



KCG Corporation Public Company Limited



Management Discussion and Analysis (MD&A)

For the Year Ended 31 December 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 Q4/2023 and 2023 and Outlook

Operating Results (Unit: THB Million, %)	Q4/2022	Q3/2023	Q4/2023	Change		2022	2023	Change
				%YoY	%QoQ			%YoY
Sales	1,930.6	1,681.0	2,207.0	+14.3%	+31.3%	6,156.9	7,157.0	+16.2%
Other income	(1.7)	12.7	10.0	+696.6%	-21.4%	75.8	47.7	-37.0%
Total revenue	1,929.0	1,693.7	2,217.0	+14.9%	+30.9%	6,232.7	7,204.7	+15.6%
Cost of sales	1,364.5	1,179.0	1,485.8	+8.9%	+26.0%	4,390.9	5,010.2	+14.1%
Gross profit	566.1	502.0	721.2	+27.4%	+43.7%	1,766.0	2,146.7	+21.6%
Selling and distribution expenses	300.1	271.0	377.8	+25.9%	+39.4%	975.6	1,136.8	+16.5%
Administrative expenses	98.2	152.7	164.7	+67.8%	+7.9%	499.0	591.5	+18.5%
SG&A	398.3	423.7	542.6	+36.2%	+28.0%	1,474.6	1,728.3	+17.2%
Finance costs	17.6	18.4	15.8	-10.4%	-14.1%	52.5	79.9	+52.2%
Profit before income tax expenses	148.6	72.6	172.8	+16.3%	+138.1%	314.7	386.2	+22.7%
Tax expenses	34.7	17.3	31.4	-9.4%	+82.2%	73.6	80.3	+9.1%
Net profit	113.9	55.3	141.4	+24.2%	+155.5%	241.1	305.9	+26.9%
EBITDA	212.9	137.2	235.5	+10.6%	+71.7%	551.9	647.4	+17.3%
Gross profit margin (%)	29.3%	29.9%	32.7%	+3.4%	+2.8%	28.7%	30.0%	+1.3%
SG&A to sales (%)	20.6%	25.2%	24.6%	+4.0%	-0.6%	24.0%	24.1%	+0.2%
Net profit margin (%)	5.9%	3.3%	6.4%	+0.5%	+3.1%	3.9%	4.2%	+0.4%
EBITDA margin (%)	11.0%	8.1%	10.6%	-0.4%	+2.5%	8.9%	9.0%	+0.1%

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

Q4/2023 vs Q4/2022 (YoY)

- ✚ In Q4/2023, the Company recorded net profit of THB 141.4 million, increased by 24.2% YoY, with the following key matters:
 - ✚ Sales increased by 14.3% YoY, with growth from every product category and every sales channel, supported by the increased consumer demand and good-performing new products.
 - ✚ Gross profit margin improved by 3.4% YoY, supported by decreased overall cost of raw materials, improved capacity utilization rate, and effective production cost management.
 - ✚ SG&A increased by 36.2% YoY, following the higher sales. Increased expenditures mainly came from advertising and promotion (A&P), transportation, warehouse rental, utilities, and employee expenses, while there was a reversal of stock provisions in Q4/2022. %SG&A to sales thus increased by 4.0% YoY.
 - ✚ Finance costs decreased by 10.4% YoY, supported by decreased loans from financial institutions after the Company had some IPO proceeds received in Q3/2023 repaid loans from financial institutions. At the end of 2023, loans from financial institutions were THB 1,837.8 million, decreased by THB 992.5 million from THB 2,830.3 million at the end of 2022.
 - ✚ Income tax expenses decreased by 9.4% YoY despite a higher profit before income tax, supported by lower effective tax rates YoY resulting from expenses that can be deducted more than actual expenses.
 - ✚ The Board of Directors' meeting resolved to approve dividends for the 2023 operating results of 0.30 baht per share, equivalent to a dividend payout ratio of 53.4%. The proposal will be proposed for further approval at the shareholders' meeting on 24 April 2024.

Q4/2023 vs Q3/2023 (QoQ)

- ✚ In Q4/2023, the Company recorded net profit of THB 141.4 million, increased by 155.5% QoQ, with the following key matters:
 - ✚ Sales increased by 31.3% QoQ following the seasonal increase, where Q4 is usually the highest quarterly sales of the year. The sales increase came from every product category and every sales channel.
 - ✚ Gross profit margin increased by 2.8% QoQ, supported by decreased overall cost of raw materials, improved capacity utilization rate, and effective production cost management.
 - ✚ SG&A increased by 28.0% QoQ, following the higher sales. Increased expenditures were mainly due to higher A&P, transportation, warehouse rental, and employee expenses. However, %SG&A to sales decreased by 0.6% QoQ.
 - ✚ Finance costs decreased by 14.1% QoQ after the Company had some IPO proceeds received in Q3/2023 repaid loans from financial institutions and had no outstanding balance of long-term loans, which had higher interest rates than short-term loans. At the end of Q4/2023, loans from financial institutions were THB 1,837.8 million, increased by THB 137.7 million from THB 1,700.1 million at the end of Q3/2023 since the Company gradually withdrew loans for investment projects as planned.
 - ✚ Income tax expenses increased by 82.2% QoQ due to higher profit before income tax, with lower effective tax rates QoQ resulting from expenses that can be deducted more than actual expenses and decreased non-deductible expenses in the calculation of net profit.

2023 vs 2022 (YoY)

- ✚ In 2023, the Company had the highest record net profit since establishment in 1958 of THB 305.9 million, increased by 26.9% YoY, with the following key matters:
 - ✚ Highest record sales since establishment in 1958 of THB 7,157.0 million, increased by 16.2% YoY, with growth from every product category and every sales channel, supported by higher consumer demand, good-performing new products, and additional sales from Indoguna (Thailand) Co., Ltd. ("Indoguna" or "IDG"), a new subsidiary the Company acquired in March 2022.
 - ✚ Gross profit margin increased by 1.3% YoY, supported by a selling price increase in the second half of 2022, improved capacity utilization rate, and effective production cost management. Meanwhile, the overall cost of raw materials has gradually declined since the beginning until the end of 2023.
 - ✚ SG&A increased by 17.2% YoY, following higher sales. Increased expenditures were mainly due to higher(A&P), transportation, warehouse rental, utilities, employee expenses, and IPO expenses preparing before listing on the stock exchange of Thailand, while there was a reversal of stock provisions in Q4/2022. SG&A to sales increased by 0.2% YoY.
 - ✚ Finance costs increased by 52.2% 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 had some IPO proceeds received in Q3/2023 repaid loans from financial institutions, thus financial costs of the Company have been decreasing since Q3/2023.
 - ✚ Income tax expenses increased by 9.1% YoY due to higher profit before income tax, with lower effective tax rates YoY resulting from expenses that can be deducted more than actual expenses.

Major Development and Outlook

The continued recovery of the tourism sector, the expansion of domestic consumption, and the recovery of the export of goods will remain the main economic drivers of Thailand in 2024. The Company set its sales target in 2024 to grow by approximately 2 digits, supported by products with high growth in consumer demand, sales growth from top customers in both B2B and B2C, online sales, export sales, new product launches, etc.

The movement of the overall cost of raw materials in 2023 has returned to normal, as it did not increase as sharply as in 2022. The not-too-volatile cost of raw materials will benefit the Company's management. The Company's gross profit margin in 2023 has returned to normal levels at 30.0%, increased from 28.7% in 2022. In 2024, the average overall cost of raw materials tends to be relatively stable compared to 2023. Meanwhile, the Company plans to continuously upgrade machinery and improve production processes to increase production efficiency. The Company also plans for SKU rationalization, while production capacity utilization tends to slightly expand in 2024; thus, the Company expects that gross profit margins will continue to slightly improve in 2024.

The Company plans to adopt more technology and digital transformation in every department to help improve the work process to be more accurate and faster in every department, as well as reducing work redundancy, which will result in increased operational efficiency and productivity while reducing operating expenses, covering purchasing plans for raw materials and inventory management that are in line with demand planning, production, sales, and support departments. In addition, the Company's distribution center and warehouse, KCG Logistics Park, which will be partly in use by the end of Q1/2024 and fully operational in the second half of the year, will add storage space, increase inventory management efficiency, and significantly reduce warehouse rental costs. All of these factors will help gradually reduce the percentage of selling and administrative expenses to sales (%SG&A to Sales) in 2024 and also in the future sustainably.

Sales by Product Category (Unit: THB Million)	Q4/2022	Q3/2023	Q4/2023	Change		2022	2023	Change
				%YoY	%QoQ			%YoY
Dairy products	1,036.3	1,009.7	1,135.0	+9.5%	+12.4%	3,555.0	4,086.5	+15.0%
Foods & Bakery Ingredients and others (FBI)	519.2	488.5	578.5	+11.4%	+18.4%	1,787.3	2,061.1	+15.3%
Biscuits	375.2	182.9	493.5	+31.5%	+169.9%	814.7	1,009.3	+23.9%
Total Sales	1,930.6	1,681.0	2,207.0	+14.3%	+31.3%	6,156.9	7,157.0	+16.2%
%Sales by Product Category (Unit: %)	Q4/2022	Q3/2023	Q4/2023	Change		2022	2023	Change
				%YoY	%QoQ			%YoY
Dairy products	53.7%	60.1%	51.4%	-2.2%	-8.6%	57.7%	57.1%	-0.6%
Foods & Bakery Ingredients and others (FBI)	26.9%	29.1%	26.2%	-0.7%	-2.8%	29.0%	28.8%	-0.2%
Biscuits	19.4%	10.9%	22.4%	+2.9%	+11.5%	13.2%	14.1%	+0.9%
Total	100.0%	100.0%	100.0%			100.0%	100.0%	

Sales by Channel (Unit: THB Million)	Q4/2022	Q3/2023	Q4/2023	Change		2022	2023	Change
				%YoY	%QoQ			%YoY
B2B	737.6	709.3	802.2	+8.8%	+13.1%	2,534.1	2,892.7	+14.2%
B2C	1,109.6	891.8	1,302.5	+17.4%	+46.1%	3,347.0	3,938.6	+17.7%
Export	83.4	80.0	102.3	+22.6%	+28.0%	275.8	325.7	+18.1%
Total Sales	1,930.6	1,681.0	2,207.0	+14.3%	+31.3%	6,156.9	7,157.0	+16.2%
%Sales by Channel (Unit: %)	Q4/2022	Q3/2023	Q4/2023	Change		2022	2023	Change
				%YoY	%QoQ			%YoY
B2B	38.2%	42.2%	36.3%	-1.9%	-5.8%	41.2%	40.4%	-0.7%
B2C	57.5%	53.1%	59.0%	+1.5%	+6.0%	54.4%	55.0%	+0.7%
Export	4.3%	4.8%	4.6%	+0.3%	-0.1%	4.5%	4.6%	+0.1%
Total	100.0%	100.0%	100.0%			100.0%	100.0%	

Sales by Operation (Unit: THB Million)	Q4/2022	Q3/2023	Q4/2023	Change		2022	2023	Change
				%YoY	%QoQ			%YoY
Own-manufacturing products	1,478.7	1,232.3	1,699.1	+14.9%	+37.9%	4,680.3	5,337.8	+14.1%
Trading products	451.9	448.7	507.9	+12.4%	+13.2%	1,476.6	1,819.1	+23.2%
Total Sales	1,930.6	1,681.0	2,207.0	+14.3%	+31.3%	6,156.9	7,157.0	+16.2%
%Sales by Operation (Unit: %)	Q4/2022	Q3/2023	Q4/2023	Change		2022	2023	Change
				%YoY	%QoQ			%YoY
Own-manufacturing products	76.6%	73.3%	77.0%	+0.4%	+3.7%	76.0%	74.6%	-1.4%
Trading products	23.4%	26.7%	23.0%	-0.4%	-3.7%	24.0%	25.4%	+1.4%
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)	Q4/2022	Q3/2023	Q4/2023	Change		2022	2023	Change
				%YoY	%QoQ			%YoY
Revenue from sales	1,930.6	1,681.0	2,207.0	+14.3%	+31.3%	6,156.9	7,157.0	+16.2%

Q4/2023 vs Q4/2022 (YoY)

- In Q4/2023, the Company recorded total sales of THB 2,207.0 million, increased by THB 276.4 million or 14.3% YoY, with growth from every product category and every sales channel, supported by the increased consumer demand and good-performing new products.

Q4/2023 vs Q3/2023 (QoQ)

- In Q4/2023, the Company recorded total sales of THB 2,207.0 million, increased by THB 526.0 million or 31.3% QoQ following the seasonal increase, where Q4 is usually the highest quarterly sales of the year. The sales increase came from every product category and every sales channel.

2023 vs 2022 (YoY)

- In 2023, the Company recorded highest record sales since establishment in 1958 of THB 7,157.0 million, increased by THB 1,000.1 million or 16.2% YoY, with growth from every product category and every sales channel, supported by higher consumer demand, good-performing new products, 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 Gross Profit

Operating Results (Unit: THB Million, %)	Q4/2022	Q3/2023	Q4/2023	Change		2022	2023	Change
				%YoY	%QoQ			%YoY
Sales	1,930.6	1,681.0	2,207.0	+14.3%	+31.3%	6,156.9	7,157.0	+16.2%
Cost of sales	1,364.5	1,179.0	1,485.8	+8.9%	+26.0%	4,390.9	5,010.2	+14.1%
Gross profit	566.1	502.0	721.2	+27.4%	+43.7%	1,766.0	2,146.7	+21.6%
Gross profit margin (%)	29.3%	29.9%	32.7%	+3.4%	+2.8%	28.7%	30.0%	+1.3%

Q4/2023 vs Q4/2022 (YoY)

- In Q4/2023, the Company recorded cost of sales of THB 1,485.8 million, increased by THB 121.3 million or 8.9% YoY, following the higher sales.
- Gross profit in Q4/2023 was THB 721.2 million, increased by THB 155.0 million or 27.4% YoY, following the higher sales, with gross profit margin in Q4/2023 of 32.7%, improved from 29.3% in Q4/2022, supported by the decreased overall cost of raw materials, increased capacity utilization rate, and effective production cost management.

Q4/2023 vs Q3/2023 (QoQ)

- In Q4/2023, the Company recorded cost of sales of THB 1,485.8 million, increased by THB 306.8 million or 26.0% QoQ following the seasonal increase, where Q4 is usually the highest quarterly sales of the year. The sales increase came from every product category and every sales channel.
- Gross profit in Q4/2023 was THB 721.2 million, increased by THB 219.2 million or 43.7% QoQ, with gross profit margin of 32.7%, improved from 29.9% in Q3/2023, supported by the decreased overall cost of raw materials, increased capacity utilization rate, and effective production cost management.

2023 vs 2022 (YoY)

- In 2023, the Company recorded cost of sales of 5,010.2 million, increased by THB 619.4 million or 14.1% YoY, following the higher sales and increased average overall cost of raw materials for the whole year compared to last year.
- Gross profit in 2023 was THB 2,146.7 million, increased by THB 380.7 million or 21.6% YoY, following the higher sales. Gross profit margin in 2023 stood at 30.0%, increased from 28.7% in 2022, despite the higher average overall cost of raw materials for the whole year from last year. Increased gross profit margin was supported by a selling price in the second half of 2022, increased capacity utilization rate, and effective production cost management. Meanwhile, the overall cost of raw materials has gradually declined from the beginning until the end 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, %)	Q4/2022	Q3/2023	Q4/2023	Change		2022	2023	Change
				%YoY	%QoQ			%YoY
Sales	1,930.6	1,681.0	2,207.0	+14.3%	+31.3%	6,156.9	7,157.0	+16.2%
Selling and distribution expenses	300.1	271.0	377.8	+25.9%	+39.4%	975.6	1,136.8	+16.5%
Administrative expenses	98.2	152.7	164.7	+67.8%	+7.9%	499.0	591.5	+18.5%
SG&A	398.3	423.7	542.6	+36.2%	+28.0%	1,474.6	1,728.3	+17.2%
SG&A to sales (%)	20.6%	25.2%	24.6%	+4.0%	-0.6%	24.0%	24.1%	+0.2%

Q4/2023 vs Q4/2022 (YoY)

- In Q4/2023, the Company recorded selling, general and administrative expenses (SG&A) of THB 542.6 million, increased by THB 144.3 million or 36.2% YoY, following the higher sales. Increased expenditures mainly came from advertising and promotion, transportation, warehouse rental, utilities, employee expenses, while there was a reversal of stock provisions in Q4/2022.
- %SG&A to sales in Q4/2023 was 24.6%, increased from 20.6% in Q4/2022 mainly due to increased expenses and a reversal of stock provisions in Q4/2022, despite effective cost management.

Q4/2023 vs Q3/2023 (QoQ)

- In Q4/2023, the Company recorded SG&A of THB 542.6 million, increased by THB 118.8 million or 28.0% QoQ, following the higher sales. Increased expenditures mainly came from advertising and promotion, transportation, warehouse rental, and employee expenses.
- %SG&A to sales in Q4/2023 was 24.6%, decreased from 25.2% in Q3/2023, supported by increased sales and effective cost management.

2023 vs 2022 (YoY)

- In 2023, the Company recorded SG&A of THB 1,728.3 million, increased by THB 253.7 million or 17.2% YoY, following the higher sales. Increased expenditures mainly came from higher advertising and promotion, transportation, warehouse rental, utilities, employee expenses, and IPO expenses preparing before listing on the stock exchange of Thailand, while there was a reversal of stock provisions in Q4/2022.
- %SG&A to sales in 2023 was 24.1%, increased from 24.0% in 2022, mainly due to increased expenses and a reversal of stock provisions in Q4/2022, despite effective cost management. If excluding the reversal transaction in Q4/2022, %SG&A to sales in 2023 will slightly decrease compared to 2022.

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)	Q4/2022	Q3/2023	Q4/2023	Change		2022	2023	Change
				%YoY	%QoQ			%YoY
Finance costs	17.6	18.4	15.8	-10.4%	-14.1%	52.5	79.9	+52.2%
Total loans from financial institutions*	2,830.3	1,700.1	1,837.8	-35.1%	+8.1%	2,830.3	1,837.8	-35.1%
Total interest-bearing debts*	2,969.3	1,815.7	1,946.8	-34.4%	+7.2%	2,969.3	1,946.8	-34.4%

* Total loans from financial institutions and total interest-bearing debts for Q4/2022 and Q4/2023 were the same information as from the financial statements for 2022 and 2023, respectively.

Q4/2023 vs Q4/2022 (YoY)

- In Q4/2023, the Company recorded finance costs of THB 15.8 million, decreased by THB 1.8 million or 10.4% YoY, as the Company had some IPO proceeds received in Q3/2023 repaid loans from financial institutions. At the end of 2023, loans from financial institutions were THB 1,837.8 million, decreased by THB 992.5 million from THB 2,830.3 million at the end of 2022.

Q4/2023 vs Q3/2023 (QoQ)

- In Q4/2023, the Company recorded finance costs of THB 15.8 million, decreased by THB 2.6 million or 14.1% QoQ after the Company had some IPO proceeds received in Q3/2023 repaid loans from financial institutions and had no outstanding balance of long-term loans, which had higher interest rates than short-term loans. At the end of Q4/2023, loans from financial institutions were THB 1,837.8 million, increased by THB 137.7 million from THB 1,700.1 million at the end of Q3/2023, since the Company gradually withdrew loans for investment projects as planned.

2023 vs 2022 (YoY)

- In 2023, the Company recorded finance costs of THB 79.9 million, increased by THB 27.4 million or 52.2% 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 had some IPO proceeds received in Q3/2023 repaid loans from financial institutions, thus financial costs of the Company have been decreasing since Q3/2023.

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

5. Income Tax Expenses

Operating Results (Unit: THB Million, %)	Q4/2022	Q3/2023	Q4/2023	Change		2022	2023	Change
				%YoY	%QoQ			%YoY
Profit before income tax expenses	148.6	72.6	172.8	+16.3%	+138.1%	314.7	386.2	+22.7%
Tax expenses	34.7	17.3	31.4	-9.4%	+82.2%	73.6	80.3	+9.1%
Effective tax rate (%)	23.4%	23.8%	18.2%	-5.2%	-5.6%	23.4%	20.8%	-2.6%

Q4/2023 vs Q4/2022 (YoY)

- In Q4/2023, the Company recorded tax expenses of THB 31.4 million, decreased by THB 3.3 million or 9.4% YoY, despite a higher profit before income tax expenses.
- Effective tax rate decreased YoY, resulting from expenses that can be deducted more than actual expenses.

Q4/2023 vs Q3/2023 (QoQ)

- In Q4/2023, the Company recorded tax expenses of THB 31.4 million, increased by THB 14.2 million or 82.2% QoQ, mainly due to higher profit before income tax expenses.
- Effective tax rate decreased QoQ, supported by expenses that can be deducted more than actual expenses and reduced non-deductible expenses in the calculation of net profit.

2023 vs 2022 (YoY)

- In 2023, the Company recorded tax expenses of THB 80.3 million, increased by THB 6.7 million or 9.1% YoY, mainly due to higher profit before income tax expenses.
- Effective tax rate decreased YoY, supported by expenses that can be deducted more than actual 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)	Q4/2022	Q3/2023	Q4/2023	Change		2022	2023	Change
				%YoY	%QoQ			%YoY
Total revenue	1,929.0	1,693.7	2,217.0	+14.9%	+30.9%	6,232.7	7,204.7	+15.6%
Net profit	113.9	55.3	141.4	+24.2%	+155.5%	241.1	305.9	+26.9%
Net profit margin (%)	5.9%	3.3%	6.4%	+0.5%	+3.1%	3.9%	4.2%	+0.4%

Q4/2023 vs Q4/2022 (YoY)

- In Q4/2023, the Company recorded net profit of THB 141.4 million, increased by THB 27.5 million or 24.2% YoY, supported by the following reasons:
 - Total revenue increased by 14.9% YoY, mainly from sales growth of 14.3% YoY, with growth from every product category and every sales channel, supported by the increased consumer demand and good-performing new products.
 - Gross profit margin improved by 3.4% YoY, supported by the decreased overall cost of raw materials, improved capacity utilization rate, and effective production cost management.
 - Finance costs decreased by 10.4% YoY, supported by the decreased loans from financial institutions after the Company had some IPO proceeds received in Q3/2023 repaid loans from financial institutions.
 - Income tax expense and effective tax rate decreased YoY, supported by expenses that can be deducted more than actual expenses and reduced non-deductible expenses in the calculation of net profit.

Q4/2023 vs Q3/2023 (QoQ)

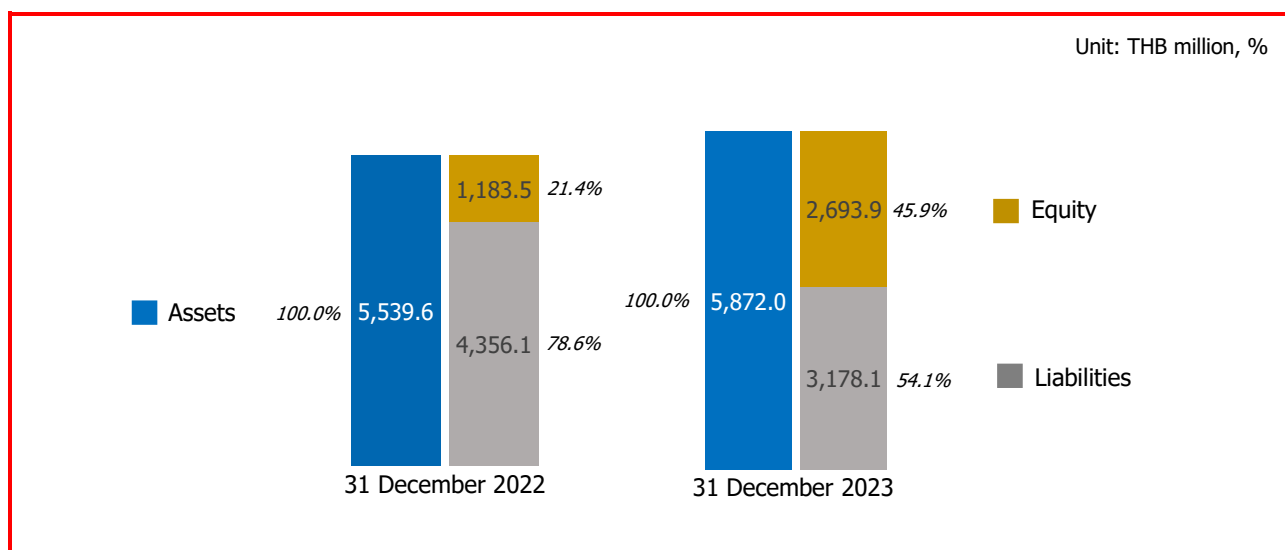
- In Q4/2023, the Company recorded net profit of THB 141.4 million, increased by THB 86.0 million or 155.5% QoQ, mainly due to the following reasons:
 - Total revenue increased by 30.9% QoQ, mainly from sales growth of 31.3% QoQ following the seasonal increase, where Q4 is usually the highest quarterly sales of the year. The sales increase came from every product category and every sales channel.
 - Gross profit margin improved by 2.8% QoQ, supported by the decreased cost of raw materials compared to the previous quarter, improved capacity utilization rate, and effective production cost management.
 - %SG&A to sales decreased by 0.6% QoQ, supported by increased sales and effective cost management.
 - Finance costs decreased by 14.1% QoQ after the Company had some IPO proceeds received in Q3/2023 repaid loans from financial institutions and had no outstanding balance of long-term loans, which had higher interest rates than short-term loans, despite increased loans from financial institutions QoQ since the Company gradually withdrew loans for investment projects as planned.
 - Effective tax rate decreased QoQ, supported by expenses that can be deducted more than actual expenses and reduced non-deductible expenses in the calculation of net profit.

2023 vs 2022 (YoY)

- In 2023, the Company had the highest record net profit since establishment in 1958 of THB 305.9 million, increased by THB 64.8 million or 26.9% YoY, supported by the following reasons:
 - Total revenue increased by 15.6% YoY, mainly from sales growth of 16.2% YoY. 2023 Sales were THB 7,157.0 million, the highest record sales since establishment in 1958, with sales growth from every product category and every sales channel, supported by higher consumer demand, good-performing new products, and additional sales from IDG, a new subsidiary the Company acquired in March 2022.
 - Gross profit margin improved by 1.3% YoY, despite the higher average overall cost of raw materials for the whole year compared to last year. Increased gross profit margin was supported by a selling price increase in the second half of 2022, increased capacity utilization rate, and effective production cost management. Meanwhile, the overall cost of raw materials has gradually declined from the beginning until the end of 2023.
 - Effective tax rate decreased YoY, supported by reduced non-deductible expenses in the calculation of net profit.

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

Statement of Financial Position



Assets

As at 31 December 2023, the Company had total assets of THB 5,872.0 million, increased by THB 332.4 million or 6.0% from THB 5,539.6 million at the end of 2022. The increase mainly resulted from 1) the increase in property, plant, and equipment (PP&E) from investment projects as planned; and 2) the increase in trade and other receivables.

On the other hand, the Company had inventories at the end of 2023 of THB 1,288.2 million, decreased by THB 242.7 million or 15.9% from THB 1,530.9 million at the end of 2022, supported by higher sales, effective inventory management, and the gradual decrease of overall cost of raw materials from the beginning until the end of 2023.

Liabilities

As at 31 December 2023, the Company had total liabilities of THB 3,178.1 million, decreased by THB 1,178.0 million or 27.0% from THB 4,356.1 million at the end of 2022. The decrease was mainly due to 1) the decrease in loans from financial institutions as the Company had some IPO proceeds received in Q3/2023 repaid loans from financial institutions. At the end of 2023, loans from financial institutions were THB 1,837.8 million, decreased by THB 992.5 million from THB 2,830.3 million at the end of 2022; 2) reduced trade and other payables; and 3) lower lease liabilities.

Equity

As at 31 December 2023, the Company had equity attributable to owners of the parent of THB 2,693.9 million, increased by THB 1,510.4 million or 127.6% 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, deducted by incurred expenses relating to the IPO approximately THB 25.3 million (net after tax); and 2) the Company's net profit in 2023 of THB 305.9 million, deducted by dividends paid (before listing on the Stock Exchange of Thailand) of THB 124.8 million.

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