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February 21, 2025

Subject Management's Discussion and Analysis (MD&A) Consolidated Financial Results: Yearly Ending 31 December 2024

Attention: Director and Manager of the Stock Exchange of Thailand

Operating Results

In 2024 is a time when must adjust their business plans in many aspects to create growth amid pressure from increasing competition. The entry of e-commerce platforms from China has had the impact of customer spending changes. However, among the negative factors, there are still positive signs from the government. The Bank has started spending on stimulating the economy and tourism has recovered, the approach to adaptation of the Company is based on the new product management by reducing product stock and focusing on high-profit products. Along with managing internal organizations to reduce internal costs and invest in technology to increase business efficiency, including marketing activities including organizing events and promotions. Stimulate purchasing power.

In 2024, despite facing economic challenges and natural disasters both domestically and internationally, the Company reported a revenue from sales and rendering of services of 8,735 million Baht, which represented a 1% decrease compared to the same period last year. The EBITDA was recorded at 1,558 million Baht. Additionally, the profit attributable to Owners of parent reached 983 million Baht, reflecting a 10% increase compared to the same period last year.

Meanwhile, in the fourth quarter of 2024, the Company recorded revenue from sales and rendering of services of 2,493 million Baht, a increase of 8% compared to the same period last year and a 20% increase from the previous quarter. The Company's EBITDA stood at 176 million Baht, reflecting a 23% and a 72% increase from the same period last year and the previous quarter respectively mainly due to dividend income, gain on bargain purchase of subsidiary, interest and rental. The loss attributable to owners of parent for the fourth quarter of 2024 was 3 million Baht, by 299% compared to the same period last year and 94% from the previous quarter.

Operating results, Key Financial Ratios and Financial Status

In July 2024, the Company purchased ordinary shares 4,200,000 shares in TNLX Co., Ltd. from Thanulux Public Company Limited, amounting to Baht 469 million. The Company had the ownership proportion as 70% and the control in TNLX Co., Ltd.

Taking control of TNLX Co., Ltd. will enable the Group receive the benefit from saving the production cost per unit and inventory management efficiency including enable to manage supporting division and had authority to manage the operation activity of TNLX Co., Ltd. efficiency to enhance the Group's existing to be more efficiency and align with the Company's operation activity.

During the period from acquisition date to 31 December 2024, TNLX Co., Ltd. contributed revenue of Baht 627 million and profit of Baht 20 million.

And in September 2024, the Group sell all interests 99.99% in WBRE Co., Ltd., which was a subsidiary, amounting to Baht 27 million. The Group recognized the decrease in non-controlling interest and recognized loss on disposal of investment in subsidiary amounting to Baht 45 million in consolidate financial statements.

2024 and Q4's Financial Performance Analysis

In 2024, the Company reported sales revenue from sales and rendering of services of 8,735 million Baht, a decrease of 1% compared to the same period last year. The comprises of THB 617 million on Cosmetics, toiletries & perfumeries, THB 2,546 million on Women's apparel, THB 2,834 million on Men's apparel, THB 1,420 million on Household products, THB 1,318 million on Others.

In the fourth quarter of 2024, the Company reported sales revenue from sales and rendering of services of 2,493 million Baht, a increase of 8% compared to the same period last year and a 20% increase from the previous quarter. The primary reason for growth in the economy that will then steadily lift consumer purchasing power. The comprises of THB 168 million on Cosmetics, toiletries & perfumeries, THB 646 million on Women's apparel, THB 880 million on Men's apparel, THB 427 million on Household products, THB 372 million on Others.

Costs of sales and rendering of services

In 2024, the Company reported costs of sales and rendering of services of 3,068 million Baht, a increase of 10% compared to the same period last year. the primary reason for this will then force to increase spending on technology as they look to sharpen their competitiveness and push on sales E-Commerce channels and increase costs.

In the fourth quarter of 2024, the Company reported costs of sales and rendering of services of 860 million Baht, a increase of 16% compared to the same period last year and a 10% increase from the previous quarter.

EBITDA Margin and Profit Margin attributable to the owners of of parent

In 2024, the Company achieved EBITDA of 1,558 million Baht, a increase of 3% from the same period last year. As a result, the EBITDA margin stood at 15 %, equal to EBITDA Margin from the same period last year. The profit attributable to the owners of parent in 2024 was 983 million Baht, a increase of 10% compared to the same period last year

In the fourth quarter of 2024, the Company achieved EBITDA of 176 million Baht, a increase of 23% from the same period last year and 72% from the previous quarter, As a result, the EBITDA margin stood at 7 %, increase from EBITDA Margin to the fourth quarter of 2023 at 6% and 4% from the previous quarter.

The loss attributable to the owners of parent in the fourth quarter of 2024 was 3 million Baht, representing a of 299% compared to the same period last year and 94% from the previous quarter.

Table 1 –Operating Results

(Unit : MB)

Operating Result	Q4		Q3	change		January - December		change
	2024	2023	2024	% YoY	% QoQ	2024	2023	% YoY
Revenue from sales and rendering of services	2,493	2,308	2,086	8%	20%	8,735	8,843	-1%
Total income	2,668	2,427	2,331	10%	14%	10,449	10,032	4%
Costs of sales and rendering of services	1,775	1,677	1,580	6%	12%	6,351	6,297	1%
Gross profit	718	631	506	14%	42%	2,384	2,545	-6%
Distribution costs and Administrative expenses	860	742	781	16%	10%	3,068	2,783	10%
EBITDA ⁽¹⁾	176	142	102	23%	72%	1,558	1,513	3%
Net (Loss) Profit	(2)	1	(42)	466%	-95%	995	899	11%
Profit (Loss) attributable to owners of parent	(3)	2	(51)	299%	-94%	983	894	10%

Remark

(1) EBITDA is calculated as profit before finance costs, income tax, depreciation, and amortization.

It excludes Share of (profit) loss of investments in associates accounted for using equity method.

Table 2 – Key Financial Ratios

(Unit : %)

Key Financial Ratio	Q4		Q3	January - December	
	2024	2023	2024	2024	2023
EBITDA Margin	7%	6%	4%	15%	15%
Net Profit Margin ⁽¹⁾	0%	0%	-2%	10%	9%
Profit Margin whice attributable to owners of parent	0%	0%	-2%	11%	10%
Return on Equity ⁽³⁾	0%	0%	0%	3%	3%
Return on Total Assets ⁽⁴⁾	0%	0%	0%	3%	3%

Remark

- (1) Net Profit Margin is calculated by dividing profit (or loss) for the period/year by total revenue.
 (2) Profit Margin whice attributable to owners of paren is calculated by dividing the profit
 (3) Return on Equity (ROE) is calculated by dividing the profit for the period/year by the shareholders' equity.
 (4) Return on Total Assets (ROA) is calculated by dividing the profit for the period/year by the total assets.

Total Assets

As of December 31, 2024, the Company's total assets amounted to 35,522 million Baht. The Company cash and cash equivalents accounting for 1,255 million Baht.

Total Liabilities and Equity

The Company maintained a solid financial position. As of December 31, 2024, the Company reported total liabilities of 5,794 million Baht. The total shareholders' equity amounted to 29,729 million Baht. For 2024, the Company's capital expenditures and investments totaled 1,477 million Baht. The Company continues to invest in business expansion, efficiency enhancement projects.

Table 3 – Financial position

(Unit : MB)

Financial Status	Q4		Q3	change	
	2024	2023	2024	% YoY	% QoQ
Total Assets	35,522	34,816	34,766	2%	2%
Total liabilities	5,794	5,565	5,411	4%	7%
Net Debt	4,445	5,245	4,598	-15%	-3%
Total equity	29,729	29,252	29,355	2%	1%
Net Debt to Equity ⁽¹⁾	0.15	0.18	0.16		
Net Debt to EBITDA ⁽²⁾	2.91	3.08	2.66		

Remark

(1) Net Debt-to-Equity Ratio is calculated by dividing net debt by total shareholders' equity.

(2) Net Debt-to-EBITDA Ratio is calculated by dividing net debt by EBITDA over the past 12 months.

Sustainable Development

In the fourth quarter of 2024, the company made progress in sustainability. On the environmental front, we have expanded the scope of our greenhouse gas emissions disclosure to include all categories. We will submit the data for verification and certification to the Thailand Greenhouse Gas Management Organization (TGO) in the first quarter of 2025 and will disclose the data in the Annual Report (Form 56-1 One Report) and the Sustainability Report 2024. The plan to expand the installation of solar cells at the company's warehouses in the first quarter of 2025 is still pending completion as we are in the process of applying for installation permits from relevant authorities.

On the social front, the company has reviewed and revised the job grading system for evaluating and analyzing compensation and benefits for employment to align with positions, duties, and responsibilities. On the governance front, the company has commenced operations to develop a sustainability strategic plan. The goal is to create a competitive advantage, manage risks, create shared value with stakeholders, and develop the organization sustainably by considering the balanced impact on the economy, society, and environment, which will lead to long-term success.

Thank you for your attention and please kindly disseminate this information to all shareholders and investors accordingly.

Yours Sincerely,



(Mr. Thamarat Chokwatana)

President and Executive Chairman