increase of THB 217 million contributed from THB 254 million increase of Lease liabilities.

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Shareholders' Equity

As of 31 Mar 2024, the Company reported THB 3,613 million of shareholders' equity, a decrease of THB 109 million from THB 3,721 million on 30 June 2023 from dividend paid of THB 681 million offset with 9M FY24 performance of THB 577 million.

Liquidity

As of 31 Mar 2024, the Company's cash, cash equivalent and short-term investment of THB 1,487 million decreased THB 240 million from 30 June 2023 due to:

- Cash provided by operating activity after corporate income tax was THB 672 million which mainly contributed from THB 716 million of Profit before income tax expenses.
- Net Cash outflow from investment activities was THB 85 million from THB 73 million of cash paid for property, plant and equipment and THB 5 million of cash paid for acquisition of intangible assets.
- Net Cash outflow from financing activities was THB 827 million from THB 681 million of dividend payment, THB 119 million of liabilities under finance lease agreements and THB 26 million of financial cost.

Key Financial Ratios

Financial Ratios		For period ended	
		31 Mar 2024	30 Jun 2023
Liquidity Ratios			
Current Ratio*	times	3.6	3.8
Average Days Receivable	days	22	20
Average Days in Inventory	days	332	353
Average Days Payable	days	59	57
Cash cycle	days	295	316
Efficiency Ratios			
Return on Assets (Annualized)	%	16.8	15.7
Return on Equity (Annualized)	%	19.2	17.4
Leverage Ratios			
Debt to Equity Ratio	times	0.5	0.4

*Exclude Current portion of lease liabilities, Current Ratio were 5.7 and 5.6 times for 31 Mar 2024 and 30 Jun 2023, respectively.

Respectfully yours



Virach Seripanu

Director