

TANACHIRA

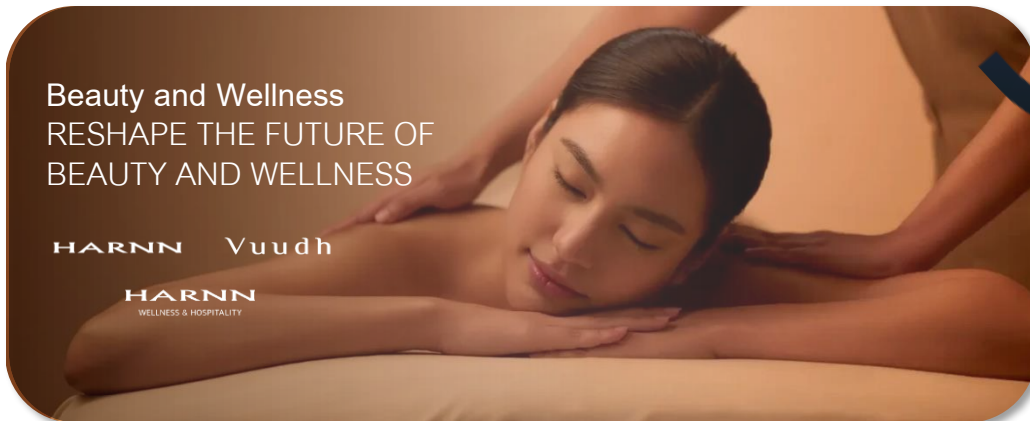
Tanachira Retail Corporation PCL. (TAN)

Consistent . Sustainable . Long-Term

Opportunity Day Q3 2024

25th November 2024

Truly Integrated Lifestyle Company



Important Events Q3/2024



Opened HARNN Boutique store at Saigon Centre, Ho Chi Minh City



HARNN was honored by Raffles City Mall in Singapore, to host an exclusive workshop



Hosted "HARNN China Strategy & Brand Conference" with business partners



Grand Opening Celebration of the 1st UNITED ARROWS multi-brand store in SEA & Thailand



PANDORA in top 5 brands for gold & jewelry performance on social media at the Thailand Social Awards



Introduced Marimekko "Maridenim" collection at Central Chidlom



Launched Marimekko "Maridenim" collection at the Marimekko Lifestyle Store, ION Orchard, Singapore



Opened a redesigned PANDORA Concept Store at The Mall Lifestore Bangkok

Important Events Q3/2024 (cont.)



Opened Cath Kidston's Concept Store at Central Suratthani



Participated in fundraising campaign to provide emergency ambulance for female cancer patients



Partnered with M Card to host exclusive event for valued customers at Marimekko Café & Cath Kidston Tea Room



HARNN unveiled its latest Eau de Toilette collection with 3 new captivating scents



Opened a new Marimekko Concept Store at Siam Discovery



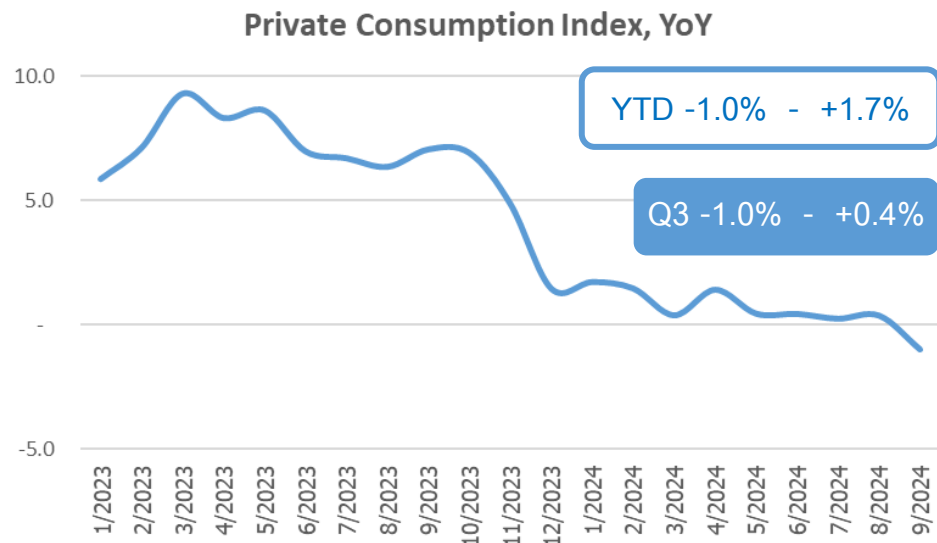
Supported the "IHG Run for Good" event for the Foundation for the Blind in Thailand



Collaborated with Euro Style and MB Bank to showcase HARNN products in Vietnam

Business Overview Q3 2024 & 9M 2024

- Private Consumption Index: Negative to low growth
- Tanachira Retail Corporation PCL. (TAN) performed significantly better than PCI
- Q3 2024 SSSG +2% despite slow domestic economic condition & heavy rainfalls in Q3
- Strong revenue growth (Q3/2024 +26.3% YoY; 9M/2024 +27.1% YoY)
- Q3 2024 Net Profit +5.3%; 9M/2024 Net Profit +8.2% YoY



Source: Bank of Thailand Private Consumption Index (Seasonally Adjusted)

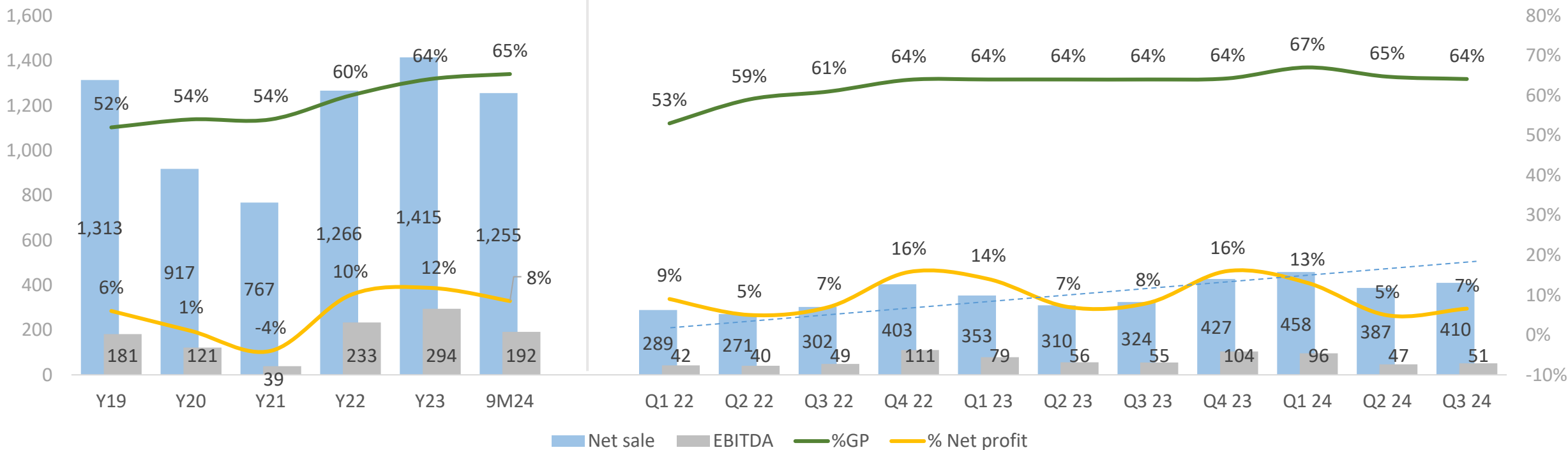
Summary Operating Results

Unit : THB Million	Q3/23	Q2/24	Q3/24	%YoY	%QoQ	9M/23	9M/24	%YoY
Revenues	324.3	387.4	409.6	26.3%	5.7%	987.5	1,254.7	27.1%
Gross Profit	206.6	250.7	262.6	27.1%	4.8%	628.9	820.1	30.4%
Net Profit for the Company	25.6	19.1	27.0	5.3%	41.3%	98.4	106.5	8.2%
Gross Profit Margin (%)	63.7%	64.7%	64.1%	0.4%	-0.6%	63.7%	65.4%	1.7%
Net Profit Margin for the Company (%)	7.9%	4.9%	6.6%	-1.3%	1.7%	10.0%	8.5%	-1.5%

Revenues and Profit Snapshot (Consolidated)

- Continued improvement of sales, profit and margin after COVID-19
- Q3 2024: Net Sales growth +26% YoY; +6% QoQ
- Seasonal Performance by Quarter: Q4>Q1>Q3>Q2

Unit : MB



Revenues Q3 2024 & 9M 2024

- Revenue Q3/2024 vs Q3/2023 : +26.3% YoY
- Revenue 9M/2024 vs 9M/2023 : +27.1% YoY

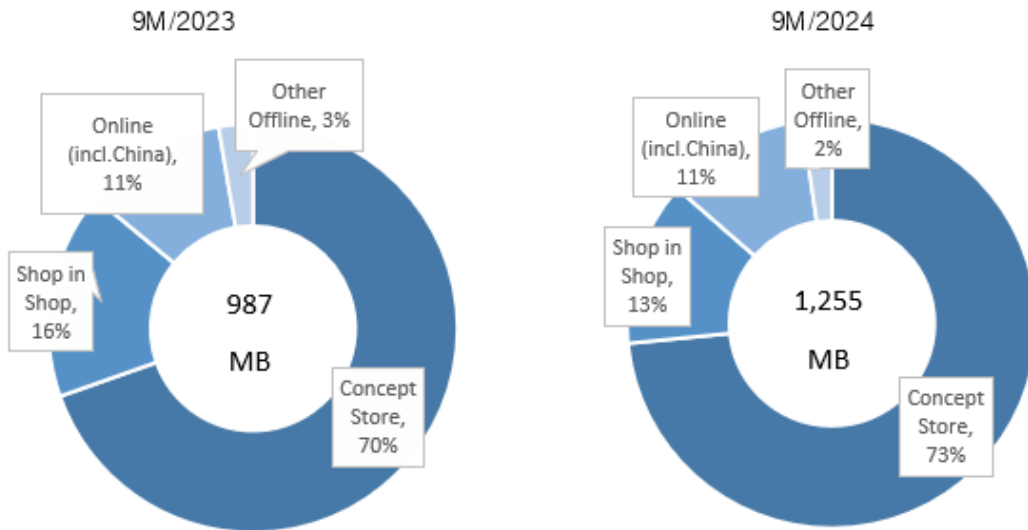
By Channel:

- Bigger portion of Concept Stores
- YTD SSSG +5%
- Outstanding growth from Marimekko, HARNN & Pandora while Cath Kidston negative growth

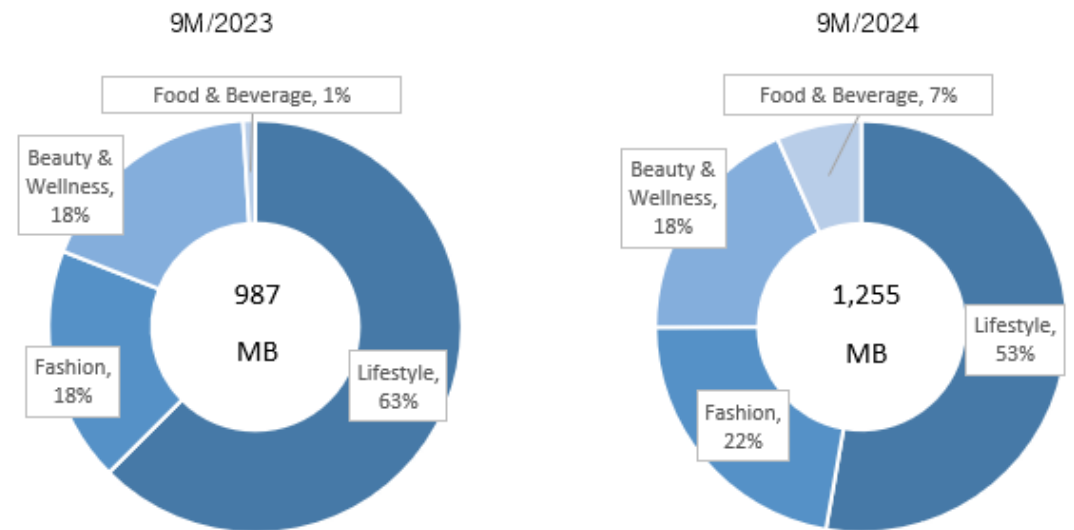
By Business Group:

- Food & Beverage: add Gordon Ramsay
- Fashion: Marimekko outstanding sales growth plus new GANNI, United Arrows
- Lifestyle: Pandora outstanding sales growth
- Beauty & Wellness: HARNN sales +29.1% YoY

Revenue structure by Distribution Channel



Revenue structure by Business Group



Business Group Performance

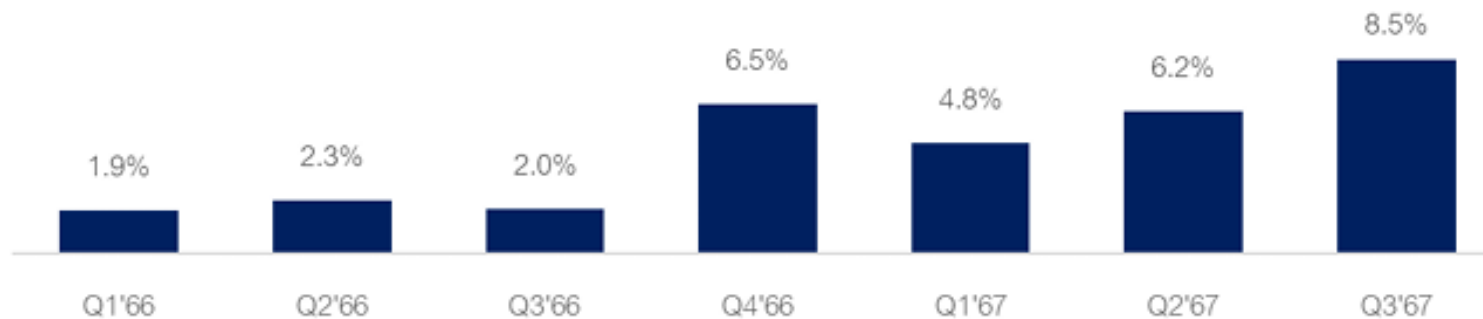
- Revenue spread across business groups → Less reliance on revenue from its original core brands
- Improvement of performance in Q3 from a “clearer” allocation of expenses related to each BU
- Beauty & Wellness: Lower Marketing spending for China business expansion in Q3/2024
- F&B: Early set up loss (Street Pizza), some small losses from Café (both in TH & SG); Bread Street Kitchen profitable

Unit: Million Baht	Lifestyle	Fashion	Beauty & Wellness	Food & Beverage	Consolidated	Lifestyle	Fashion	Beauty & Wellness	Food & Beverage	Consolidated
	Q3/2024	Q3/2024	Q3/2024	Q3/2024	Q3/2024	9M/2024	9M/2024	9M/2024	9M/2024	9M/2024
Revenue										
Revenue from external customers	201	95	86	27	409	667	278	229	80	1,254
<i>Revenue Mix (as % to Total Revenue)</i>	<i>49%</i>	<i>23%</i>	<i>21%</i>	<i>7%</i>	<i>100%</i>	<i>53%</i>	<i>22%</i>	<i>18%</i>	<i>6%</i>	<i>100%</i>
Other income	3	2	2	1	13	13	3	5	1	20
Total revenue	204	97	120	28	422	680	281	284	81	1,274
Segment operating profit (loss)	34	14	7	3	46	151	34	5	-11	160
Profit % to Rev from external customers	17%	15%	8%	11%	11%	23%	12%	2%	-14%	13%

Overseas Revenues Contribution

- International Business is growing meaningfully this year with increasing and dedicated resources
- Main objectives are (a) to start diversifying out of Thailand and (b) not solely relying on key brand
- HARNN will be major contributor in all countries
- Target share of overseas revenue contribution are 16% and 25% in 2025 and 2026 respectively

Overseas Revenue Contribution to Net Sales



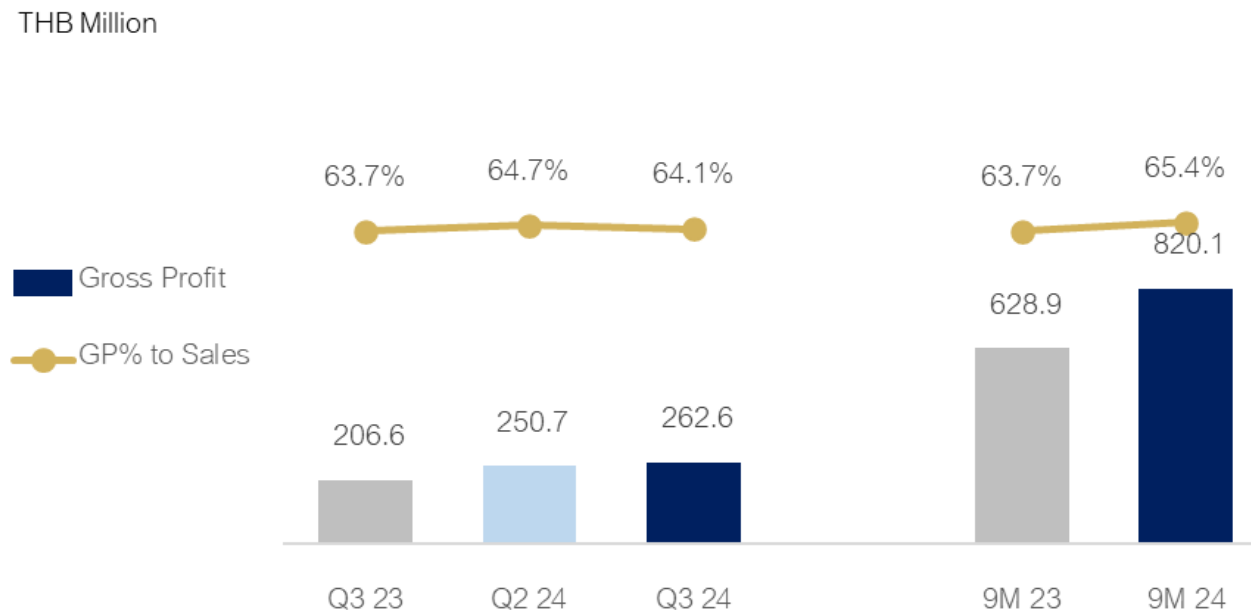
Overseas Performance Breakdown

- International Business is growing meaningfully as planned but initial business set up loss is inevitable
- Q3/2024 Revenue from International Business Units contributed 8.5% to total Group Revenue
- TRGS: Biggest sales portion among International Units → 2 More stores in Q4/2024
- HGC: 2nd Biggest sales (start from mid-Sep) with high potentials
- TRGV: Strong growth YoY especially HARNN
- HJ: Stable business operation with lower loss

Unit: Million Baht	TRGV	HJ	TRGS	HGC	Consolidated International Subsidiaries	Consolidated TRC
	Q3/2024	Q3/2024	Q3/2024	Q3/2024	Q3/2024	Q3/2024
Revenue						
Revenue from external customers	7.9	3.3	13.0	10.5	34.7	409.0
<i>Revenue (as % to Total TRC Revenue)</i>	<i>1.9%</i>	<i>0.8%</i>	<i>3.2%</i>	<i>2.6%</i>	<i>8.5%</i>	<i>100.0%</i>
<i>Revenue (as % to International Subsidiaries Revenue)</i>	<i>22.9%</i>	<i>9.4%</i>	<i>37.5%</i>	<i>30.3%</i>	<i>100.0%</i>	
Segment operating profit (loss)	-0.6	-1.0	-9.0	-0.9	-11.5	46.0
<i>Profit % to Rev from external customers</i>	<i>-8%</i>	<i>-31%</i>	<i>-69%</i>	<i>-9%</i>	<i>-33%</i>	<i>11%</i>

Gross Profit Q3 2024 & 9M 2024

- GP & GP margin Q3/2024 & 9M/2024 increased YoY mainly from
 - Increase in revenue from sales through Concept Store branches
 - Controlling of discounts to maintain sales at full price
 - Increasing portion of products and services with high gross margins
- Brand building to maintain a high level of gross profit to create long-term sustainability
- GP amount Q3/2024 vs Q2/2024 increased following sales & GP margin at similar level



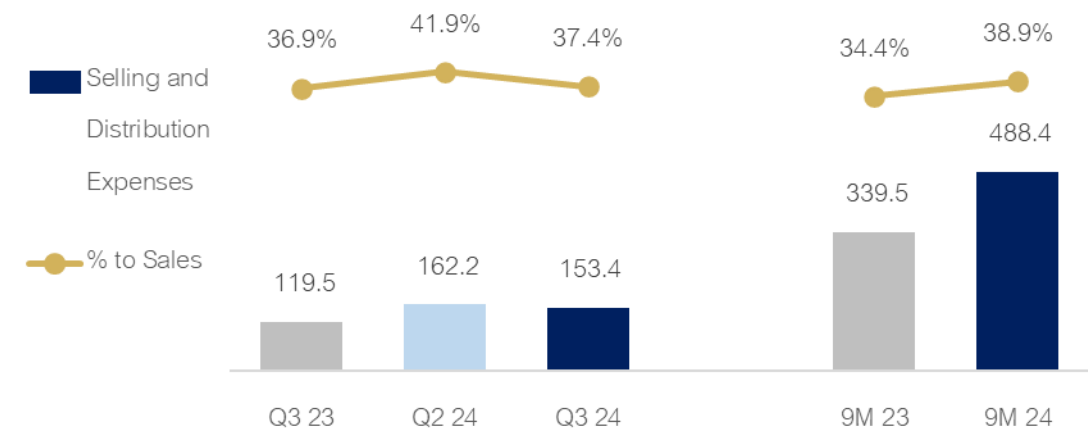
Selling Expense Q3 2024 & 9M 2024

- Selling Expense in Q3/2024 and 9M/2024 increased YoY mainly from
 - Store expansion locally & abroad (rent, people, commission, credit card fee and D&A)
 - Food & Beverage business expansion
 - Early marketing spendings in China to prepare for HARNN's business expansion in H2/2024
 - More marketing to support the launch of new brands, new collection

Most of the increase in expenses was related to starting new businesses both locally and abroad, which is the beginning of the Company's new investment cycle.

- Selling Expense & ratio to sales in Q3/2024 < Q2/2024: expense control

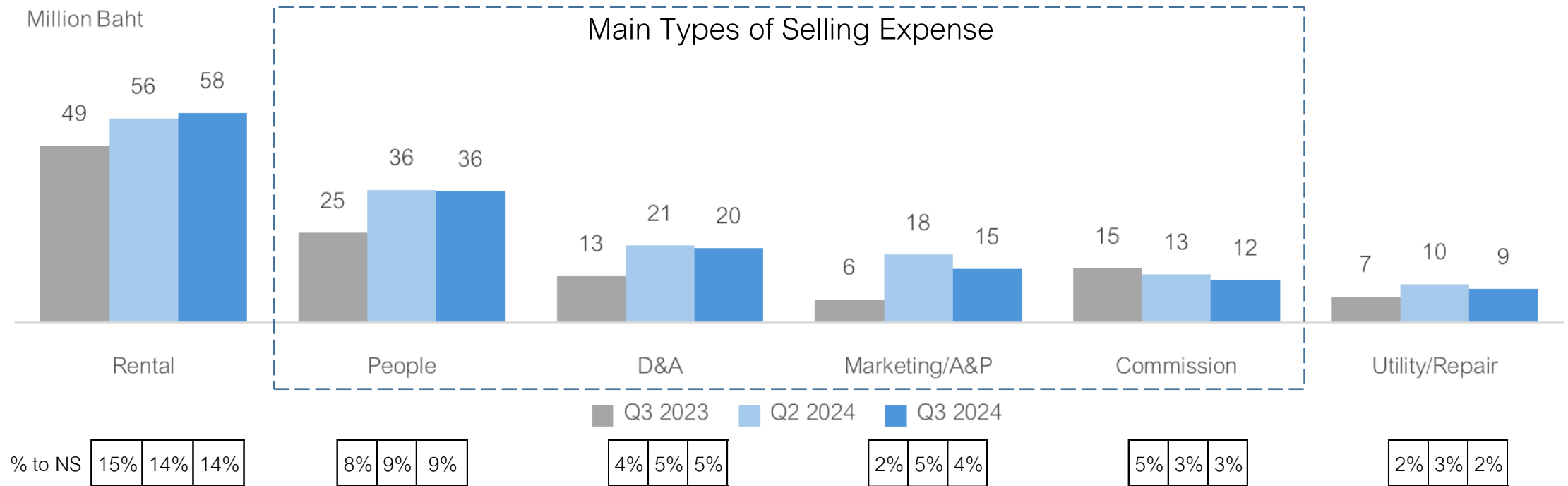
THB Million



Number of Store	End of	Q4 2023	Q1 2024	Q2 2024	Q3 2024
No. of Store		135	137	141	141
Amount Change YoY		15	15	19	17
% Change YoY		13%	12%	16%	14%

Headcount: Selling	End of	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Headcount: Selling		498	510	506	528
Amount Change YoY		152	153	92	95
% Change YoY		44%	43%	22%	22%

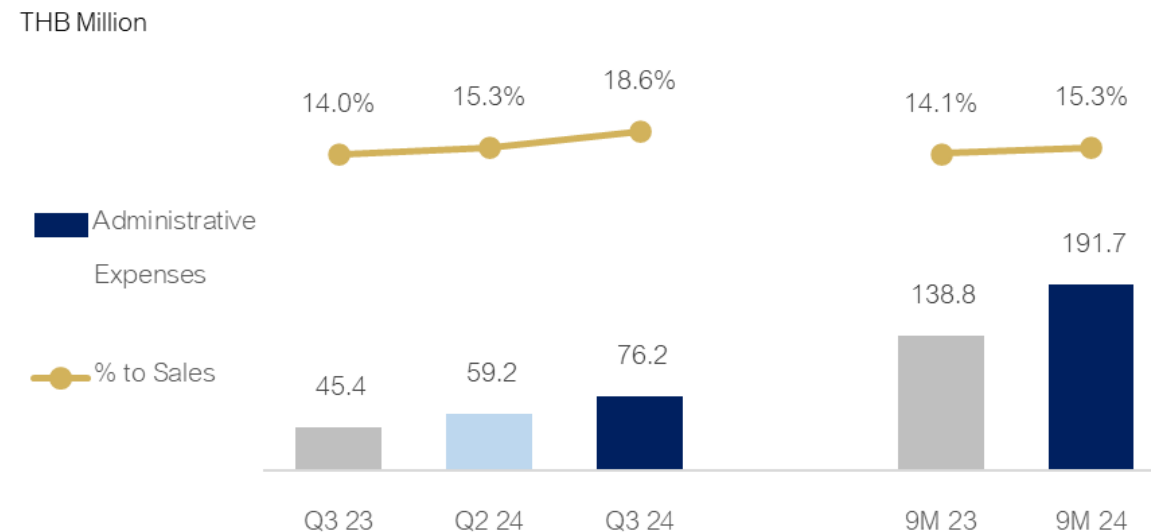
Selling Expense Q3 2024



- YoY: People, D&A, as % to NS increased to support growth, new (branches, brands, F&B).
- YoY: Marketing/A&P as % to NS increased to support more activities, new brands & HARNN's China marketing.
- YoY: Rental is productive and efficient.
- QoQ: In absolute amounts, all expenses are stabilizing from Q2/2024 with slightly lower Marketing Spendings.

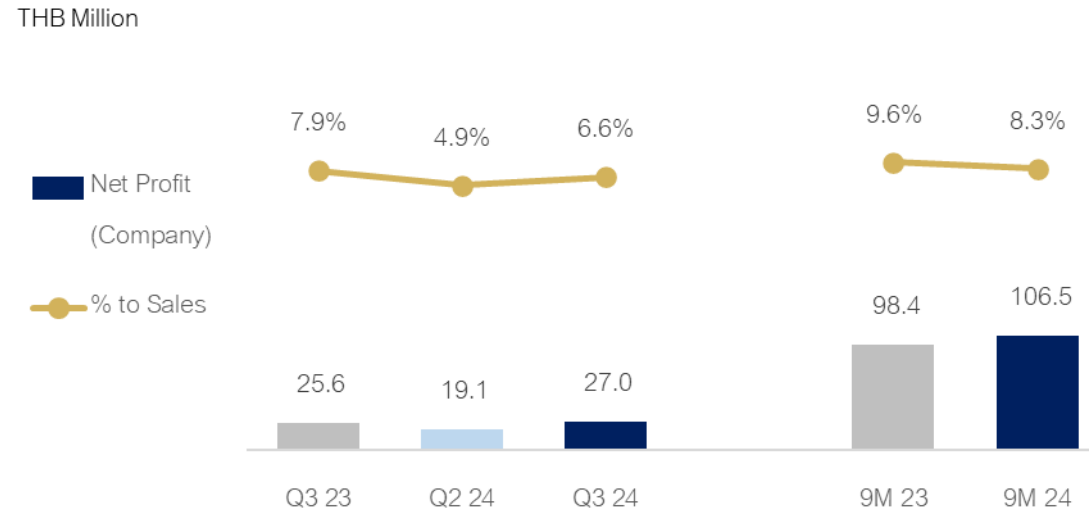
General & Administrative Expense Q3 2024 & 9M 2024

- G&A Expense in Q3/2024 & 9M/2024 increased YoY mainly from
 - Adding employees at head-office to support organization growth
 - Additional office space rental
 - Unrealized Loss on Exchange Rate (will be offset by Realized Gain on Exchange Rate part of Other Income in coming quarters)
 - Q3 2024: Baht appreciated substantially & start of HARNN's product shipment to China in Yuan
→ To change policy to transact in THB where possible
 - Excluding this record G&A expenses → 65.4 MB and G&A % to revenue → 15.9%, a slight increase from Q2 2024.



Net Profit Q3 2024 & 9M 2024

- Net Profit in Q3/2024: at 27.0MB +5.3% YoY mainly due to
 - Higher sales
 - Increase of gross profit margin
 - Higher rate of increase for SG&A expenses to support future Long-term growth locally & internationally
- Net Profit in Q3/2024: +41.3% QoQ mainly due to
 - Higher sales for Q3 and systematically control of SG&A expenses
- Net Profit in 9M/2024: at 106.5MB +8.2% YoY mainly due to
 - Higher sales
 - Increase of gross profit margin from sales' ability to control discounts
 - Partly offset by higher selling, marketing and administrative expenses to support Long-term future growth locally & internationally



Statement of Financial Position as of 30 September 2024

Asset:

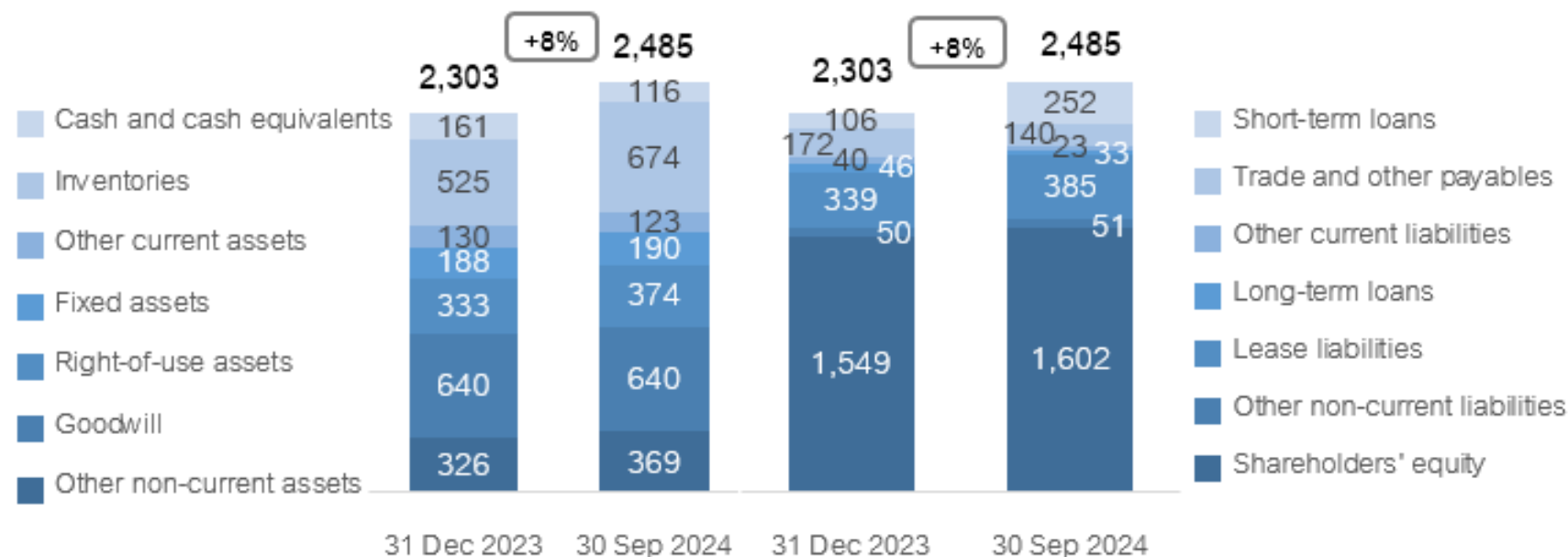
+8% from end of last year

- Inventory: support sales growth, new branches & HARNN business in China through HGC
- Right-of-use assets: branch expansion
- Other non-current assets: deposit for branch expansion

Liability and Shareholder's Equity:

+8% from end of last year

- Short-term loans: Trust Receipt
- Lease liabilities: more stores
- Shareholder's equity: higher Retained Earnings



Statement of Cash Flow

- Positive net Cash from Operating Activities → business generated good cash flow
- Net Cash Used in Financing Activities: mainly dividend payments of 60 million Baht
- Cash Ending at 115.8 MB

Unit: Million Baht For the nine-month period ended 30 September	2023	2024
Net cash from operating activities	141.9	97.7
Net cash used in investing activities	-114.5	-64.9
Net cash from (used in) financing activities	-58.7	-79.5
Increase in translation adjustments	2.6	1.6
Net increase (decrease) in cash and cash equivalents	-28.6	-45.1
Cash and cash equivalents at beginning of period	42.9	160.9
Cash and cash equivalents at end of period	14.3	115.8

ESG update

TANACHIRA Group aspires to be the leading lifestyle company in the region, offering a dynamic portfolio of international brands across diverse categories. Guided by our **ESG principles**, we are committed to building a vibrant ecosystem that delivers exceptional customer experiences while driving sustainable growth and creating long-term value for all stakeholders.

July-September



Enhancing community well-being and supporting public health initiatives. By contributing HARNN products to the “Tree of Hope” activity, in raising funds for an emergency ambulance for the National Cancer Institute.



TANACHIRA, is committed to **environmental responsibility and sustainability**, particularly in its product selection for consumers.

The latest Maridenim collection has received positive feedback, not only driving economic growth but also aligning with circular economy principles. The collection emphasizes eco-friendly practices, using organic cotton materials and minimizing hardware, in line with The Jeans Redesign initiative.



HARNN Wellness & Hospitality dedication to fostering equal opportunities through its **support of charity run**, with funds raised benefiting the Foundation for the Blind in Thailand under the Royal Patronage of H.M. the Queen. Emphasizes the brand's commitment to enhancing quality of life and inclusivity.



Cath Kidston Tearoom & Marimekko Kafe are dedicated to sustainability, show their commitment to **environmentally friendly packaging**. Reduces plastic waste also resonates with green conscious audiences.

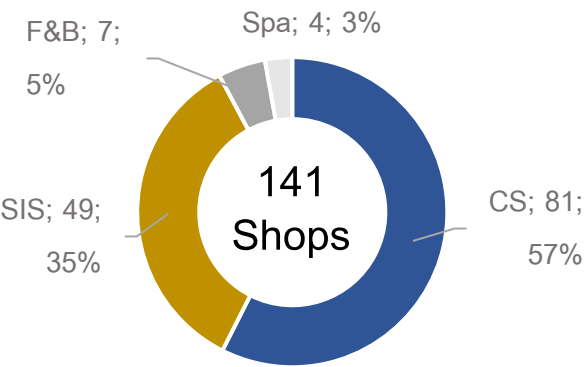
In addition, TANACHIRA emphasizes Consistency, Sustainability, and Long-Term Growth through TAN's strategy, creating a lasting positive impact across all aspects of its stakeholders


TRG Dashboard : 9M 2024

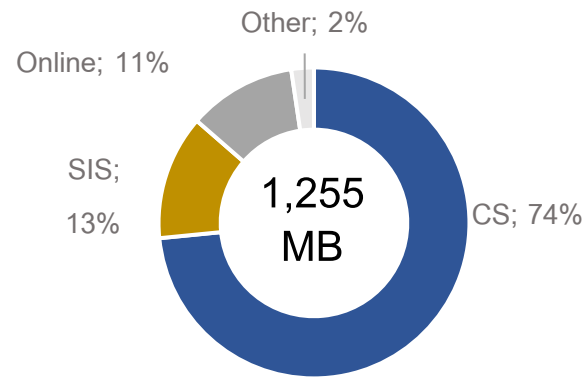
Key Financial Ratios



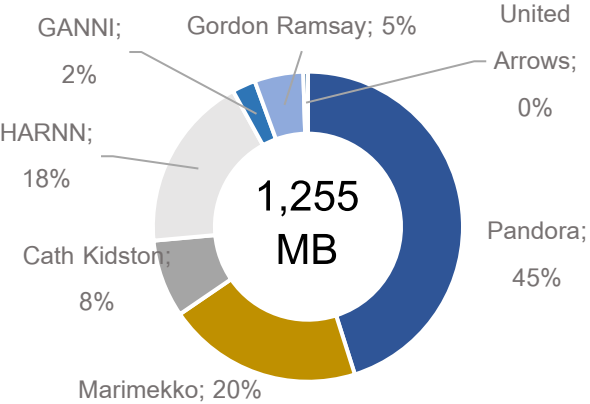
 Number of Shop




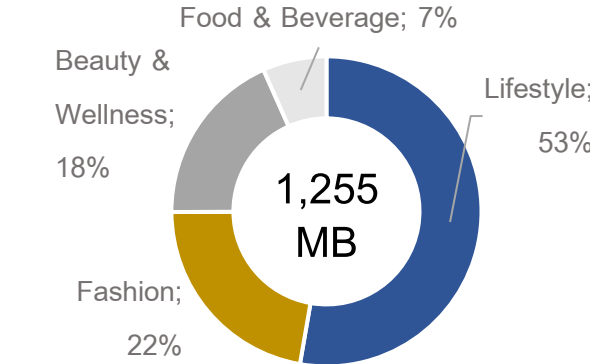
 Sale by Channels



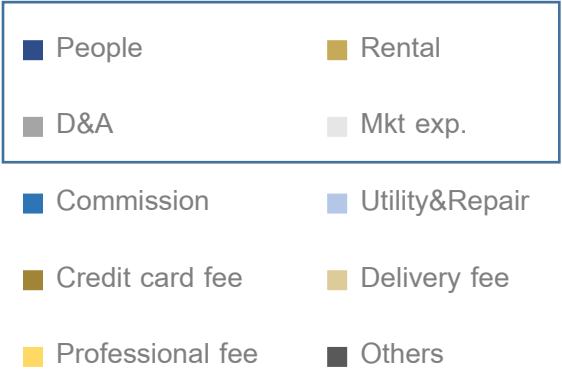
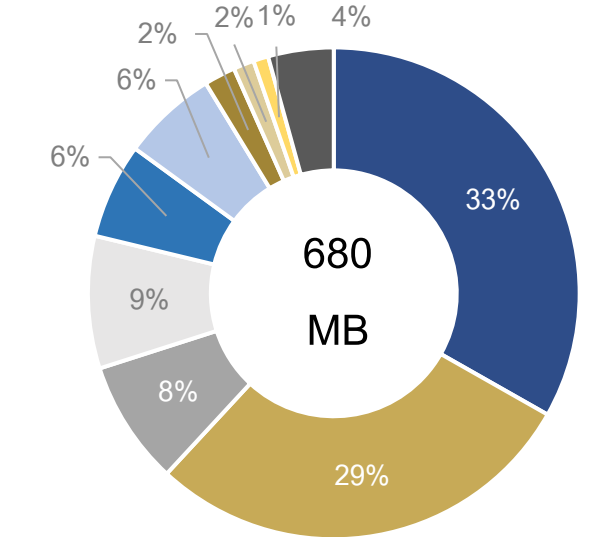
 Sale by Brand



 Sale by Category



 SG&A expenses



TAN's KPI Highlights : 9M/2024

Net Sales

1,255MB
(9M All-Time-High)
+27% YoY

% Gross Margin

65.4%
+1.7ppt YoY

Net Profit

+8.5% YoY

% SSSG

+5%

Revenues Share of New Business & Overseas

Fashion: from 18% to 22%

Food & Beverage: from 1% to 7%

Overseas Revenue Contribution from 2% to now 8.5%



PANDORA



MARIMEKKO



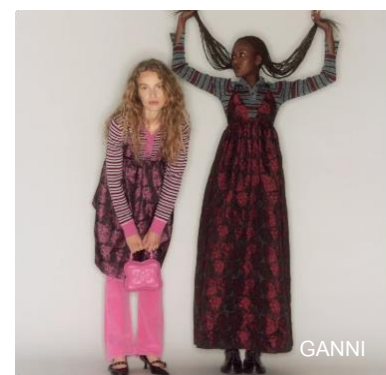
Street Pizza



Bread Street Kitchen & Bar



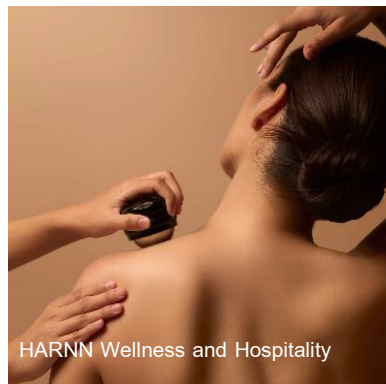
HARNN



GANNI



CATH KIDSTON



HARNN Wellness and Hospitality



UNITED ARROWS

Q&A

THANK YOU