

**AURORA**



ของขวัญแห่งความสุขที่มีคุณค่า

**AURORA DESIGN PUBLIC COMPANY LIMITED**

**MANAGEMENT DISCUSSION  
AND ANALYSIS (MD&A)  
Q1/2024**

## EXECUTIVE SUMMARY

Operating Highlights	Q1/23	Q4/23	Q1/24	Change +/-	
Unit: Million Baht				%YoY	%QoQ
<b>Operating Revenue</b>	<b>7,474.9</b>	<b>8,078.3</b>	<b>8,160.9</b>	<b>+9.2%</b>	<b>+1.0%</b>
Gross Profit	719.4	800.6	872.9	+21.3%	+9.0%
EBITDA	482.1	494.3	535.7	+11.1%	+8.4%
<b>Net Profit (loss)</b>	<b>267.3</b>	<b>241.7</b>	<b>274.6</b>	<b>+2.7%</b>	<b>+13.6%</b>
Gross Profit Margin (%)	9.6%	9.9%	10.7%	+11.2%	+8.0%
EBITDA Margin (%)	6.4%	6.1%	6.6%	+1.9%	+7.4%
Net Profit (Loss) Margin (%)	3.6%	3.0%	3.4%	-6.2%	+12.1%
	Q1/2023		Q1/2024		
Same Store Sales Growth (%)	3.2%		8.7%		

## YoY Q1/24 vs Q1/23

- In Q1/2024, the Company recorded operating revenue of Baht 8,160.9 million, increased by Baht 686.0 million or 9.2% from the same period of the previous year. The main contributing factors to the revenue increase include the growth in sales of products under the Modern Gold category, as well as the rising interest earnings derived from the expanding gold financing receivables.
- Gross profit margin increased to 10.7% in Q1/2024, up from 9.6% in Q1/2023. This demonstrates the efficient cost management capabilities of the Company, contributing to the gross profit of Baht 872.9 million in Q1/2024, marking a significant increase of Baht 153.5 million or 21.3% compared to the previous year. However, the Company's ability to generate profits from both selling and buying gold has enabled it to maintain satisfactory profit levels.
- Net profit was Baht 274.6 million, increased by Baht 7.3 million or 2.7% compared to the same period of the previous year. This increase was mainly due to the growth in sales of products under the modern gold category, as well as the expansion of income from interest from gold financing.

## QoQ Q1/24 vs Q4/23

- In Q1/2024, the Company recorded operating revenue of Baht 8,160.9 million, increased by Baht 82.6 million or 1.0% from Q4/2023. This performance is consistent with the previous year. There was a slight uptick in sales revenue, mainly due to the period spanning the end of the fourth quarter through the beginning of the first quarter being the peak season, particularly notable in the sales of modern gold products.
- Gross profit margin increased to 10.7% in Q1/2024, up from 9.9% in Q4/2023. This demonstrates the efficient cost management capabilities of the Company, contributing to the gross profit of Baht 872.9 million in Q1/2024, marking a significant increase of Baht 72.3 million or 9.0% compared to the previous
- Net profit was Baht 274.6 million, increased by Baht 32.9 million or 13.6% compared to the previous quarter, mainly due to the increase in gross profit from the growth in sales of products under the modern gold category, as well as the expansion of income from interest from gold financing.

# SIGNIFICANT EVENTS IN Q1/2024

## Dividend payment announcement



On February 28, 2024, the Board of Directors Meeting resolved to propose to the 2024 Annual General Meeting of Shareholders on April 25, 2024 to consider to pay dividends for the operating performance of 2022 from the net profit for period end 2023 (January 2023 until December 2023). The dividends will be paid in cash at the rate of Baht 0.31 per share for the total common stocks of 1,334,000,000 shares, in total of Baht 413,540,000. The Company has fixed the names of shareholders who are entitled to receive dividends (Record Date) on May 9, 2024, and dividend payment is scheduled to be paid on May 21, 2024.

## AURA Opportunity Day YE2023

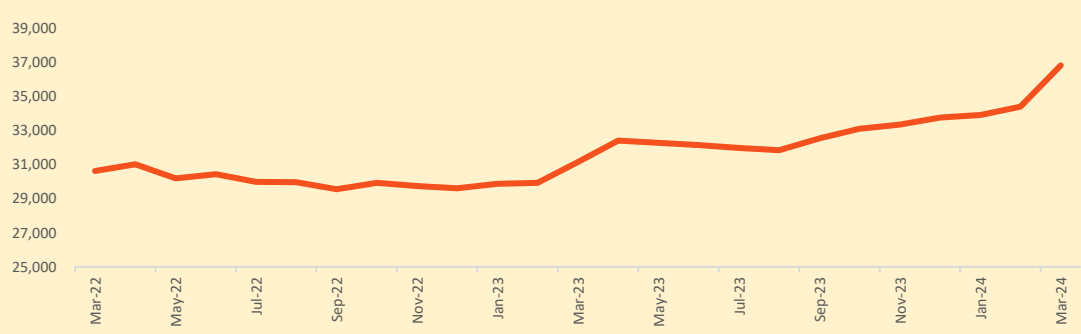


On March 13, 2024, the Company Participated in Opportunity Day via online channel, which was set up by The Securities Exchange of Thailand (SET) for results announcement as of the period ended 31 December 2023.

## INDUSTRY INFORMATION

Unit: Baht

Selling Gold Price



At the beginning of 2024 (as of April 10, 2024), the price of gold in Thailand rose to 40,500 baht per gold baht, the highest level in the past five years, driven by both internal and external factors such as the strengthening US dollar, high inflation, and concerns about the global geopolitical situation. Gold prices in Thailand from 2020 to 2024 moved in a range of 19,150 – 40,700 baht per gold baht.

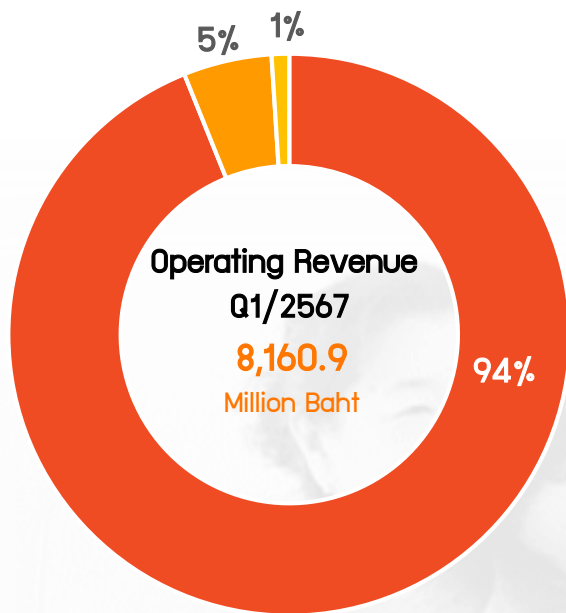
In terms of the Fed's policy outlook, the market expects the Fed to start cutting interest rates at its June meeting by 0.25% each, with two more cuts in September and December, bringing the policy rate to 4.50%-4.75% by the end of 2024. However, the latest data reflects the still strong US economy and inflation, which may cause the Fed to rush to cut interest rates. If the inflation figures are higher than expected. It could become a factor that prevents the Fed from starting to cut interest rates in June. The technical signals of gold prices remain bright, with gold prices finishing near all-time highs and continuing their upward trend.

\*Note: Average selling gold price as of Mar, 2024  
Source(s): Gold Traders Association, TNNWealthh

## OPERATING RESULT IN Q1/2024

Overall operating results	Q1/23	Q4/23	Q1/24	Change +/-	
Unit: Million Baht				%YoY	%QoQ
Operating Revenue	7,474.9	8,078.3	8,160.9	+9.2%	+1.0%
Cost of Goods Sold	6,755.5	7,277.7	7,288.0	+7.9%	+0.1%
<b>Gross Profit</b>	<b>719.4</b>	<b>800.7</b>	<b>872.9</b>	<b>+21.3%</b>	<b>+9.0%</b>
Other Income	14.5	15.7	8.2	-43.4%	-47.8%
Selling Expenses	307.8	383.8	390.8	+27.0%	+1.8%
Administrative Expenses	41.9	44.5	69.5	+65.9%	+56.2%
Financial Costs	53.3	79.1	78.4	+47.1%	-0.8%
<b>Profit (Loss) Before Income Tax Expenses</b>	<b>333.1</b>	<b>303.4</b>	<b>342.6</b>	<b>+2.9%</b>	<b>+12.9%</b>
Tax Expenses	65.8	61.8	68.0	+3.3%	+10.0%
<b>Net Profit (Loss)</b>	<b>267.3</b>	<b>241.7</b>	<b>274.6</b>	<b>+2.8%</b>	<b>+13.7%</b>

## OPERATING REVENUE STRUCTURE



### 94% REVENUE FROM MODERN GOLD DISTRIBUTION

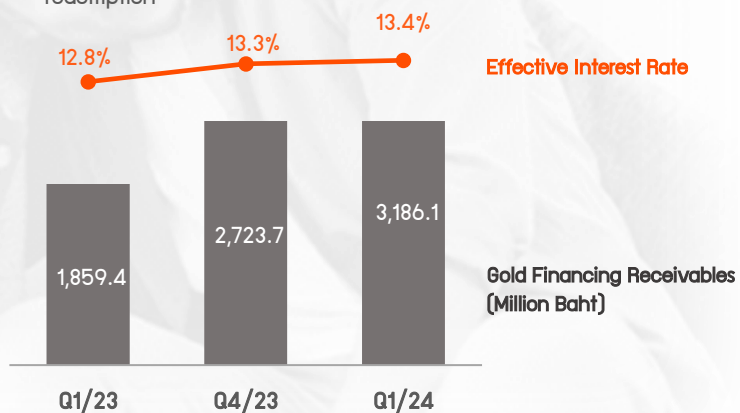
Gold jewelry products containing 96.5% pure gold such as necklaces, rings, bracelets, earrings, etc.

### 5% REVENUE FROM DIAMOND JEWELRY AND DESIGN GOLD DISTRIBUTION

- Diamond jewelry products such rings, earrings, bracelets, pendants with necklaces, etc.
- Gold jewelry products containing 40.0%-99.99% pure gold (Excluding Modern Gold products that contain 96.5% pure gold) with 4 groups of products: 1) Gold amulets 2) Belief products 3) Jewelry and 4) Gifts

### 1% REVENUE FROM INTEREST INCOME

Interest income from sales with right of redemption business in which customers can sell gold or gold/diamond jewelry with a right of redemption

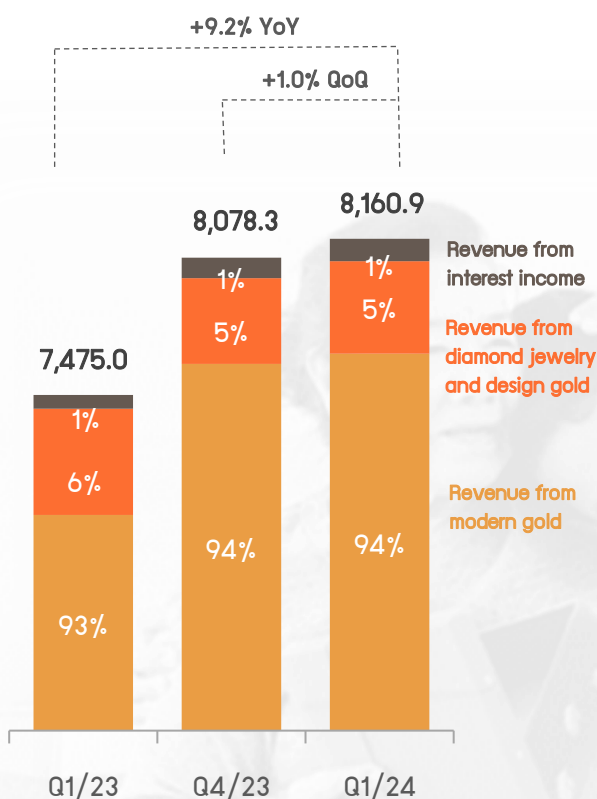


## BUSINESS OVERVIEW BY CATEGORY

Revenue Structure	Q1/23	Q4/23	Q1/24	Change +/-	
				%YoY	%QoQ
Unit: Million Baht					
Revenue from Modern Gold	6,947.8	7,611.2	7,656.3	+10.2%	+0.6%
<i>Revenue from Diamond Jewelry and Design Gold</i>	466.8	376.3	405.7	-13.1%	+7.8%
<b>Total Revenue from Product Distribution</b>	<b>7,414.5</b>	<b>7,987.5</b>	<b>8,062.0</b>	<b>+8.7%</b>	<b>+0.9%</b>
Revenue from Interest Income	60.3	90.8	98.9	+64.0%	+8.9%
<b>Total Operating Revenue</b>	<b>7,474.9</b>	<b>8,078.3</b>	<b>8,160.9</b>	<b>+9.2%</b>	<b>+1.0%</b>
Other Income	14.5	15.7	8.2	-43.4%	-47.8%
<b>Total Revenue</b>	<b>7,489.4</b>	<b>8,094.0</b>	<b>8,169.1</b>	<b>+9.1%</b>	<b>+0.9%</b>
Revenue Breakdown by Sales Channel	Q1/23	Q4/23	Q1/24	%YoY	%QoQ
Online Channel	425.1	354.8	249.6	-41.3%	-29.6
Offline Channel	6,989.5	7,632.7	7,812.4	+11.8%	+2.3
<b>Total</b>	<b>7,414.5</b>	<b>7,987.5</b>	<b>8,062.0</b>	<b>+8.7%</b>	<b>+0.9</b>

### 1. Operating Revenue

Unit: Million Baht



Note: \*Revenue from Modern gold consists

1. Revenue from branch sales.

2. Revenue from the sales and delivery gold of bars to close a net buying position.

YoY

Q1/24 vs Q1/23

In Q1/2024, the Company recorded total operational revenue of Baht 8,160.9 million, increased by Baht 686.0 million or 9.2% compared to the same period of the previous year. The main contributing factor was the growth in income from product sales in the Modern Gold segment, driven by sales expansion from existing branches and the opening of new ones. The number of branches increased to 429, up from the original 290 branches in the first quarter of 2023. Additionally, there was an increase in interest income resulting from the growth of consignment receivables. Furthermore, the rise in gold prices also influenced income recognition.

QoQ

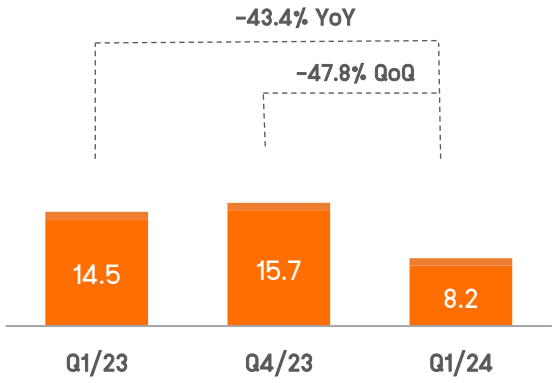
Q1/24 vs Q4/23

In Q1/2024, the Company recorded total operational revenue of Baht 8,160.9 million, increased by Baht 82.6 million or 1.0% compared to the previous quarter. The main contributing factor was the increase in income from product sales in the Modern Gold, Diamond Jewelry, and Design Gold segments. This growth was driven by sales expansion during the festival period at the end of the fourth quarter, extending into the first quarter. Furthermore, the company plans to stimulate sales during other periods by organizing various promotions to attract consumers and increase supply even further.



## 2. Other Income

Unit: Million Baht, %



Note: Other income consists of store service revenue and B2B customers (such as spare parts and gold card issuance) and membership card revenue.

### YoY Q1/24 vs Q1/23

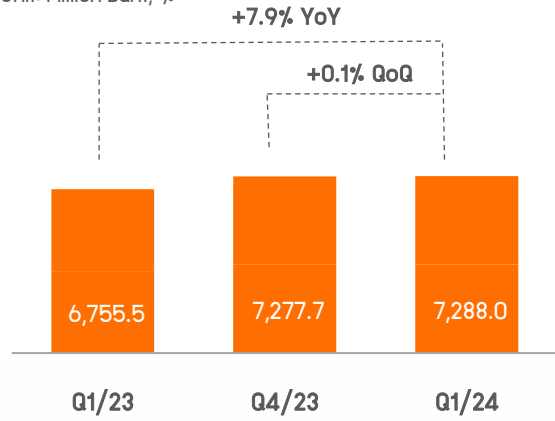
In Q1/2024, the Company had other income of Baht 8.2 million, which decreased by Baht 6.3 million or 43.4% from the same period of the previous year. This decline was attributed to higher other income in the first quarter of 2023, resulting from revenue generated from membership card fees.

### QoQ Q1/24 vs Q4/23

In Q1/2024, the Company had other income of Baht 8.2 million, which decreased by Baht 7.5 million or 47.8% from Q4/2023. This decline was attributed to higher other income in the first quarter of 2023, resulting from revenue generated membership fees, and other miscellaneous income unrelated to customer service.

## 3. Cost of Goods Sold

Unit: Million Baht, %



### YoY Q1/24 vs Q1/23

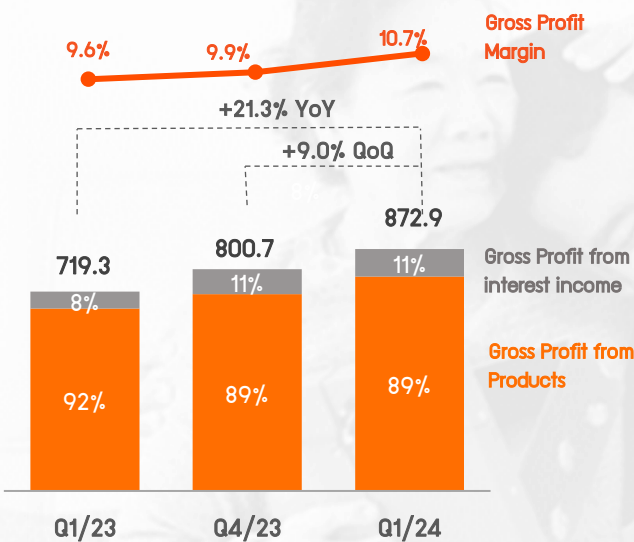
In Q1/2024, the Company incurred cost of goods sold totaling Baht 7,288.0 million, increased by Baht 532.5 million or 7.9% from the same period the previous year. This increase was related to the rise in revenue resulting from the expansion of branches, which increased by 139 branches from the 290 branches in Q1/2023.

### QoQ Q1/24 vs Q4/23

In Q1/2024, the Company incurred a cost of goods sold totaling Baht 7,288.0 million, reflecting a slight increase of Baht 10.3 million or 0.1% from Q4/2023, which was similar to the preceding quarter.

## 4. Gross Profit & Gross Profit Margin

Unit: Million Baht, %



### YoY Q1/24 vs Q1/23

**Gross profit:** In Q1/2024, the Company achieved a gross profit of Baht 872.9 million, which increased by Baht 153.5 million or 21.3% compared to the same period of the previous year. The main contributing factor was the growth in income from product sales in the Modern Gold segment, driven by the expansion of branches and various promotional campaigns, along with the growth of gold financing receivables.

**Gross Profit Margin** was 10.7%, increased from 9.6% in Q1/2023, demonstrating the efficient cost management capabilities of the Company.

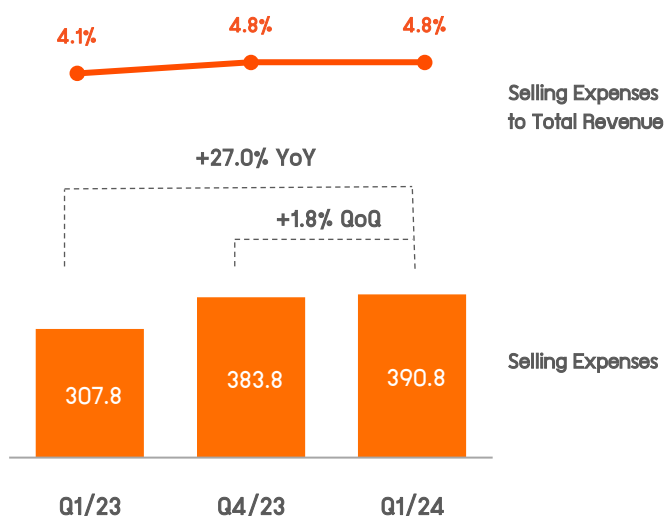
### QoQ Q1/24 vs Q4/23

**Gross profit:** In Q1/2024, the Company achieved a gross profit of Baht 872.9 million, which increased by Baht 72.2 million or 9.0% compared to Q4/2023, primarily due to the increased sales of the Modern Gold segment.

**Gross Profit Margin** was 10.7%, increased from 9.9% in Q4/2023, demonstrating the efficient cost management capabilities of the Company.

## 5. Selling Expenses

Unit: Million Baht, %



### YoY Q1/24 vs Q1/23

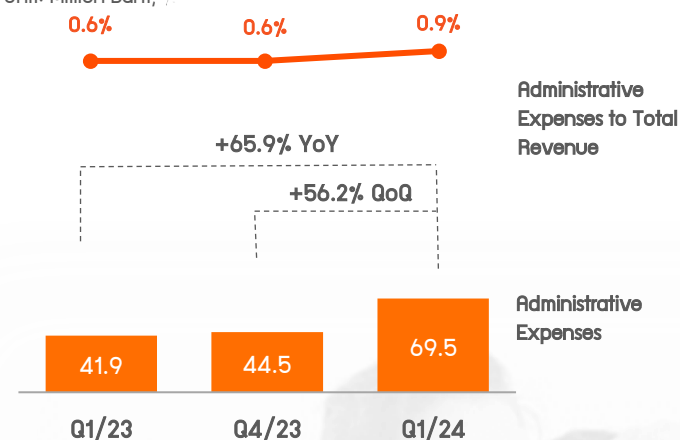
In Q1/2024, the Company incurred selling expenses totaling Bath 390.8 million, increased by Bath 83.0 million or 27.0% from the same period the previous year. The primary factors contributing to the increased selling expenses were associated with the company's branch expansion, including additional rental costs and sales promotion expenses.

### QoQ Q1/24 vs Q4/23

In Q1/2024, the Company incurred selling expenses of Bath 390.8 million, increased by Bath 7.0 million or 1.8% from Q4/2023. The ratio of selling expenses to revenue was 4.8 percent, which was close to the ratio in the previous quarter.

## 6. Administrative Expenses

Unit: Million Baht, %



### YoY Q1/24 vs Q1/23

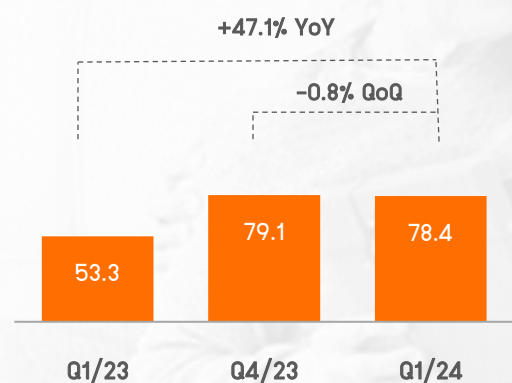
In Q1/2024, the Company incurred Administrative Expenses of Bath 69.5 million, increased by Bath 27.6 million or 65.9% from the same period of the previous year. This increase was primarily due to the rise in personnel expenses aligned with the business expansion strategy.

### QoQ Q1/24 vs Q4/23

In Q1/2024, the Company incurred Administrative Expenses of Bath 69.5 million, increased by Bath 25.0 million or 56.2% from Q4/2023.

## 7. Financial Expense

Unit: Million Baht, %



### YoY Q1/24 vs Q1/23

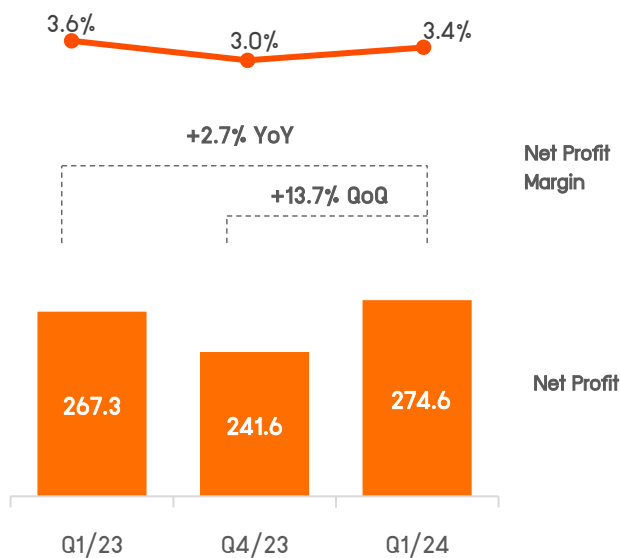
In Q1/2024, the Company incurred financial expenses of Bath 78.4 million, increased by Bath 25.1 million or 47.1% from the same period the previous year. This increase was due to the heightened borrowings utilized to expand branches and extend the customer base for receivable from gold financing, as well as the interest recognition from Right-of-use assets.

### QoQ Q1/24 vs Q4/23

In Q1/2024, the Company incurred financial expenses of Bath 78.4 million, reflecting a slight decrease of Bath 0.6 million or 0.8% from Q4/2023, which was similar to the preceding quarter.

## 8. Net Profit & Net Profit Margin

Unit: Million Baht, %



### YoY Q1/24 vs Q1/23

**Net Profit:** In Q1/2024, the Company recorded a net profit of Baht 274.6 million, which increased by Baht 7.3 million or 2.7% from the same period the previous year. This increase was mainly due to the rise in revenue from sales of Modern Gold, as well as the interest income from the growth of the gold financing business

**Net profit margin:** was 3.4%, increased from 3.6% in Q1/2023

### QoQ Q1/24 vs Q4/23

**Net Profit:** In Q1/2024, the Company recorded a net profit of Baht 274.6 million, which increased by Baht 33.0 million or 13.7% from Q4/2023. Despite a modest 0.9 percent uptick in revenue from Modern Gold product sales, costs only saw a marginal increase of 0.1 percent. This was primarily due to the consistent surge in gold prices throughout the quarter, leading to significant gold purchases. The company benefited from discounted repurchases, as a result, the selling price and cost margins improved.

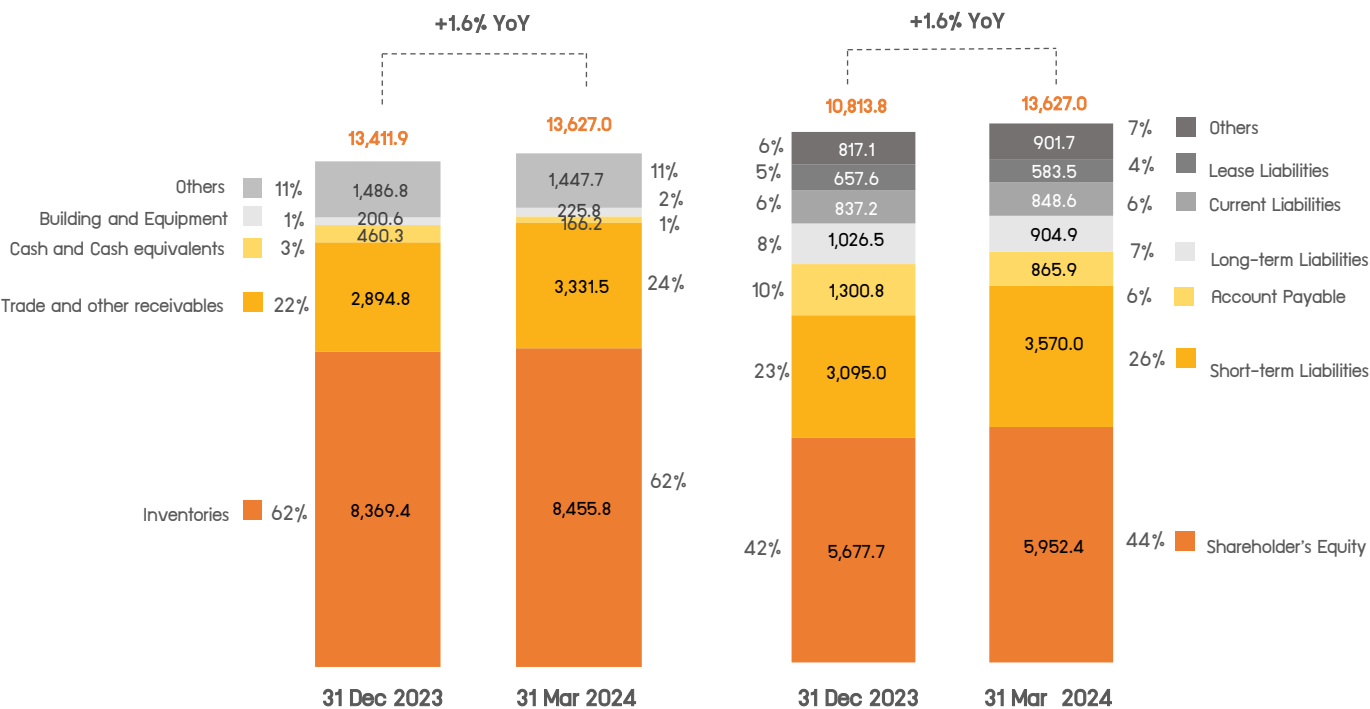
**Net profit margin:** was 3.4%, increased from 3.0% in Q4/2023





# STATEMENT OF FINANCIAL POSITION

Unit: Million Baht,



## Total Assets

As of 31 March 2024, the total assets of the Company was Baht 13,627.0 million, increased by Baht 215.1 million or 1.6% from 31 December 2023. The significant change are as follows:

- **Trade and other receivables:** increased by Baht 436.6 million, mainly influenced by the expansion of gold financing receivables.
- **Cash and cash equivalents:** decreased by Baht 294.1 million, due to the repayment of short-term loans for financial cost management.
- **Inventory:** increased by Baht 86.47 million corresponding to the increase of branches according to the business plan

## Total Liabilities

As of 31 March 2024, the total liabilities of the Company was baht 7,674.6 million, decreased by Baht 59.5 million or 0.8% from 31 December 2023. The significant change are as follows:

- **Short-term loans from financial institutions:** increased by Baht 475.0 million from the increase in loans from financial institutions to invest in the inventories corresponding to branch expansion and the increase in gold financing receivables.
- **Trade and other payables:** decreased by 435.1 million baht due to payments made in accordance with the credit term schedules.
- **Long-term loans from financial institutions:** decreased by 121.6 million baht due to repayments made on loans that reached maturity.

## Total Shareholders' Equity

As of 31 March 2024, the total shareholders' equity of the Company was Baht 5,952.4 million, increased by Baht 274.7 million or 4.8% from 31 December 2023. This rise was primarily driven by an increase in the company's operating profit and dividend payments.

## KEY FINANCIAL RATIOS

### Current Ratio

Unit: Times



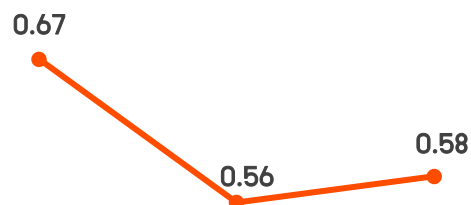
Q1/23

Q4/23

Q1/24

### Quick Ratio

Unit: Times



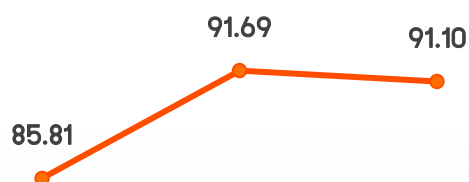
Q1/23

Q4/23

Q1/24

### Cash Cycle

Unit: Days



Q1/23

Q4/23

Q1/24

### D/E Ratio

Unit: Times



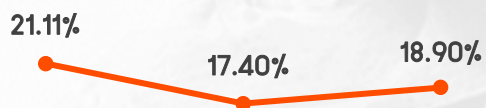
Q1/23

Q4/23

Q1/24

### ROE

Unit: %



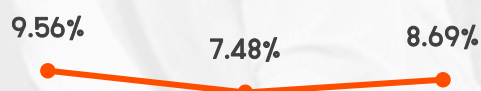
Q1/23

Q4/23

Q1/24

### ROA

Unit: %



Q1/23

Q4/23

Q1/24

## AURA ESG Development

The Company operates on the basis of sustainability, which is one of the organization's top priorities, by balancing business growth with societal well-being and environmental conservation. This includes prioritizing good corporate governance (Environment – Social – Governance: ESG). The company has established a Sustainable Development and Governance Committee to responsibly disclose important information transparently to stakeholders. Consequently, the company has expanded the scope of sustainable development initiatives as part of its financial performance analysis and operational report for the first quarter of 2567 (2024). The Company has made significant strides in key operational areas, including:

### Environmental

The Company may not have a significant direct impact on the environment or cause significant pollution. However, it is currently exploring the possibility of obtaining certification for carbon footprint labeling, including studying the environmental impact of its operational activities. Although the company may not yet have clear measurements of its environmental impact from operational activities, it is aware of the importance of environmental conservation.

- Activities related to wastewater treatment before discharge contribute to pollution prevention and help maintain water quality in the environment.
- Efforts to encourage employees to conserve electricity aim to reduce resource consumption effectively.

Nevertheless, environmental awareness and participation in environmentally friendly activities remain essential for the Company, and may serve as a foundation for future efforts to measure the environmental impact of its activities more accurately.

### Social Sustainability

The Company places importance on sustainability and therefore focuses on implementing initiatives and achieving operational outcomes in the following social aspects

#### I. Product and Service Quality:

- The Company is committed to treating customers fairly, adhering to ethical business practices and ensuring high-quality products and services.
- Efforts are made to develop products to meet or exceed customer expectations.
- Customer satisfaction surveys are conducted to gauge customer service levels.
- Customer care includes product warranties to instill confidence and assurance in product ownership.
- The Company maintains customer confidentiality and refrains from using it for personal or related party benefits without consent.

#### II. Employee Care:

- The Company provides comprehensive employee care across the organization to foster confidence and comfort among employees.
- Facilities and activities are arranged for employees to perform their duties or participate in company activities.
- Systematic planning of workforce rates and recruitment ensures fairness and efficiency.
- The Company believes that business success depends on quality and efficient employees.
- Long-term succession plans are developed to prevent work disruptions.
- Necessary benefits and entitlements are provided to employees, such as life insurance and pension funds.

#### III. Supply Chain Management:

- The Company is committed to conducting business with fairness, honesty, and social and environmental responsibility.
- Policies are established to ensure fair procurement and sales practices.
- Fair trade practices are upheld, and unethical information gathering from competitors is avoided.
- The Company complies with laws and agreements with creditors, partners, or financial institutions.
- Unfair demands or benefits from trading partners are not sought.
- Remedial actions for non-compliance with specified conditions in trading practices are identified.
- The Company practices fair competition and refrains from seeking confidential information through unethical means.

IV. Community, Social, and Environmental Care:

- The Company has a policy of cooperation, assistance, and support for socially and community beneficial activities.
- Supports environmental development and alleviates the suffering of the people in the area.
- Establishes good relationships between communities and employees to promote a better quality of life for the community and society.
- Supports educational and training projects for youth in the community.
- Provides scholarships and internships for students.
- Promotes students who receive internships and work in the company.

**Governance :**

The Company prioritizes good governance practices, focusing on continuous improvement, systematic monitoring, and setting goals to build confidence in management.

- The Company has a policy of collaboration, assistance, and support for activities beneficial to society and communities.
- It supports environmental development and alleviation of hardships for people in the area.
- It fosters good relationships between the community and employees to promote a better quality of life for both.
- It supports educational and training programs for youth in the community, providing scholarships and internships for students.

The ESG practices of AURA ESG Development in 2024 reflect the dedication and full commitment of the management team and all employees to build a sustainable and quality organization in all aspects. They aim to integrate ESG practices into the organization's objectives and culture continuously and steadfastly.

