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## MANAGEMENT DISCUSSION & ANALYSIS

T.Man Pharmaceutical Public Company Limited

Q1/2025



## Business Overview

T.Man Pharmaceutical Public Company Limited (the "Company") and its subsidiaries including T.Man Pharma Company Limited, Heaven Herb Company Limited, Nova Health Company Limited, and TMTProsport Company Limited (collectively referred to as the "Group") have been one of the leading manufacturer and/or distributor of pharmaceuticals and healthcare products in Thailand for over 50 years. The Group's business consists of:

- (1) Manufactures and/or distributes pharmaceutical and healthcare products under the Company's brands ("Own Brand")
- (2) Manufactures pharmaceutical and healthcare products under the brands of third parties ("OEM")
- (3) Distributor of pharmaceuticals and healthcare products under the brands of third parties ("DBU")

There are 4 categories of pharmaceuticals and healthcare products, including:

- (1) Modern medicine
- (2) Herbal products
- (3) Supplements and cosmetics
- (4) Other healthcare products

The main target customers of the Group are

- (1) Corporate customers such as (a) pharmacies (b) hospitals (c) modern retail and specialty stores (d) clinics (e) other corporate customers (such as government entities, general juristic persons, etc.)
- (2) Individual customers.

## ► Executive Summary

Operating Highlights	Q1/24	Q4/24	Q1/25	Change +/-
Unit : Million THB				%YoY %QoQ
Revenue from sales	587.3	574.0	594.2	1.2% 3.5%
<b>Gross Profit</b>	<b>287.3</b>	<b>288.4</b>	<b>286.2</b>	<b>-0.4%</b> <b>-0.8%</b>
EBITDA	193.4	167.6	184.0	-4.8% 9.8%
<b>Net Profit</b>	<b>139.5</b>	<b>108.1</b>	<b>121.9</b>	<b>-12.6%</b> <b>12.8%</b>
<b>Gross Profit Margin (%)</b>	<b>48.9%</b>	<b>50.2%</b>	<b>48.2%</b>	<b>-0.8%</b> <b>-2.1%</b>
<b>EBITDA Margin (%)</b>	<b>32.8%</b>	<b>28.9%</b>	<b>30.7%</b>	<b>-2.1%</b> <b>1.8%</b>
<b>Net Profit Margin (%)</b>	<b>23.7%</b>	<b>18.6%</b>	<b>20.4%</b>	<b>-3.3%</b> <b>1.7%</b>

Notes: Values may differ by one decimal point due to rounding

## Q1/2025 Operating Highlights

The Group's sales revenue in Q1/2025 grew in line with the growth strategy including new product launches, DBU business expansion, OEM business expansion and revenue growth from the expansion of overseas distribution.

During this quarter, the Group have successfully gained an increasing foothold in the hospital segment, achieving a 45% YoY revenue growth from the same period last year, reflecting the Company's ability to capture and strengthen a new major channel in the pharmaceutical market.

In addition, the Company has shown continuous growth in the top 5 brands whilst continuously launching new products to ensure the first mover position in the industry. To diversify the Company's portfolio and improve long term profitability, the Company have aggressively expanded the 'Rejunae' Aesthetic brand's coverage in Thailand. TMAN remains 'Committed to drive healthcare innovation for a better life of everyone'.

## ► Q1/2025 Significant Events



### Marketing Activities

In the first quarter, the Group continued to implement various marketing initiatives aimed at enhancing brand awareness and supporting sales growth in the core product segments. A wide range of activities was organized, including sponsorships and participation in concert events, promotional campaigns in collaboration with pharmacies, as well as product information booths and outreach efforts in hospitals and healthcare facilities.

These activities were designed to effectively reach target consumer groups and strengthen relationships with business partners across all distribution channels as a part of the Group's strategic plan to reinforce its brand and marketing capabilities over the long term.



### Product Development

In the first quarter of the year, the Group expanded its product portfolio according to the market and consumer demands corresponding to the Group's strategic plan. The key focus remains in developing high-quality products that truly addresses the consumers health needs. In Q1/2025, the Company have begun the production and distribution of new products under the Group's in-house manufacturing facilities, including the Propoliz product line (such as modern medicinal sprays), as well as Monlakast (for asthma treatment) and Fudic (for dermatological conditions).

The launch of these products marks a significant milestone in strengthening the Group's domestic manufacturing capabilities while enhancing long-term competitiveness.

## ► Industry Outlook



### Thailand Pharmaceuticals Market Size

Unit: Billion THB



The pharmaceutical market size in Thailand is expected to grow at 6.5% compound annual growth rate (CAGR) which the market will value at THB 272.0 billion in 2027F. The growth will be driven by factors including the increasing rates of both infectious and long-term illnesses, the greater emphasis on preventive healthcare due to heightened health awareness, and the expanding influx of international patients seeking medical treatment in Thailand.



### Thailand Pharmaceuticals Sales Through Hospitals

Unit: Billion THB



The pharmaceuticals sales through hospital is expected to grow consistently and is forecasted to increase from THB 1495 million in 2020 to THB 2220 billion in 2027F, representing a 6.8% compound annual growth rate (CAGR). Pharmaceutical sales through hospitals remain the key channel representing 80% of the total pharmaceutical market size. This reflects the important role of hospitals in drug and medicine distribution and presents a significant opportunity for pharmaceutical companies to expand the market through the hospital procurement system.

Source: Krungsri Research, Statista

## COLLABORATION FOR INNOVATION

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Source: Krungsri Research

## ► TMAN STRATEGIES

### 01 STRENGTHENING EXISTING BUSINESS

### 03 SEEKING FOR NEW BUSINESS OPPORTUNITIES

- i. Identifying new opportunities for growth
  - Original Equipment Manufacturer (OEM)
  - In-licensing of strong legacy brands
- ii. Using technology transfer to reduce R&D process and product costs
- iii. Future JVs' business to enhance business growth



#### INCREASING OPERATIONAL EFFICIENCY

- Focusing in cost efficient
- Increasing capacity and utilization
- Being a data driven organization
- Recruiting skilled personnel to build sustainable growth

### 02 ENHANCING EXPORTING ACTIVITIES

- i. Introduce existing product portfolio to new geographies
- ii. Build brand in international markets
- iii. Drive sales volume for cost efficiency across full portfolio
- iv. Develop business and customize product for localization

## ► Sustainability-driven initiatives (ESG)



### Environmental

The Group is committed to developing modern and eco-conscious production facilities. Both plants are designed to maximize production efficiency while minimizing impacts on the community and environment.



Both factories have received Green Industry Certification at Level 2.



The Group has installed Solar Rooftop, which are expected to generate approximately 1,300 kilowatts of electricity and have been in operation since Q4/2024, to reduce electricity consumption and promote energy sustainability.



### Social

Promoting the health of children on Thailand's National Children's Day 2025

The Group participated in a social responsibility initiative under the ESG framework by providing health products for mothers and children, including Vita-C, Fibermate, and Mossiguard, to the Foundation for Slum Child Care. This effort aims to promote good health and warm care for more than 60 children.

This activity reflects the Group's commitment to enhance the quality of life for Thai children by building a strong and sustainable health foundation, reinforcing their vision of being a responsible part of Thailand's social development.



### Governance

**Ethical Business Practices:** Adhering to all applicable laws and industry regulations, including the use of certified standard materials.



**Ethical Research and Development:** Prioritizing scientific and ethical standards in product development.



**Monitoring and Evaluation of Social and Environmental Impacts:** Establishing a system for monitoring and reporting the impacts of business operations, including the development of operational guidelines in line with ESG standards.



**Whistle Blowing Policy:** The Company encourages employees and stakeholders to report information regarding any non-transparent activities.

## ► COLLABORATION FOR INNOVATION

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## Operating Results

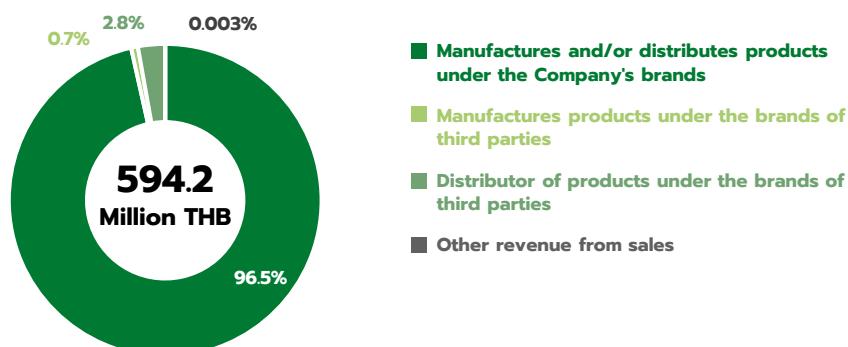
Overall operating result	Q1/24	Q4/24	Q1/25	Change +/-	
Units: Million THB				%YoY	%QoQ
<b>Revenue from sales</b>					
➤ Manufactures and/or distributes pharmaceutical and healthcare products under the Company's brands	561.4	551.4	573.4	2.1%	4.0%
➤ Manufactures pharmaceutical and healthcare products under the brands of third parties	15.0	8.3	4.2	-71.9%	-49.0%
➤ Distributor of pharmaceuticals and healthcare products under the brands of third parties	10.7	14.3	16.6	55.1%	16.3%
➤ Other revenue from sales <sup>(1)</sup>	0.2	0.0	0.0	-92.2%	598.3%
<b>Total Revenue from sales</b>	<b>587.3</b>	<b>574.0</b>	<b>594.2</b>	<b>1.2%</b>	<b>3.5%</b>
Other income <sup>(2)</sup>	1.8	6.1	4.8	160.1%	-21.8%
<b>Total Revenue</b>	<b>589.1</b>	<b>580.1</b>	<b>599.0</b>	<b>1.7%</b>	<b>3.3%</b>
Costs of sale	299.9	285.6	308.0	2.7%	7.8%
<b>Gross Profit</b>	<b>287.3</b>	<b>288.4</b>	<b>286.2</b>	<b>-0.4%</b>	<b>-0.8%</b>
Distribution Costs	76.6	111.0	90.1	17.6%	-18.9%
Administrative expenses	44.1	44.8	46.7	5.8%	4.3%
Financial costs	4.0	10.0	8.3	107.4%	-16.7%
(Reversal of) Expected Credit Loss	-1.6	0.8	0.1	-106.1%	-88.5%
<b>Profit before Income Tax</b>	<b>166.0</b>	<b>127.9</b>	<b>145.8</b>	<b>-12.2%</b>	<b>14.0%</b>
Income Tax expense	26.6	19.8	23.9	-10.0%	20.8%
<b>Net Profit</b>	<b>139.5</b>	<b>108.1</b>	<b>121.9</b>	<b>-12.6%</b>	<b>12.8%</b>

Notes: (1) Other revenue from sales mainly consists of revenue from selling leftover raw materials and packaging.

(2) Other income mainly consists of income from government support in various projects that the Group participates, gain (loss) from exchange rates, gain (loss) from the sale of fixed assets, income from selling scrap materials and income from research and quality inspection, interest income, and revenue from sample products presentation services of third-party brands.

<sup>1</sup> Values may differ by one decimal point due to rounding

### Revenue from sales by Business Segment



# ► TMAN Performance Analysis

## Revenue from sales by Product Category

Revenue from sales by product category <sup>(1)</sup>	Q1/24	Q4/24	Q1/25	Change +/-	
Units: Million THB				%YoY	%QoQ
<b>Pharmaceutical Products</b>	<b>334.5</b>	<b>341.7</b>	<b>357.4</b>	<b>6.8%</b>	<b>4.6%</b>
Modern Medicine	288.5	304.2	309.8	7.4%	1.8%
Herbal Products	46.0	37.5	47.6	3.5%	27.0%
<b>Healthcare Products</b>	<b>252.5</b>	<b>232.2</b>	<b>236.7</b>	<b>-6.3%</b>	<b>1.9%</b>
Supplements and cosmetics	232.6	209.2	216.5	-6.9%	3.5%
Other healthcare products <sup>(2)</sup>	19.9	23.0	20.3	1.7%	-12.1%
<b>Other revenue from sales<sup>(3)</sup></b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>-92.2%</b>	<b>598.3%</b>
<b>Total revenue from sales</b>	<b>587.3</b>	<b>574.0</b>	<b>594.2</b>	<b>1.2%</b>	<b>3.5%</b>

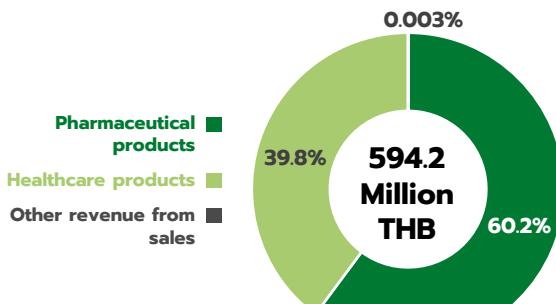
Notes: (1) Classification of product groups is according to the drug formula and/or food registration registered with the Food and Drug Administration (FDA)

(2) Other healthcare products include medical equipment, and materials and consumer products

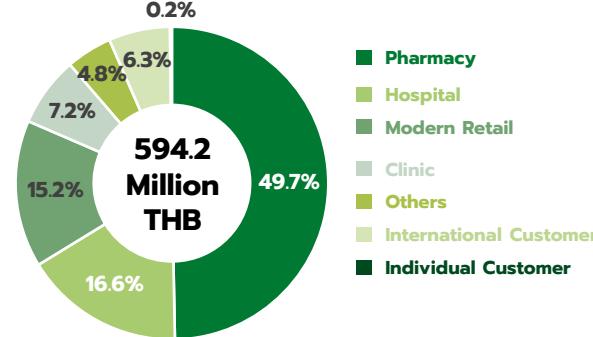
(3) Other revenue from sales mainly come from revenue from selling of leftover raw materials and packaging.

: Values may differ by one decimal point due to rounding

## Revenue from sales by Product Category



## Revenue from sales by Customer Group



## Revenue from sales by Customer Group

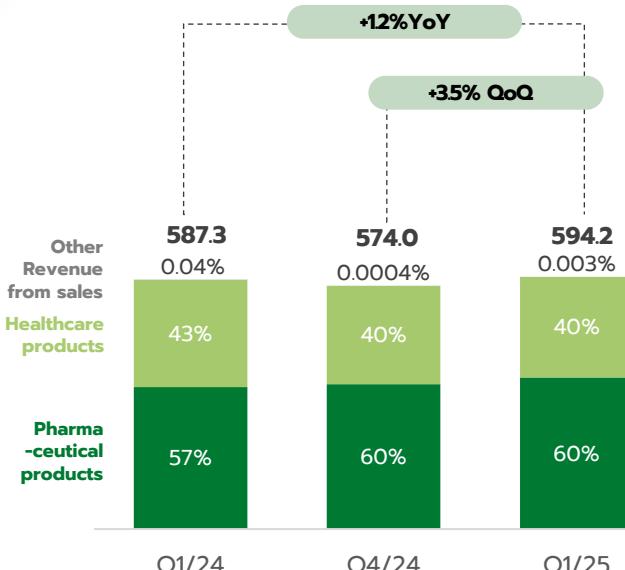
Revenue from sales by Customer Group	Q1/24	Q4/24	Q1/25	Change +/-	
Units: Million THB				%YoY	%QoQ
<b>Corporate Customers</b>	<b>585.5</b>	<b>571.6</b>	<b>593.4</b>	<b>1.4%</b>	<b>3.8%</b>
<b>Domestic Customers</b>	<b>540.6</b>	<b>522.5</b>	<b>555.7</b>	<b>2.8%</b>	<b>6.4%</b>
Pharmacies	334.9	289.4	295.5	-11.8%	2.1%
Hospitals	67.7	95.5	98.5	45.4%	3.1%
Modern retail and Specialty store	63.8	67.1	90.5	41.8%	34.9%
Clinics	34.0	39.2	42.9	26.1%	9.6%
Others <sup>(1)</sup>	40.0	31.3	28.3	-29.4%	-9.8%
<b>International Customers</b>	<b>44.9</b>	<b>49.1</b>	<b>37.7</b>	<b>-16.0%</b>	<b>-23.2%</b>
<b>Individual Customers</b>	<b>18</b>	<b>2.4</b>	<b>0.8</b>	<b>-56.0%</b>	<b>-66.2%</b>
<b>Total revenue from sales</b>	<b>587.3</b>	<b>574.0</b>	<b>594.2</b>	<b>1.2%</b>	<b>3.5%</b>

Notes: (1) Others such as government entities, general juristic persons

: Values may differ by one decimal point due to rounding

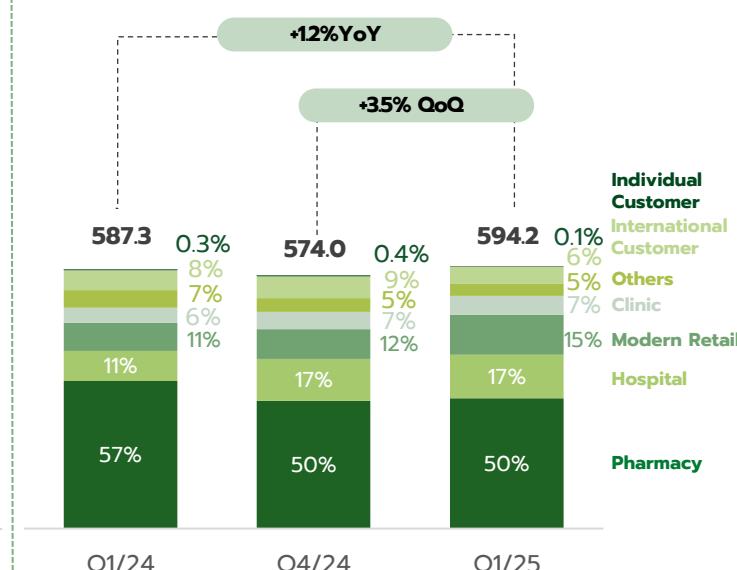
## Revenue from sales by Product Category

Unit: Million THB, %



## Revenue from sales by Customer Group

Unit: Million THB, %



In Q1/2025, the Group reported revenue from sales of THB 594.2 million, increased by THB 6.9 million or 1.2% from Q1/2024, driven by the following key factors:

**Revenue from pharmaceutical products:** was THB 357.4 million, increased by THB 22.9 million or 6.8%, mainly due to the growth of generic drug products. The Group have launched new products under its own brand and have started the distribution to large private hospitals since Q3/2024. This marks a significant milestone in expanding its customer base to the upper-tier hospital segment. Furthermore, the Group remains committed to exploring new growth opportunities by investing in large-scale machinery to support business expansion and to better meet market demands.

**Revenue from healthcare products:** was THB 236.7 million, decreased by THB 15.8 million or 6.3%, due to the result of an exceptional high revenue base in 2024, as the Group have manufactured a health products under a large production contract which has already been delivered and completed in 2024. However, the revenue in the current quarter remains at a strong level, reflecting a stable demand in the health product segment. In addition, the Group continues to earn the trust of customers with ongoing production orders, which is expected to have a positive impact on long-term growth prospects.

## QoQ: Q1/2025 vs Q4/2024

In Q1/2025, the Group reported revenue from sales of THB 594.2 million, increased by THB 20.2 million or 3.5% from Q4/2024, driven by the following key factors:

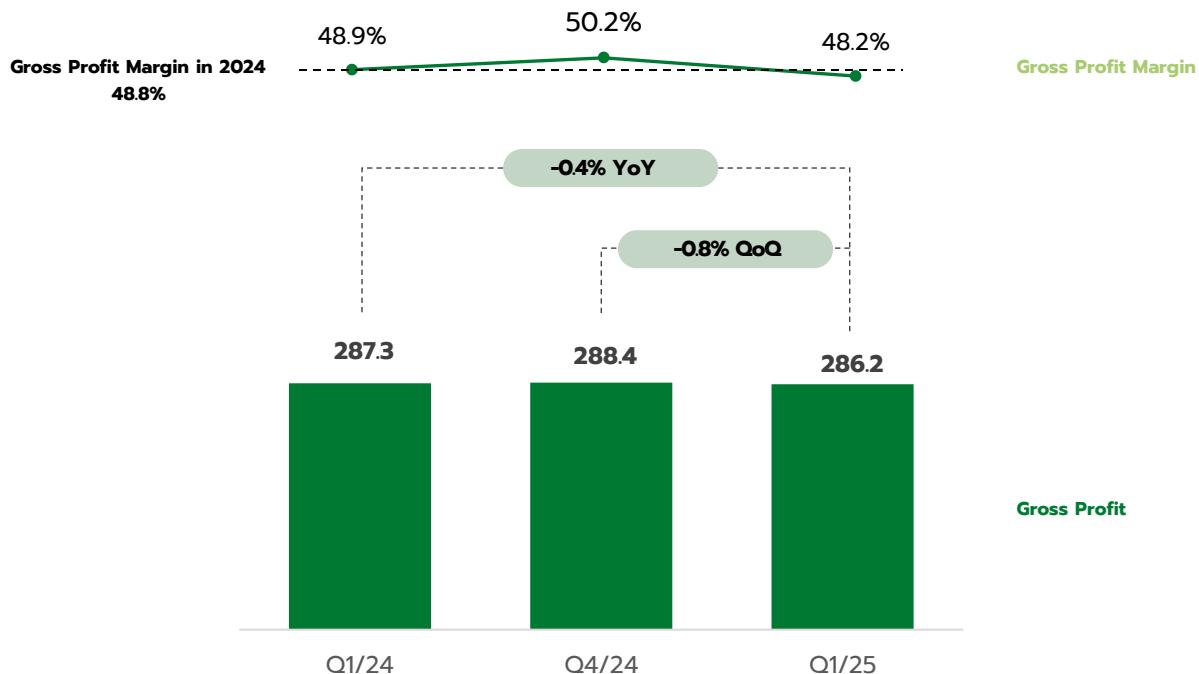
**Revenue from pharmaceutical products:** was THB 357.4 million, increased by THB 15.7 million or 4.6%, mainly from the new product launched under the Group's own brand from the middle of 2024, which helped to strengthen the Group's product portfolio and resulted in the continuous growth in sales.

**Revenue from healthcare products:** was THB 236.7 million, increased by THB 4.5 million or 1.9%, mainly due to the increase in sales of supplements under the Group's own brand, driven by the expansion of SKUs available in the market. This has enabled the Group to better meet diverse consumer demands.



## Gross Profit and Gross Profit Margin

Unit: Million THB, %



### YoY: Q1/2025 vs Q1/2024

**Gross Profit:** In Q1/2025, the Group reported gross profit of THB 286.2 million, decreased by THB 1.1 million or 0.4% from Q1/2024, due to the Group's market expansion strategy through the launch of new generic drug products under the Group's own brand and have started the distribution to large private hospitals since Q3/2024. This marks a significant milestone in expanding its customer base to the upper-tier hospital segment. Although the proportion of revenue from pharmaceutical products, which have lower gross profit margins than the other Group's products, have increased; the Group has implemented measures to maintain the gross margin rate at no less than 48%, thus ensuring stability in the **Gross Profit Margin** to be 48.2% in Q1/2025, maintained from 48.9% in the same quarter of the previous year. The Group is confident that expanding distribution channels to major private hospitals will positively impact the Group's long-term growth by increasing sales volume and by leveraging economies of scale.



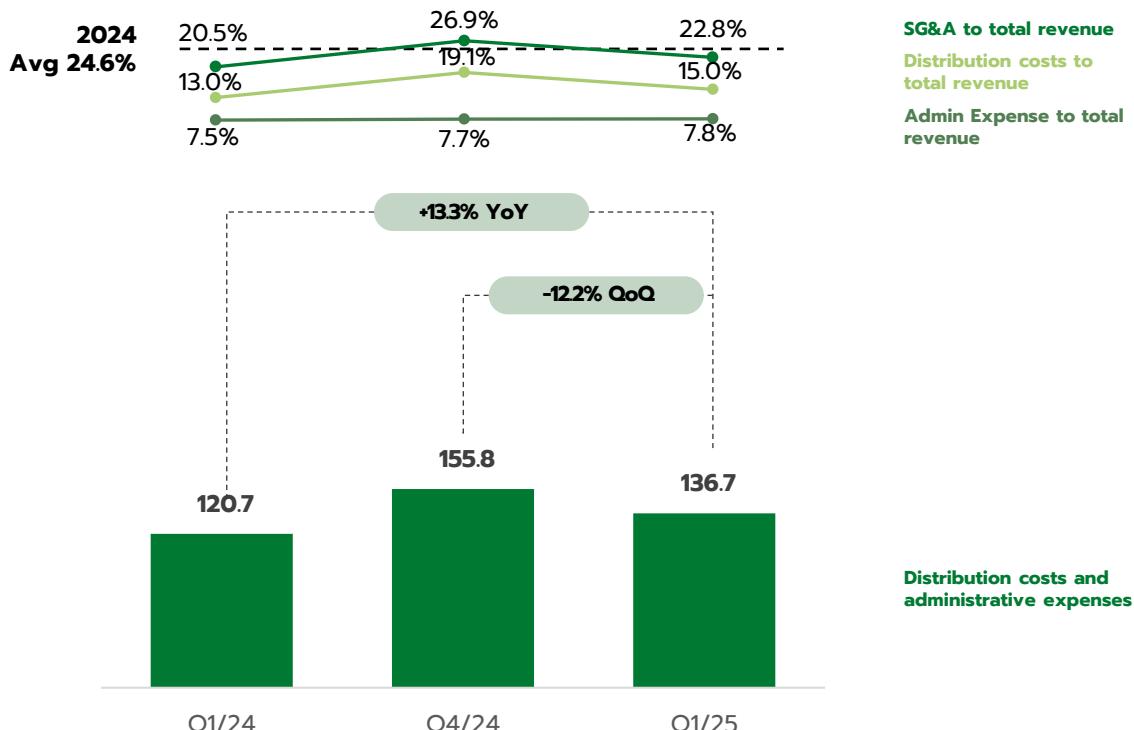
### QoQ: Q1/2025 vs Q4/2024

**Gross Profit:** In Q1/2025, the Group reported gross profit of THB 286.2 million, decreased by THB 2.2 million or 0.8% from Q4/2024, due to an accounting effect resulting from the reversal of certain provisions recorded in the previous quarter. As a result, **Gross Profit Margin** was 48.2% in Q1/2025, decreased from 50.2% in Q4/2024. However, the Group continues to maintain a strong gross profit margin through effective cost management.



## Distribution and Administrative Expenses

Unit: Million THB, %



### YoY: Q1/2025 vs Q1/2024

**Distribution and Administrative expenses:** In Q1/2025, the Group reported distribution and administrative expenses of THB 136.7 million, increased by THB 16.0 million or 13.3% from Q1/2024 mainly due to the increase in employee expenses to support business expansion, corresponding to the increase in revenue from sales. However, the Group ensures to control marketing expenses at an appropriate level in this quarter. The marketing expenses are usually high towards the end of the year corresponding to the seasonal trends to enhance sales promotion activities in the last quarter of the year.

**SG&A to total revenue:** was 22.8% in Q1/2025, increased from 20.5% in Q1/2024 corresponding to the increase in employee expenses. However, the Group can maintain the SG&A efficiently by maintaining the SG&A to total revenue at an appropriate level comparing to 2024 average at 24.6%.



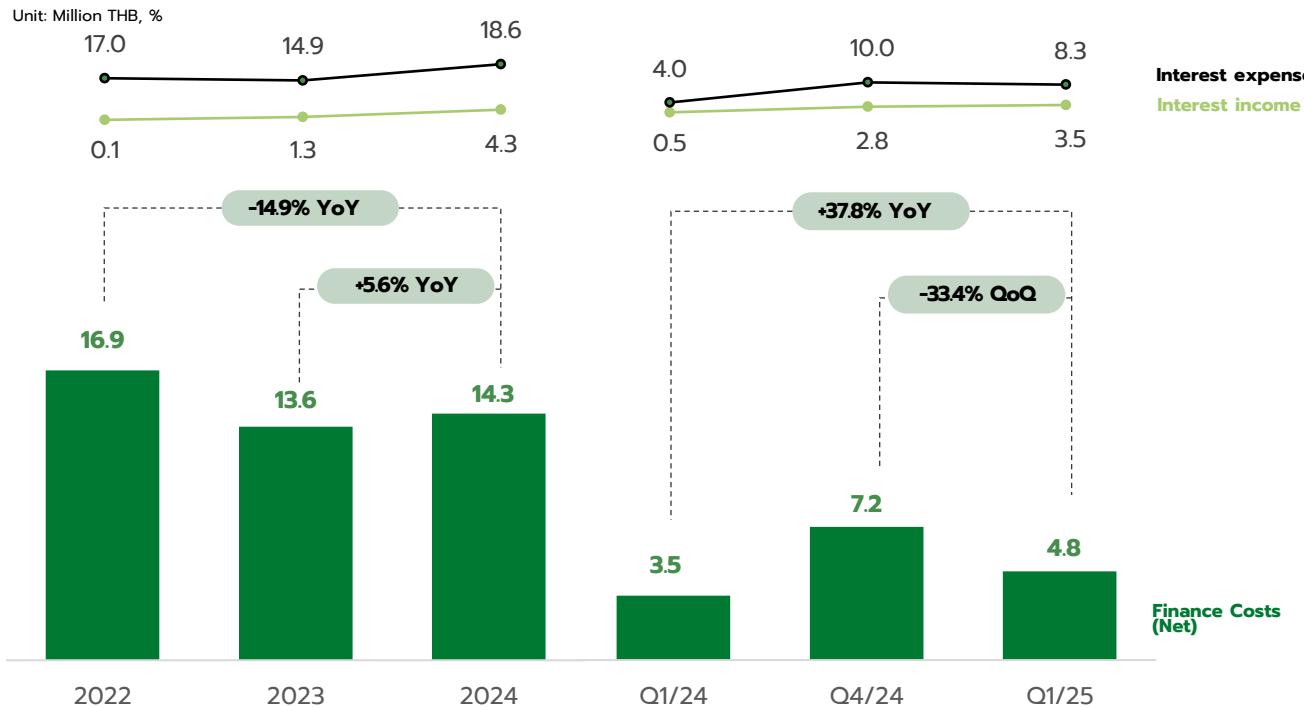
### QoQ: Q1/2025 vs Q4/2024

**Distribution and Administrative expenses:** In Q1/2025, the Group reported distribution and administrative expenses of THB 136.7 million, decreased by THB 19.0 million or 12.2% from Q4/2024, mainly due to the decrease in marketing expenses, as marketing expenses are usually high towards the end of the year corresponding to the seasonal trends to enhance sales promotion activities in the last quarter of the year.

**SG&A to total revenue:** was 22.8% in Q1/2025, decreased from 26.9% in Q4/2024 corresponding to the decrease in marketing expenses.



## Financial Costs



Remark: Finance costs is calculated from interest expense minus interest income.



### YoY: Q1/2025 vs Q1/2024

**Finance Costs (Net):** In Q1/2025, the Group reported financial costs, net of interest income, of THB 4.8 million, increased by THB 1.3 million or 37.8% from Q1/2024, mainly due to the increase in interest expense from short-term borrowings from financial institutions. However, the Group has an appropriate financial risk management policy.



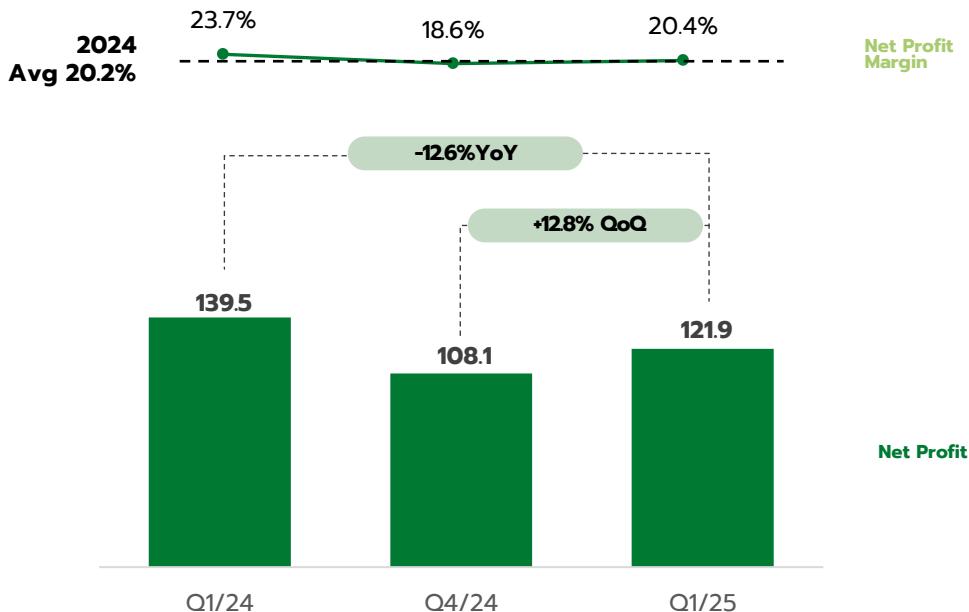
### QoQ: Q1/2025 vs Q4/2024

**Finance Costs (Net):** In Q1/2025, the Group reported financial costs, net of interest income, of THB 4.8 million, decreased by THB 2.4 million or 33.4% from Q4/2024, mainly due to the decrease in interest expenses from short-term loans from financial institutions, as the Group have repaid loan according to schedule and the decreasing in interest rate according to the lower trend of interest.



## Net Profit and Net Profit Margin

Unit: Million THB, %



### YoY: Q1/2025 vs Q1/2024

**Net Profit:** In Q1/2025, the Group reported net profit of THB 121.9 million, decreased by THB 17.6 million or 12.6% from Q1/2024, mainly due to the increase in the proportion of revenue from pharmaceutical products, which have lower gross profit than other products in the Group's portfolio. In addition, the Group have also launched new generic drugs under its own brand and have started the distribution to large private hospitals to expand its customer base to the upper-tier hospital segment, while also experiencing the increase in employee expenses. However, the Group is confident that expanding distribution channels to major private hospitals will positively impact the Group's long-term growth by increasing sales volume and by leveraging economies of scale.

**Net profit margin:** In Q1/2025, the Group reported net profit margin of 20.4%, decreased from 23.7% in Q1/2024, mainly from the increase in the proportion of revenue from pharmaceutical products, which have lower gross profits than other products in the Group's portfolio.



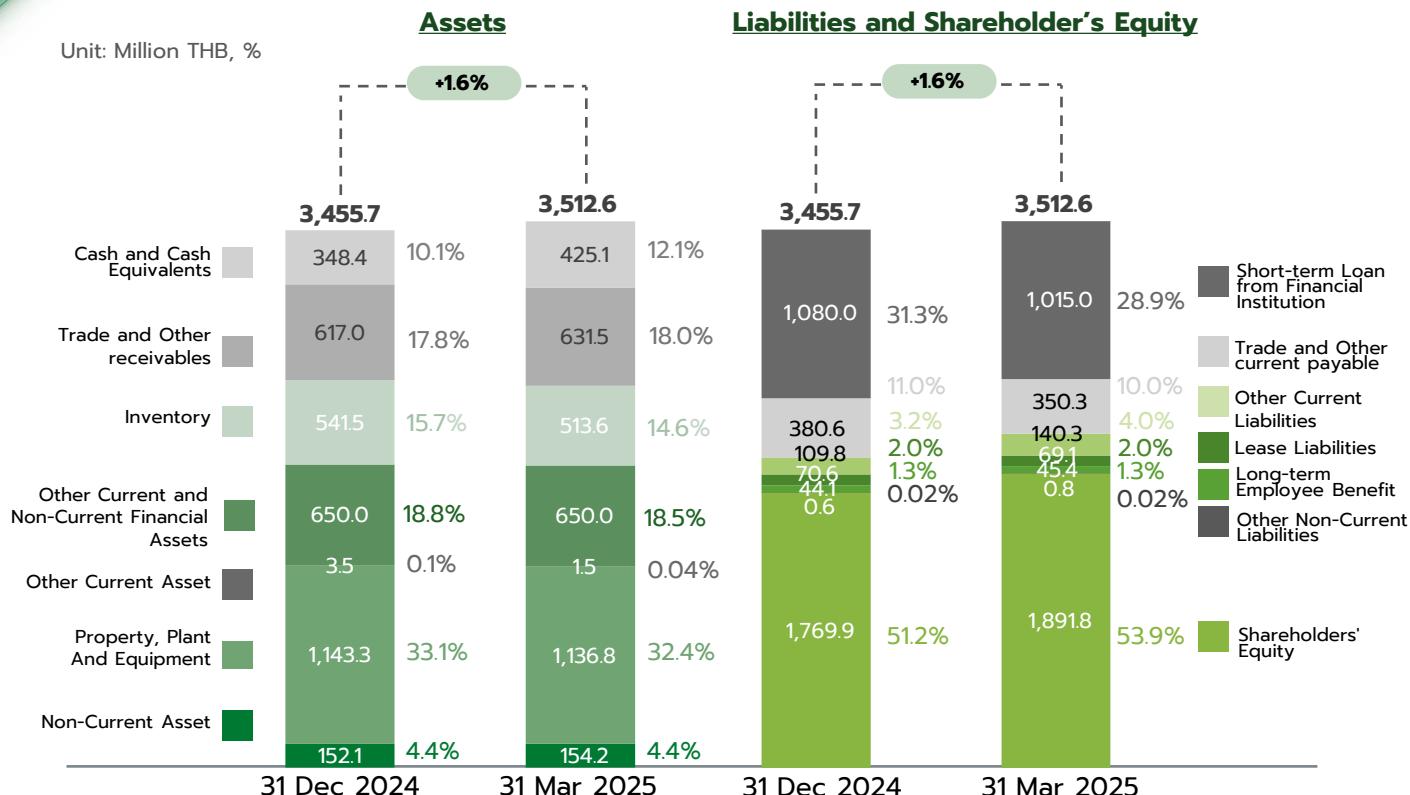
### QoQ: Q1/2025 vs Q4/2024

**Net Profit:** In Q1/2025, the Group reported net profit of THB 121.9 million, increased by THB 13.8 million or 12.8% from Q4/2024, corresponding to the increase in operating revenue and the decrease in marketing expenses as its usually high towards the year end corresponding to the seasonal trends to enhance sales promotion activities in the last quarter of the year.

**Net profit margin:** In Q1/2025, the Group reported net profit margin of 20.4%, increased from 18.6% in Q4/2024, due to the increase in operating revenue as well as the decrease in distribution expenses and finance costs.

## Summary of Financial Position

Unit: Million THB, %



### Assets

As of 31 March 2025, the total assets of the Group was THB 3,512.6 million, increased by THB 57.0 million or 1.6% from 31 December 2024. The details are as follows:

- Cash and Cash Equivalents:** was THB 425.1 million, increased by THB 76.7 million, corresponding to the increase in cash inflows from operating activities, in which a portion of cash inflows from operating activities has been used to invest and repay short-term loans according to schedule.
- Trade and Other receivables:** was THB 631.5 million, increased by THB 14.5 million corresponding to the increase in revenue.
- Inventory:** was THB 513.6 million, decreased by THB 27.9 million, mainly due to the increase in products' demands, resulting in faster product sales, especially from the modern medicines product group.

### Liabilities

As of 31 March 2025, the total liabilities of the Group was THB 1,620.8 million, decreased by THB 64.9 million or 3.9% from 31 December 2024. The details are as follows:

- Short-term Loan from Financial Institution:** was THB 1,015.0 million, decreased by Baht 65.0 million, due to the repayment of short-term loans according to schedule.
- Trade and Other current payable:** was THB 350.3 million, decreased by THB 30.3 million due to the timely settlement of trade payables in accordance with the credit terms agreed upon with business partners.
- Other Current Liabilities:** was THB 140.3 million, increased by Baht 30.5 million, due to the increase in tax payables that occurred in the first quarter of 2025.

### Shareholder's Equity

As of 31 March 2025, the Total Shareholder's Equity of the Group was THB 1,891.8 million, increased by THB 121.9 million or 6.9% from 31 December 2024 mainly due to an increase in profit as of Q1/2025.

