



Selic Corp Public Company Limited

Management Discussion & Analysis Q1/2024



Executive Summary

In Q1/2024, Selic was able to expand in revenue, gross profit, and net profit through healthcare and sticker business however adhesive business was facing uncertain order pattern of oversea market especially from South Asia and Africa together with domestic demand was remain with no growth.

The fact that Selic has a diversified business group that covers both B2B and B2C including the reasonable proportion of both domestic and foreign customers, this enables appropriate adaptation in business operations under uncertain economic conditions.

Sales growth through the growth of Healthcare business

Selic had a sales increase of healthcare business as the result of marketing activities, launching a new product, and incremental of export sales to CLMV.

Jump gross profit as a result of diversified business model

In overall, Selic can significantly increase its gross profit through healthcare and sticker business. Healthcare business has a high gross profit margin while sticker and adhesive business was able to have better gross profit margin.

EBITDA and net profit

Selic was able to increase EBITDA and net profit in Q1/2024 from healthcare and sticker business.

Q1/2024 Financial Summary

- Total revenue was at 561.65 million baht increased 9.0% from previous quarter and 23.5% from the same period last year. Healthcare and sticker business had a sales increase from previous quarter.
- Gross profit was at 175.70 million baht increased 21.9% from previous quarter and 71.5% from the same period last year with gross profit margin at 31.3%
- EBITDA was 116.57 million baht increased 24.4% from previous quarter and 171.4% from the same period last year.
- Net profit was 67.67 million baht increased 46.4% from previous quarter and 563.3% from the same period last year.



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Consolidated Financial Statement Q1/2024

Unit: Million Baht	Quarter					3 Months		
Consolidated Financial Statement	Q1/2024	Q4/2023	Q1/2023	% QoQ	% YoY	3M 2024	3M 2023	% YoY
Sales of goods and services	560.64	509.08	451.69	10.1%	24.1%	560.64	451.69	24.1%
Gain on exchange rate	0.00	4.99	0.00	(100.0%)	--	0.00	0.00	--
Other income	1.02	1.01	3.02	0.6%	(66.4%)	1.02	3.02	(66.4%)
Total Revenue	561.65	515.08	454.71	9.0%	23.5%	561.65	454.71	23.5%
Cost of sales	384.94	364.97	349.23	5.5%	10.2%	384.94	349.23	10.2%
Gross Profit (excluding others)	175.70	144.11	102.46	21.9%	71.5%	175.70	102.46	71.5%
Loss on exchange rate	1.09	0.00	0.36	--	199.0%	1.09	0.36	199.0%
Selling expenses	29.70	28.45	27.00	4.4%	10.0%	29.70	27.00	10.0%
Administrative expenses	49.90	48.39	53.88	3.1%	(7.4%)	49.90	53.88	(7.4%)
Share of profit/ (loss) of JV	(0.01)	(0.05)	(0.02)	(73.4%)	(49.2%)	(0.01)	(0.02)	(49.2%)
EBITDA	116.57	93.68	42.96	24.4%	171.4%	116.57	42.96	171.4%
Depreciation	20.55	20.46	18.75	0.4%	9.6%	20.55	18.75	9.6%
EBIT	96.02	73.22	24.21	31.1%	296.6%	96.02	24.21	296.6%
Financial cost	11.47	11.71	10.91	(2.1%)	5.1%	11.47	10.91	5.1%
EBT	84.55	61.50	13.30	37.5%	535.8%	84.55	13.30	535.8%
Income tax	16.88	15.28	3.10	10.5%	445.0%	16.88	3.10	445.0%
Net Profit	67.67	46.23	10.20	46.4%	563.3%	67.67	10.20	563.3%

Remark: 1. reclassified reporting between selling expenses and administrative expenses to align with accounting standards and definitions of the department of business development 2. Adjust purchase price allocation of consumer healthcare business which were acquired in October 2022 within the specified period.

Financial Performance

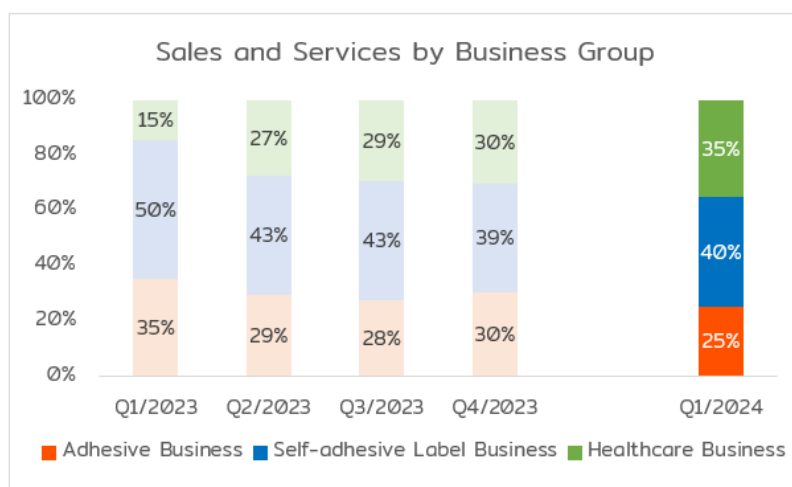
Revenue

In Q1/2024, revenue from sales and services was 560.64 million baht with growth of 10.1% from previous quarter and 24.1% from the same period last year as a result of sales increased from healthcare and sticker business.

Sales & services revenue structure

Selic's sales and services is generated by three businesses including adhesive, self-adhesive label, and healthcare which sell to both domestic and overseas market.

Proportion of sales and services by business is at 25% adhesive, 40% self-adhesive label, and 35% healthcare as of Q1/2024



Remark: Intercompany transaction elimination

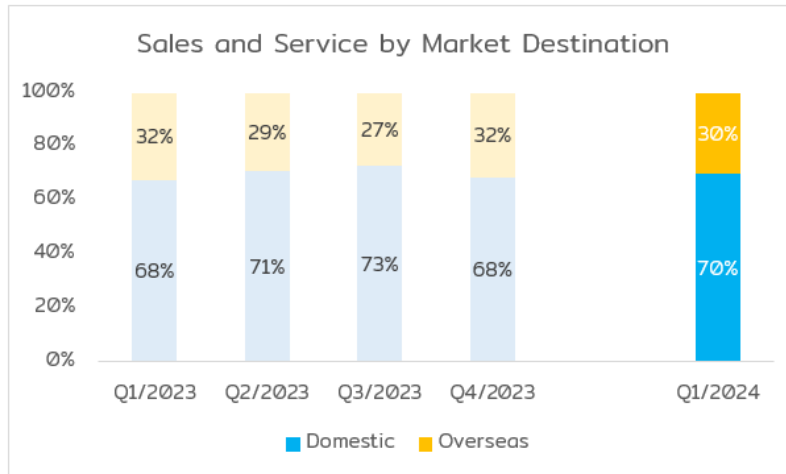
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Sales and services by destination has proportion of 70% domestic and 30% export market as of Q1/2024.

Unit: Million Baht	Quarter					3 Months		
Sales & Services by Market Destination	Q1/2024	Q4/2023	Q1/2023	% QoQ	% YoY	3M 2024	3M 2023	% YoY
Domestic	390.74	347.44	304.94	125%	281%	390.74	304.94	281%
Overseas	169.90	161.64	146.75	51%	15.8%	169.90	146.75	15.8%
Total	560.64	509.08	451.69	101%	24.1%	560.64	451.69	24.1%

Remark: Intercompany transaction elimination



Remark: Intercompany transaction elimination

Cost of goods sold and Gross Profit

In Q1/2024, cost of sales was 384.94 million baht increased 5.5% from previous quarter and 10.2% from the same period last year while gross profit was 175.70 million baht increased 21.9% from previous quarter and 71.5% from the same period of last year. Key driver for higher gross profit are sales increased and higher gross profit margin from healthcare and sticker business.

Operational expenditure

In Q1/2024, total operating expenses was at 79.60 million baht increased 3.6% from previous quarter but decreased 1.6% from the same period of last year, divided into selling expenses of 29.70 million baht and administrative expenses of 49.90 million baht. The operational expense to sales ratio decreased from previous quarter and the same period of last year due to sales growth rate was higher than incremental rate of operating expenses.

EBITDA and net profit

EBITDA was 116.57 million baht increased 24.4% from previous quarter and 171.4% from the same period of last year while net profit was 67.67 million baht increased 46.4% from previous quarter and 563.3% from the same period of last year.



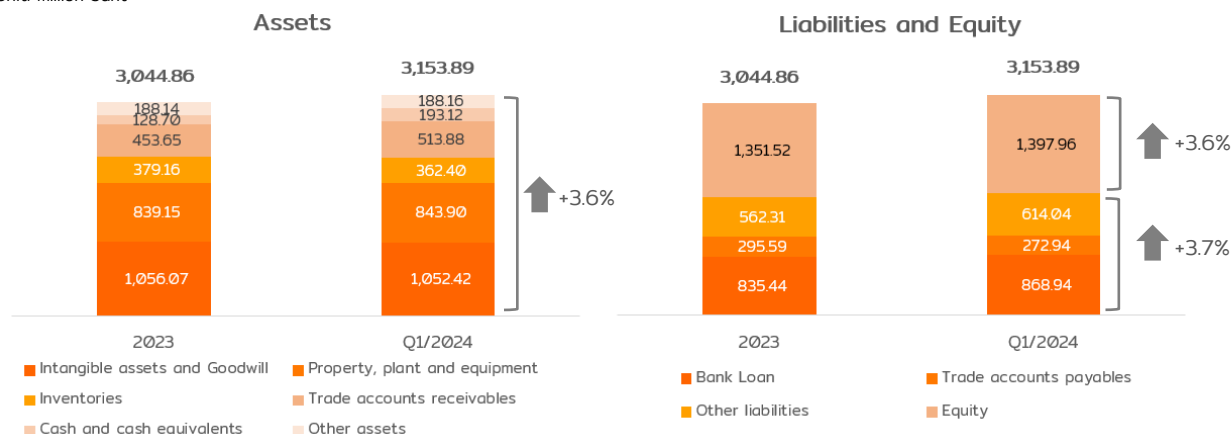
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Statement of Financial Position Q1/2024

Unit: million baht



Assets

Total assets as of Q1/2024 was 3,153.89 million baht, an increase of 3.6% from 2023, mainly from incremental of cash and trade accounts receivables.

Liabilities

Total liabilities as of Q1/2024 was 1,755.93 million baht, an increase of 3.7% from 2023, mainly from an increase in other liabilities (accrued dividend) and short term loan.

Equity

Shareholders' equity as of Q1/2024 was 1,397.96 million baht, an increase of 3.6% from 2023 as increasing of retain earning.

Segment Reporting

Adhesive Business

Adhesive business recorded total sales and service in Q1/2024 was 141.25 million baht decreased 8.4% from previous quarter and 11.6% from the same period of last year.

Adhesive business: Sales and services revenue by product group

Unit: Million Baht	Quarter					3 Months		
Sales and Services by Product Group	Q1/2024	Q4/2023	Q1/2023	%QoQ	%YoY	3M 2024	3M 2023	% YoY
Solvent	55.86	60.44	78.67	(7.6%)	(29.0%)	55.86	78.67	(29.0%)
Hot Melt	69.04	78.69	57.79	(12.3%)	19.5%	69.04	57.79	19.5%
Water based	14.66	12.04	19.49	21.8%	(24.8%)	14.66	19.49	(24.8%)
Others	1.69	3.02	3.81	(44.0%)	(55.6%)	1.69	3.81	(55.6%)
Total Sales and Services	141.25	154.19	159.76	(8.4%)	(11.6%)	141.25	159.76	(11.6%)

Remark: Intercompany transaction included

Solvent Product: sales was 55.86 million baht decreased 7.6% from previous quarter and 29.0% from the same period of last year. South Asia and Africa demand remain uncertainty while no growth in domestic demand.

Hot Melt Product: sales was 69.04 million baht decreased 12.3% from previous quarter but increased 19.5% from the same period of last year. It was ordering cycle of oversea market which normally will reduce in the first half of the year and will rise up in the second half.



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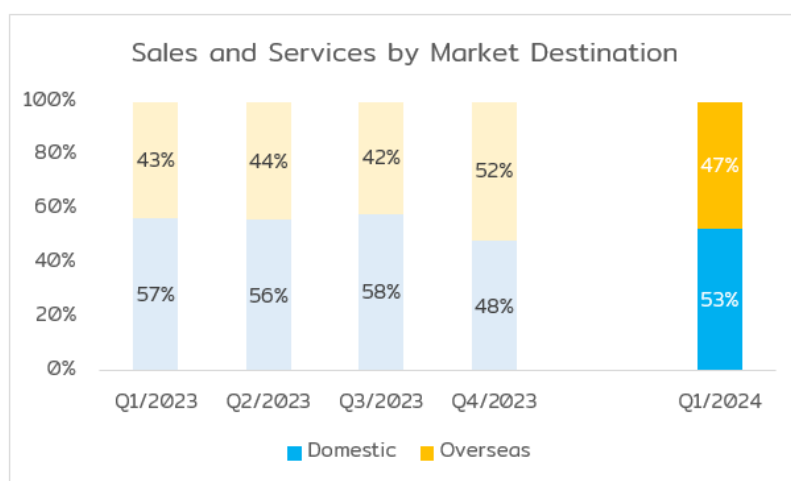
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Water Based Product: sales was 14.66 million baht increased 21.8% from previous quarter but decreased 24.8% from the same period of previous year. There was a positive signal from both domestic and oversea market.

Adhesive business: Sales and services revenue by market destination

Unit: Million Baht	Quarter					3 Months		
Sales and Services by Market Destination	Q1/2024	Q4/2023	Q1/2023	% QoQ	% YoY	3M 2024	3M 2023	% YoY
Domestic	74.74	74.75	90.91	(0.0%)	(17.8%)	74.74	90.91	(17.8%)
Overseas	66.52	79.44	68.85	(16.3%)	(3.4%)	66.52	68.85	(3.4%)
Total Sales and Services	141.25	154.19	159.76	(8.4%)	(11.6%)	141.25	159.76	(11.6%)

Remark: Intercompany transaction included



Remark: Intercompany transaction included

Domestic Market: sales was 74.74 million baht same level as previous quarter but decreased 17.8% from the same period of last year.

Oversea Market: sales was 66.52 million baht decreased 16.3% from previous quarter and 3.4% from the same period of last year.

Breaking down by market for adhesive as of Q1/2024, domestic sales was 53% whereas overseas sales was 47%.

Adhesive business had gross profit in Q1/2024 at 36.58 million baht decreased 16.7% from previous quarter and 4.3% from the same period of last year. Gross profit margin was 25.9% decreased from previous quarter but increased from the same period of last year. EBITDA was 18.24 million baht decreased from previous quarter but increased from the same period of last year. Net profit was 9.23 million baht decreased from previous quarter but increased from the same period of last year.

Unit: Million Baht	Q1/2024					3 Months		
	Q1/2024	Q4/2023	Q1/2023	% QoQ	% YoY	3M 2024	3M 2023	% YoY
Revenue from goods and services	141.25	154.19	159.76	(8.4%)	(11.6%)	141.25	159.76	(11.6%)
Cost of Sales	104.67	110.29	121.53	(5.1%)	(13.9%)	104.67	121.53	(13.9%)
Gross Profit (excluding others)	36.58	43.90	38.23	(16.7%)	(4.3%)	36.58	38.23	(4.3%)
Gross Profit %	25.9%	28.5%	23.9%	(9.0%)	8.2%	25.9%	23.9%	8.2%
EBITDA	18.24	23.64	14.28	(22.8%)	27.8%	18.24	14.28	27.8%
Net Profit	9.23	13.25	6.17	(30.4%)	49.6%	9.23	6.17	49.6%

Remark: Intercompany transaction included



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Self-adhesive Label Business

Self-adhesive label business recorded total sales and service in Q1/2024 at 220.24 million baht increased 10.5% from previous quarter but decreased 2.3% from the same period of last year.

Self-adhesive label business: sales revenue by product groups

Unit: Million Baht	Quarter					3 Months		
Sales and Services by Product Group	Q1/2024	Q4/2023	Q1/2023	% QoQ	% YoY	3M 2024	3M 2023	% YoY
Paper	147.25	122.89	155.21	19.8%	(5.1%)	147.25	155.21	(5.1%)
Film	72.00	75.20	69.36	(4.3%)	3.8%	72.00	69.36	3.8%
Others	0.98	1.27	0.84	(22.5%)	17.4%	0.98	0.84	17.4%
Total Sales	220.24	199.36	225.41	10.5%	(2.3%)	220.24	225.41	(2.3%)

Remark: Intercompany transaction included

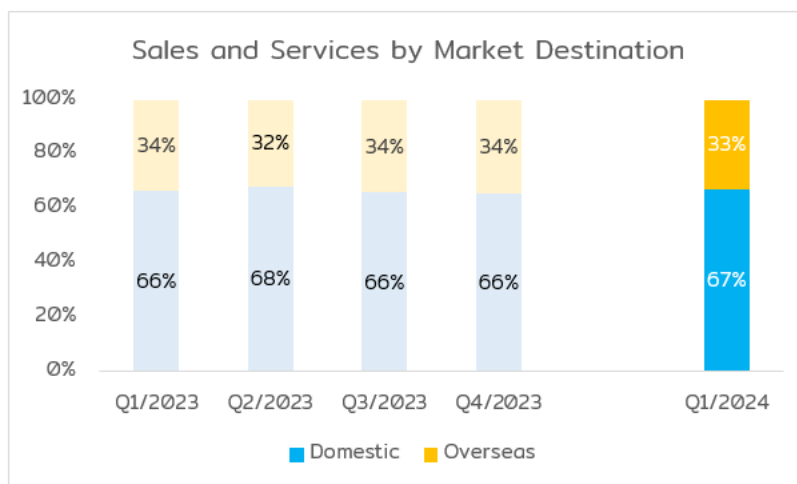
Paper Label: sales was 147.25 million baht increased 19.8% from previous quarter which sales increased both in domestic and overseas market but decreased 5.1% from the same period of last year.

Film Label: sales was 72.00 million baht decreased 4.3% from previous quarter but increased 3.8% from the same period of last year. Oversea market was slowdown however it showed positive sign at the end of quarter.

Self-adhesive label business: sales revenue by market destination

Unit: Million Baht	Quarter					3 Months		
Sales and Services by Market Destination	Q1/2024	Q4/2023	Q1/2023	% QoQ	% YoY	3M 2024	3M 2023	% YoY
Domestic	147.99	130.72	149.87	13.2%	(1.3%)	147.99	149.87	(1.3%)
Overseas	72.24	68.64	75.54	5.3%	(4.4%)	72.24	75.54	(4.4%)
Total Sales	220.24	199.36	225.41	10.5%	(2.3%)	220.24	225.41	(2.3%)

Remark: Intercompany transaction included



Remark: Intercompany transaction included

Domestic Market: sales was 147.99 million baht increased 13.2% from previous quarter but slightly decreased 1.3% from the same period of last year which sales increased from both paper and film.

Oversea Market: sales was 72.24 million baht increased 5.3% from previous quarter but decreased 4.4% from the same period of last year which it showed positive sign at the end of quarter.

Breaking down by market for self-adhesive label as of Q1/2024, domestic sales was 67% whereas overseas sales was 33%



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Healthcare Business

Healthcare business recorded total sales and service in Q1/2024 at 197.64 million baht increased 27.9% from previous quarter and 197.3% from the same period of last year. It was the result of marketing activities of pain relief product, increased export sales to CLMV, and launching a new product under first aids dressing group.

Healthcare business: sales revenue by product groups

Unit: Million Baht	Quarter					3 Months		
Sales and Services by Product Group	Q1/2024	Q4/2023	Q1/2023	% QoQ	% YoY	3M 2024	3M 2023	% YoY
Pain Relief	160.77	118.86	62.94	35.3%	155.4%	160.77	62.94	155.4%
First Aids Dressing	36.87	35.63	3.53	3.5%	944.5%	36.87	3.53	944.5%
Total Sales	197.64	154.49	66.48	27.9%	197.3%	197.64	66.48	197.3%

Remark: Intercompany transaction included and adjusting listing fee allocation into product group

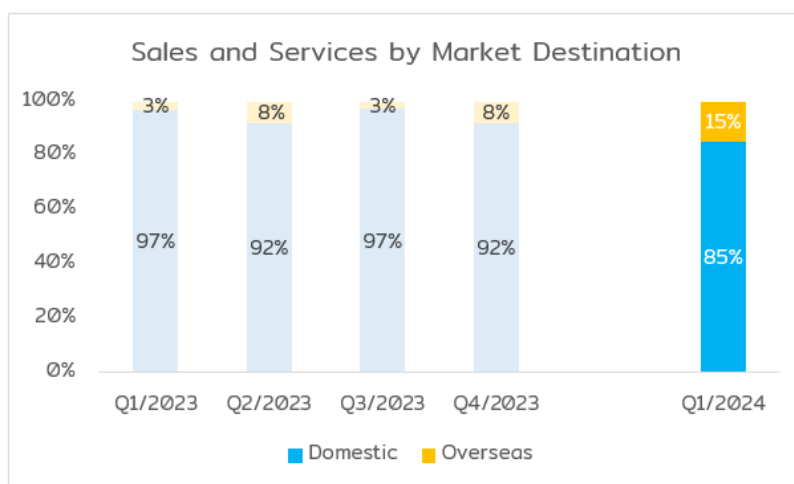
Pain Relief: sales was 160.77 million baht increased 35.3% from previous quarter and 155.4% from the same period of last year. It was the result of marketing activities and increased export sales to CLMV.

First Aids Dressing: sales was 36.87 million baht increased 3.5% from previous quarter and 944.5% from the same period of last year which mainly from launching a new product.

Healthcare business: sales revenue by market destination

Unit: Million Baht	Quarter					3 Months		
Sales and Services by Market Destination	Q1/2024	Q4/2023	Q1/2023	% QoQ	% YoY	3M 2024	3M 2023	% YoY
Domestic	168.01	141.98	64.40	18.3%	160.9%	168.01	64.40	160.9%
Overseas	29.63	12.51	2.08	136.8%	1,325.1%	29.63	2.08	1,325.1%
Total Sales	197.64	154.49	66.48	27.9%	197.3%	197.64	66.48	197.3%

Remark: Intercompany transaction included



Remark: Intercompany transaction included

Domestic Market: sales was 168.01 million baht increased 18.3% from previous quarter and 160.9% from the same period of last year. It was the result of marketing activities of pain relief products and launching a new product under first aids dressing group.

Oversea Market: sales was 29.63 million baht increased 136.8% from previous quarter and 1,325.1% from the same period of last year which mainly from incremental sales of pain relief product to CLMV.

Breaking down by market for healthcare business as of Q1/2024, domestic sales was 85% whereas overseas sales was 15%.



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2024 Business Outlook

Ministry of Finance cut down 2024 GDP forecast from 2.8% to 2.4% due to export may recover less than expected. Selic received a positive sign on export in Q4/2023 then expect that export sales of adhesive and sticker business shall gradually recover in 2024. Meanwhile, healthcare business strategy to gain more market share of targeted customer segment from both domestic and oversea market.

Continuous Growth on Revenue

Selic focus on revenue growth from all business group. Adhesive and sticker business aim to expand market shares into growth industry sectors and also expand to countries still have good economic growth with high purchasing power while healthcare will continue launching new products and expanding sales channels to cover and reach the customers both in domestic and oversea market.

Cost and Expenditure Management for better GP and Net Profit

Selic intend to continue improve on cost management for better result through efficient of supply chain process and proper risk management to manage uncontrolled fluctuating factors such as oil price or exchange rate.

Investment strategy for growth opportunity

One of our strategy is to search for opportunity in investment such as joint venture, M&A to drive inorganic growth. However prior to any investment project, there are certain protocol and assessment to ensure the projects will bring or be the growth mechanism for the business and shareholders. Target business could be in the same value chain of both business segment of the company, including healthcare and technology.

Sustainability Development Journey

Selic will continuously our journey on sustainability policies and strategies. This will include new product development on more "green" products to support our customers by offering sustainable materials in their supply chain. Moreover, we will continue to collaborate with external organizations for projects relating to ESG. As a result of sustainability performance, Selic was selected through the SET ESG Rating of Sustainable Stock which demonstrating our commitment for continuous sustainability.

Contact us:

<http://seliccorp.com/investor-contact.php> or email: investorrelation@seliccorp.com

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