

**3Q24 Opportunity Day** 



22 November 2024

# **Agenda**



- U1 Business Overview
- **02** 3Q24 Financial Performance
- **03** 2025 Key Strategies
- **04** Business Update & Outlook

# 01

# **Business Overview**

# Warrix at a glance





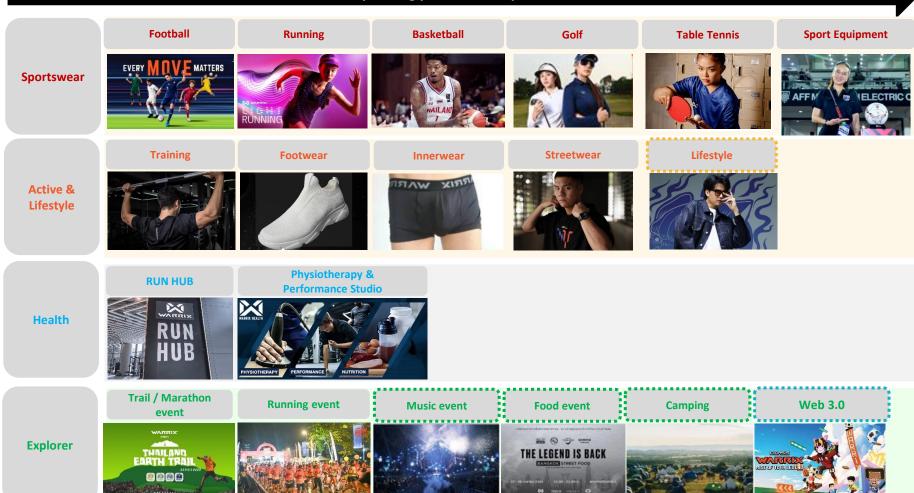




# **Warrix Key Product Portfolio**



### **Expanding portfolio and products**



### **Warrix Product Portfolio at a Glance**



### Non - Licensed products (81%)

#### **Classic Product**

Product with simple design, wear in classic and trendy ways for every occasion i.e. Polo T-shirt, short pants.



#### **Collection Product**

More variety, seasonal and fashionable products to meet all lifestyles and needs of customer, designed based on the periodic popularity, changing in fashion era/ season.



### **Made to Order and Sport Equipment Product**

Customize design and origination of individual customer own product for various events i.e. sport events, organization, corporate.







### **Licensed products (18%)**

#### National Team, Football Club, and Other Licensed

Warrix exclusive products with the official right to support the Thailand National Team, football club, and other licensed product for organization, education institutions for various activities.











### Health business (1%)

### Physiotherapy and Performance Studio & Warrix Run Hub

Providing advice and knowledge on physical and nutrition including professional trainers with modern medical equipment and specialized courses for athletes and the general public by professional and experience team.







As of 31 Dec 2023

# 02

**3Q24 Financial Performance** 



# **3Q24 Financial Performance (Separate)**

Unit: THB million

| Separate P&L Statement       | 3Q23 | 2Q24 | 3Q24 | %QoQ | %YoY | 9M23 | 9M24  | %YoY |
|------------------------------|------|------|------|------|------|------|-------|------|
| Revenues from core operation | 317  | 346  | 396  | 14%  | 25%  | 821  | 1,064 | 30%  |
| COGS                         | 160  | 188  | 192  | 2%   | 20%  | 427  | 540   | 26%  |
| Gross Profit                 | 157  | 158  | 204  | 29%  | 30%  | 394  | 524   | 33%  |
| Other Income                 | 4    | 5    | 4    | -26% | 6%   | 19   | 16    | -16% |
| SG&A                         | 102  | 134  | 139  | 3.4% | 36%  | 299  | 408   | 37%  |
| EBITDA                       | 70   | 45   | 86   | 89%  | 23%  | 149  | 181   | 22%  |
| Net Profit                   | 45   | 21   | 53   | 149% | 18%  | 88   | 100   | 14%  |

| Separate P&L Statement | 3Q23  | 2Q24  | 3Q24  | %QoQ  | %YoY  | 9M23  | 9M24  | %YoY  |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| % Gross profit         | 49.5% | 45.6% | 51.5% | 5.9%  | 2.0%  | 48.0% | 49.3% | 1.2%  |
| % SG&A                 | 32.3% | 38.8% | 35.1% | -3.7% | 2.8%  | 36.4% | 38.4% | 2.0%  |
| % EBITDA               | 22.1% | 13.1% | 21.7% | 8.6%  | -0.4% | 18.1% | 17.1% | -1.1% |
| % NI                   | 14.1% | 6.1%  | 13.3% | 7.2%  | -0.8% | 10.7% | 9.4%  | -1.3% |



# **3Q24 Financial Performance (Consolidated)**

Unit: THB million

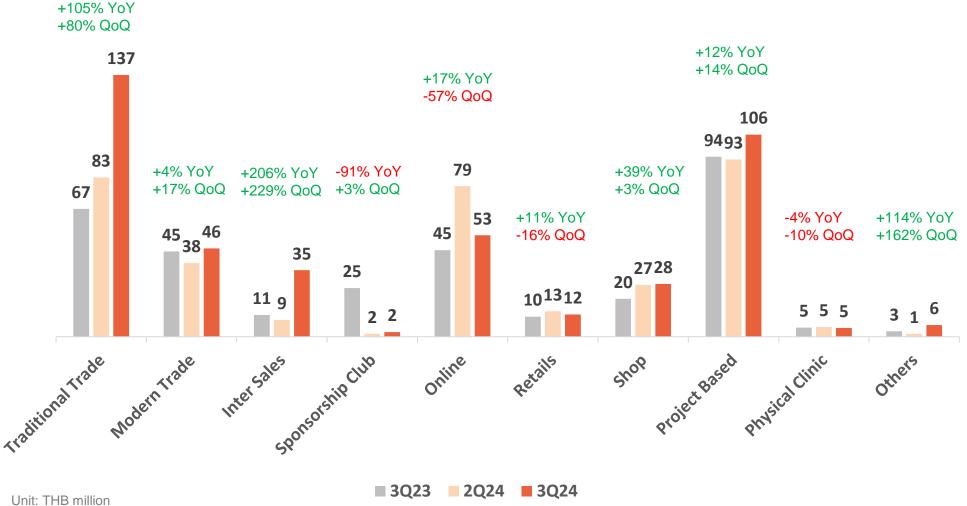
| Consolidated P&L Statement   | 3Q23 | 2Q24 | 3Q24  | %QoQ    | %YoY  | 9M23 | 9M24  | %YoY  |
|------------------------------|------|------|-------|---------|-------|------|-------|-------|
| Revenues from core operation | 325  | 350  | 429   | 22%     | 32%   | 831  | 1,106 | 33%   |
| COGS                         | 166  | 190  | 214   | 13%     | 29%   | 436  | 568   | 30%   |
| Gross Profit                 | 160  | 160  | 214   | 34%     | 34%   | 396  | 538   | 36%   |
| Other Income                 | 4    | 5    | 4     | -26%    | 8%    | 19   | 17    | -11%  |
| SG&A                         | 110  | 141  | 148   | 4%      | 35%   | 316  | 432   | 37%   |
| EBITDA                       | 67   | 43   | 90    | 110%    | 34%   | 137  | 178   | 30%   |
| Net Profit                   | 40   | 17   | 55    | 226%    | 35%   | 72   | 92    | 27%   |
| Adjust                       | 0.9  | 0.1  | (4.4) | -5,373% | -595% | 2    | (3)   | -267% |
| Net Profit after Adjust      | 41   | 17   | 50    | 198%    | 22%   | 74   | 88    | 19%   |

| Consolidated P&L Statement | 3Q23  | 2Q24  | 3Q24  | %QoQ  | %YoY | 9M23  | 9M24  | %YoY  |
|----------------------------|-------|-------|-------|-------|------|-------|-------|-------|
| % Gross profit             | 49.1% | 45.8% | 50.0% | 4.2%  | 1.0% | 47.6% | 48.7% | 1.1%  |
| % SG&A                     | 33.7% | 40.4% | 34.4% | -5.9% | 0.7% | 38.0% | 39.0% | 1.0%  |
| % EBITDA                   | 20.6% | 12.2% | 20.9% | 8.7%  | 0.3% | 16.5% | 16.1% | -0.4% |
| % NI                       | 12.4% | 4.8%  | 12.7% | 8.0%  | 0.4% | 8.7%  | 8.3%  | -0.4% |



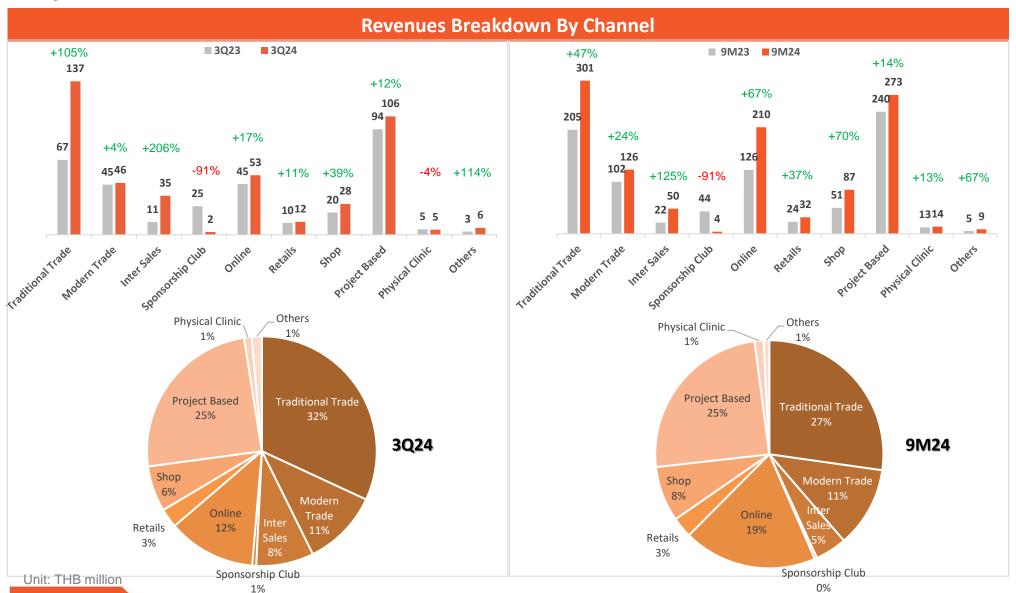
### **Revenues Breakdown By Channel**

### **3Q24 YoY & QoQ Growth by Channel**



# WARRIX

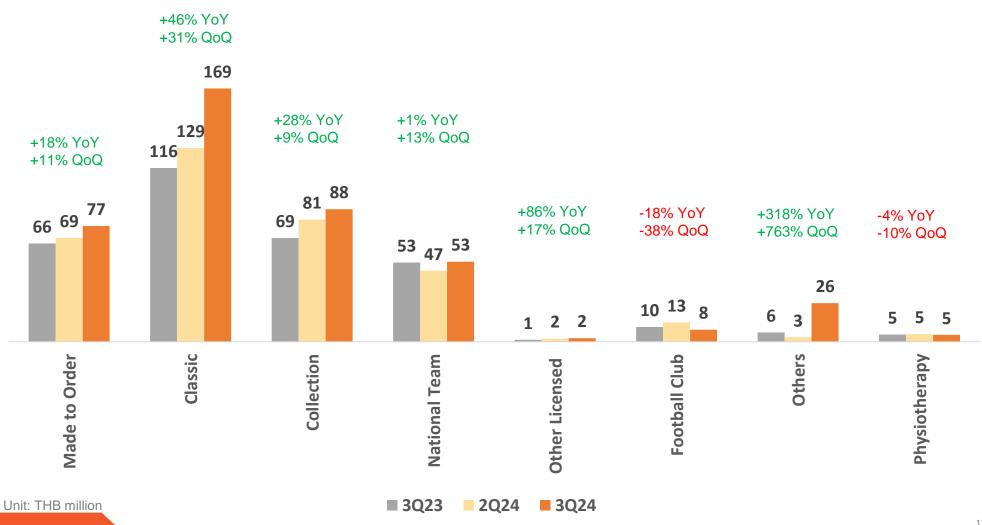
# **Key Financial Performance**



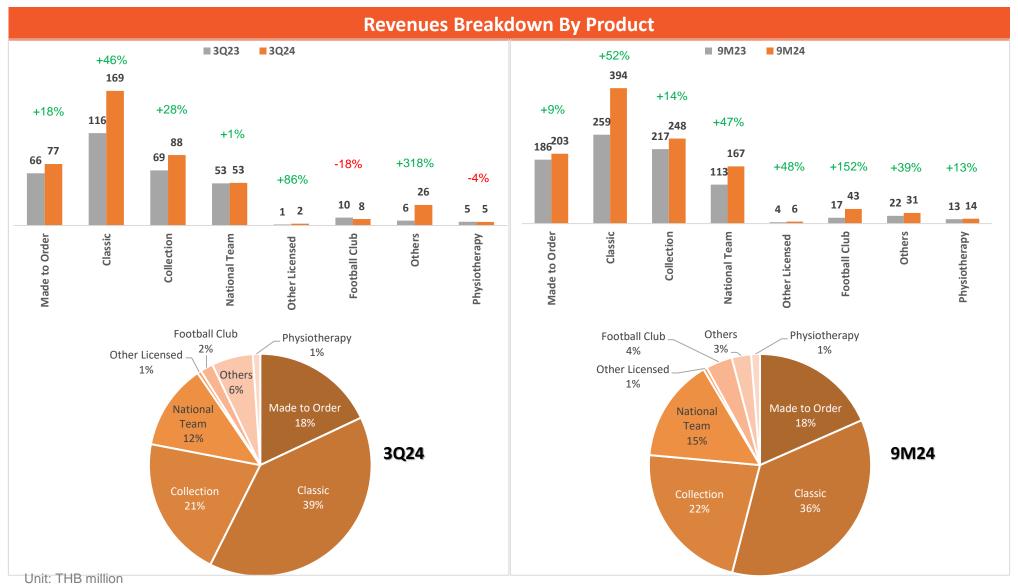


### **Revenues Breakdown By Product**

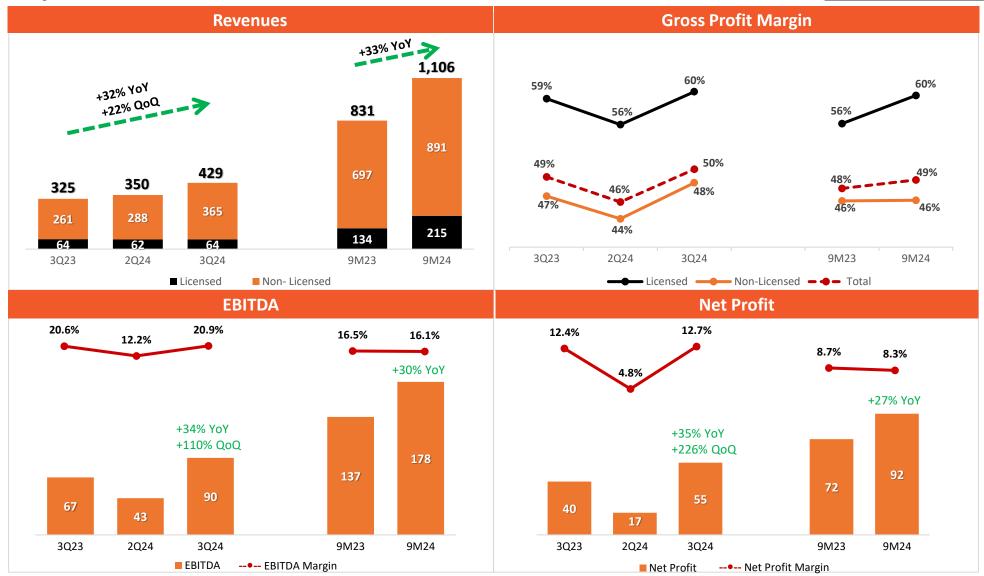
### **3Q24 YoY & QoQ Growth by Product**







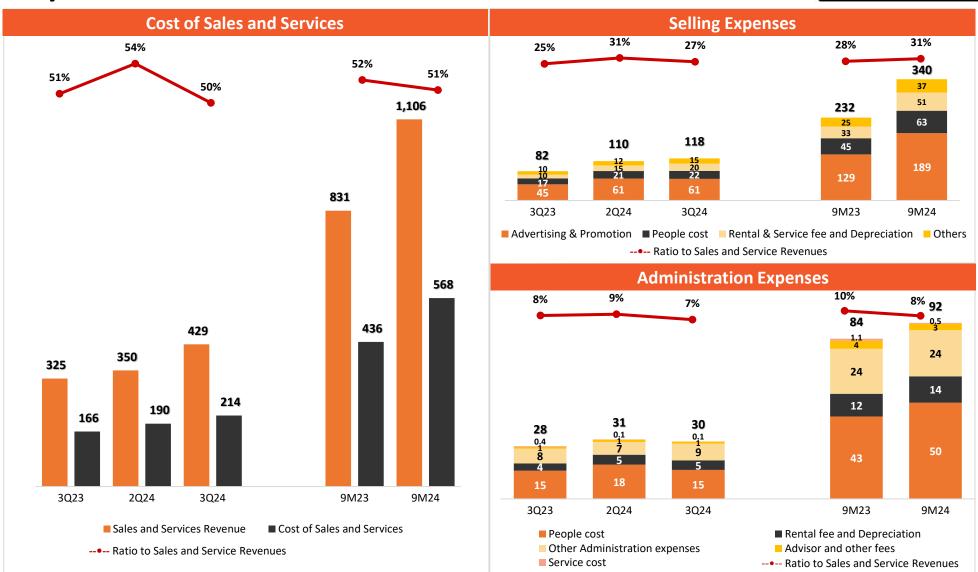




Unit: THB million

# WARRIX

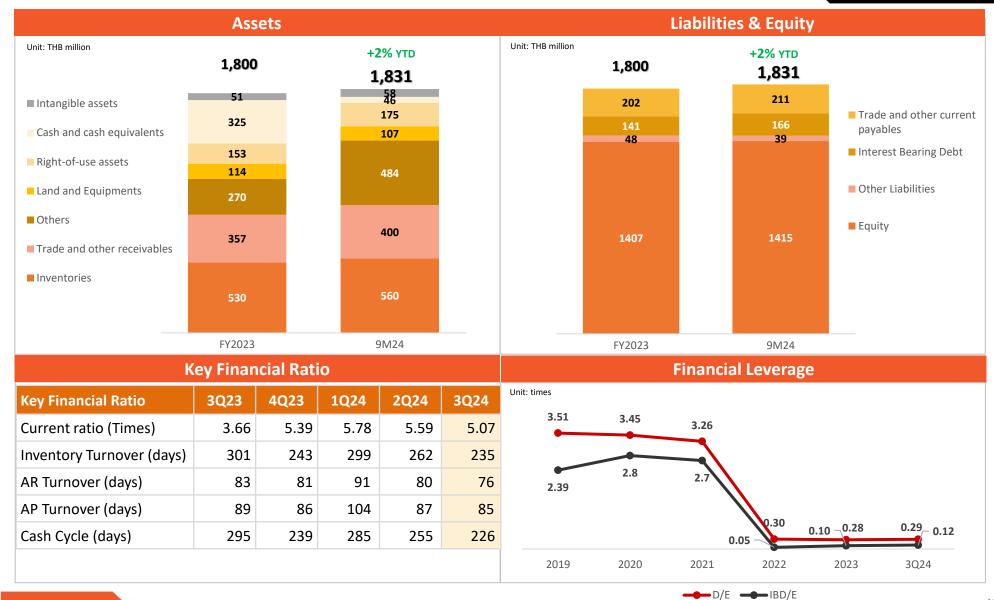
# **Key Financial Performance**



Unit: THB million



### **Balance Sheet**



# 

Key Strategies





### **Brand Building**

- Improve brand positioning: stretch brand awareness to regional active & lifestyle brand to capture new-wider target groups and growing brand awareness of its non-license products.
- Enhance communication of each sales channels.
- Strengthen 'Run Hub' as Lifestyle Sport Community.



### **Cost Management**

- Cost improvement from higher bargaining power with suppliers and better value chain management.
- Efficient inventory management i.e. using data analytic program for inventory forecast, SKUs refurbishment



### Focus on Direct to Customer (Own Channels from 54% in 2023 to 65% in 2025)

- Expand distribution channel, mainly focus on own channels; 24 new (temporary) shops, online
- Increasing high margin product mix.
- Al-Driven Efficiency.



### **New Partnership**

- Expand new partnership through licensing strategy to diverse customer target groups in SEA.
- Potential new business expansion related to health and lifestyle.





### **Brand Building**

- Improve brand positioning: stretch brand awareness to regional active & lifestyle brand to capture new-wider target groups and growing brand awareness of its non-license products.
- Enhance communication of each sales channels.











- Register Warrix as not only football wear, but lifestyle and sportswear for everyday use.
- To capture new-wider target groups and create sales for all Warrix's products.
- By using ONE take-out brand message & impact brand visibilities.





### **Brand Building**

- Strengthen 'Run Hub' as Lifestyle Sport Community: By bridging 3 main activities lead to products and services sales opportunities. Including opportunities to enhance non-football products at QSNCC shop.









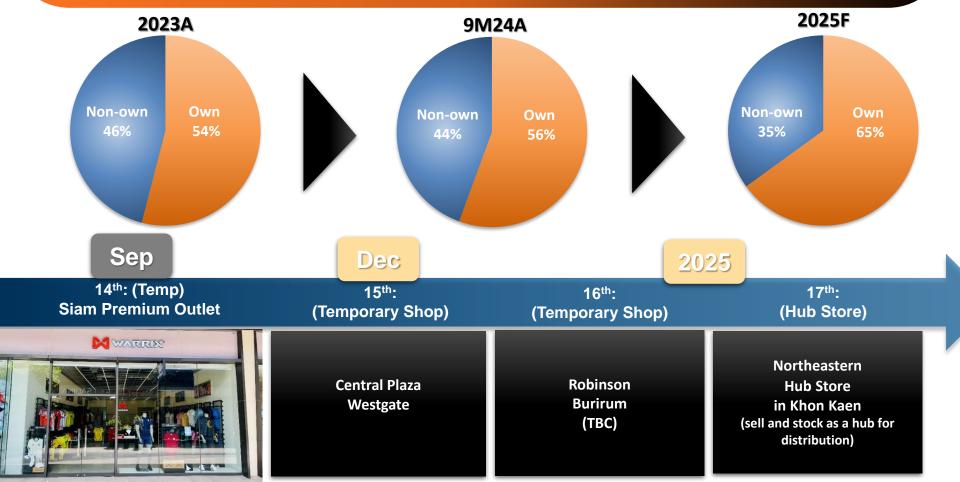






### Focus on Direct to Customer (Own Channels from 54% in 2023 to 65% in 2025)

- Expand distribution channel, mainly focus on own channels; 24 new (temporary) shops and online.
- Increasing high margin product mix.
- Al-Driven Efficiency.





# 14th Own (Temporary) Shop – Siam Premium Outlet



**Location:** Siam Premium Outlet

Selling Area: 130 SQM

Opening Date: 16 September 2024



### **2025 E-commerce Channel**

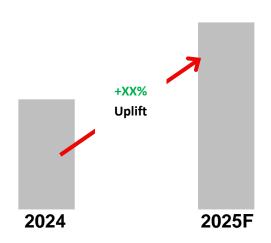
### **Own-Channel**

# +1XX% Uplift 2024 2025F

### **Own-Channel Growth Drivers:**

- Website UX/UI and CRM Investment: Enhanced user experience boosted conversion rates.
- Custom Promotions: Control over tailored offers increased engagement.
- Social Commerce Expansion: Line OA & Inbox growth supported by Chatbot and Salesforce.
- Targeted Ads on Facebook & TikTok: Focused campaigns drive traffic and conversions.

### Marketplace



### **Marketplace Growth Drivers:**

- Onsite Media Utilization: Leveraged platform traffic to drive daily sales.
- AOV & Conversion Rate Improvement: Focused on increasing Average Order Value and Conversion Rate.
- Campaigns & Flash Sales: Regular promotions boosted visibility and urgency.
- Affiliate Program: Expanded reach and engagement through affiliates.

### **AI-DRIVEN EFFICIENCY**



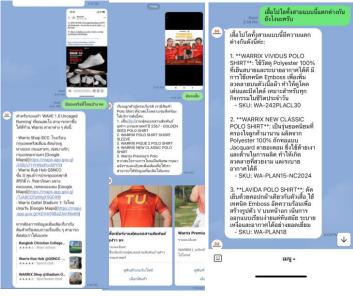
### **Business Transformation Project**



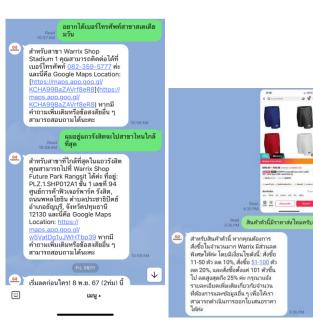
#### Features:

- 1. Product inquiry by text and image
- 2. Instant Buy
- 3. FAQ from KM









Product inquiry by text and image

**Instant Buy** 

**FAQ from KM** 

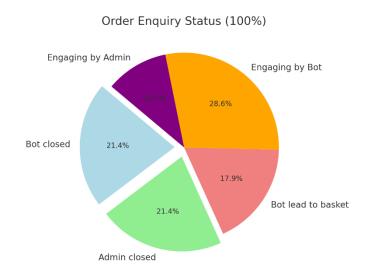
### **AI-DRIVEN EFFICIENCY**

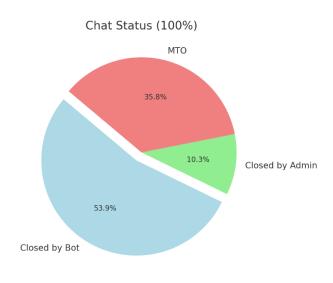


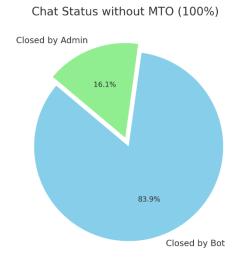
### **Business Transformation Project**



- Chat Summary: 53.90% of chats were resolved by the bot, 10.32% were closed by an admin, and 35.78% were MTO cases, which are exclusively handled by admins.
- Chat without MTO: When excluding MTO cases, 83.93% of chats were closed by the bot, and 16.07% were closed by an admin.
- Order Enquiry Summary: For order enquiries, 21.43% were closed by the bot, 21.43% by an admin, 17.86% led to a basket by the bot, 28.57% were engaging by the bot, and 10.71% were engaging by an admin.











### **New Partnership**

- Expand new partnership through licensing strategy to diverse customer target groups in SEA.
- Potential new business expansion related to health and lifestyle.

### **Official Licenses**















**Corporate & Project** 

### **Educational & Academy Licenses**

















**International Distributor** 





**New Sponsorship New Partnership** 

# 04

# **Business Update & Outlook**



# **Warrix Internation in Recovery**

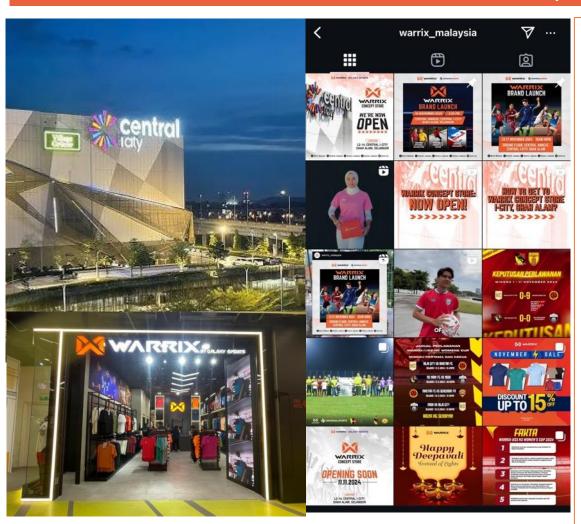
### **2025 WARRIX STORES - REGIONAL**





## Warrix Internation in Recovery: Malaysia

### **Warrix x Universal Sports**



### 1. Partnership with a Strong Distributor

We have successfully partnered with a reputable distributor in Malaysia to drive our brand presence and ensure effective market penetration. This partnership facilitates seamless operations across both online and offline channels.

### 2. Established Physical and Online Presence

Our 1st physical location has been launched at Central I City in November 2024, with plans for a second location in Kuala Lumpur in 2025. Additionally, we have already made our products available on popular online platforms, ensuring accessibility to a broader audience.

### 3. Active Social Media Engagement

We have initiated a robust social media presence on key platforms, including Facebook and TikTok, to connect with local audiences, promote products, and drive brand awareness. The Warrix Malaysia social media channels feature engaging content tailored to the Malaysian market.

### 4. Strategic Marketplace Listings

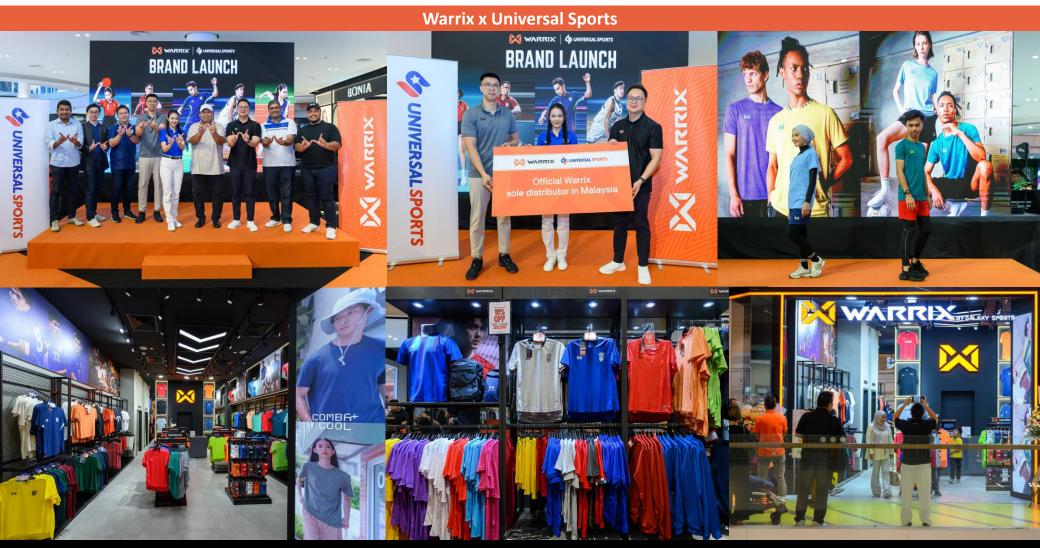
By listing our products on popular e-commerce marketplaces in Malaysia, we can cater to the growing trend of online shopping, enhancing convenience for customers and increasing potential sales opportunities.

### 5. Pop-up Stores and Retail Events

Warrix is committed to a hands-on approach to marketing in Malaysia through pop-up stores and retail events, providing immersive experiences for customers to engage with our brand and products in person.



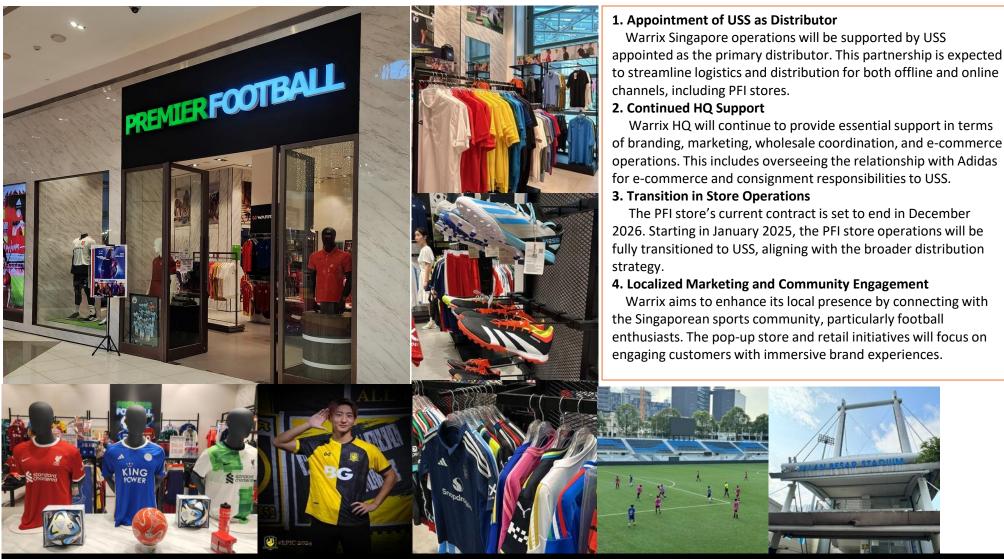
# Warrix Internation in Recovery: Malaysia



Launched First Warrix Concept Store by Galaxy Sports (operated by USS) at Central I City in November 2024.



## **Warrix Internation in Recovery: Singapore**

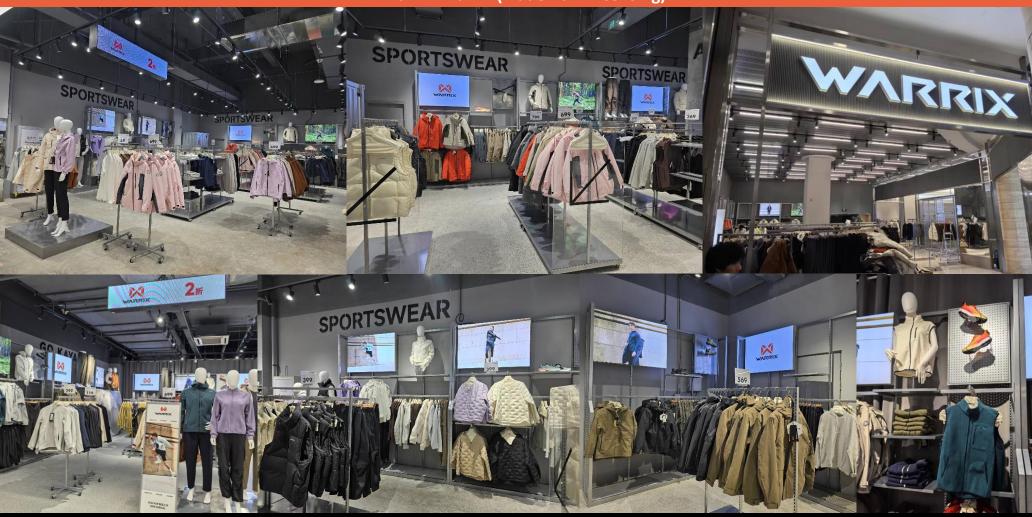


To reduce rental, people, and warehouse costs, Premier Football Store at Suntec City will be operated by USS.

# WARRIX

## Leveraging new partnership to penetrate Chinese market

Himaxx x Warrix (Trademark Licensing)



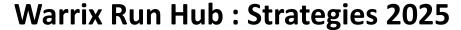
- Launched F/W 2024 Collection in first Himaxx Outlet Store since September to 12 stores at the present. (Himaxx now has 30 branches around Shanghai and aims to reach 100+ branches by 2025)
- Opportunities to cross borders for some items to leverage economies of scale of production and R&D costs, resulting in better COGS management.

# First Look of WARRIX Fall/Winter 2024 Collection



(Trademark Licensing)







### **Commercial Part**







- Add running shoes, ASICS and ON as traffic magnet.
- Broadcasting products and promotions.
- TikTok live selling.
- Organize Run Hub activities to increase customers and sales.

### **Health Service Part**





" New Products & Services,
More Personalized & Specialized"

### **Physiotherapy:**

- 1. Personalized Therapy Programs
- 2. New specialized program ACLR
- 3. Office syndrome Programs

### **Training:**

- 1. Personal Training programs
- 2. Sport massage
- 3. Stretching Programs

### **Medical Services:**

- 1. Weight management
- 2. Hormone (Height growth, Menopause)
- 3. Medicine & Supplement

### **Fit Junction:**

- 1. E-book
- 2. App FJ (online)
- 3. Certificate

### Others:

- 1. Physical fitness test
- 2. Event



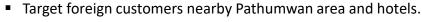
# **Warrix Shop Siam Square: Strategies 2025**









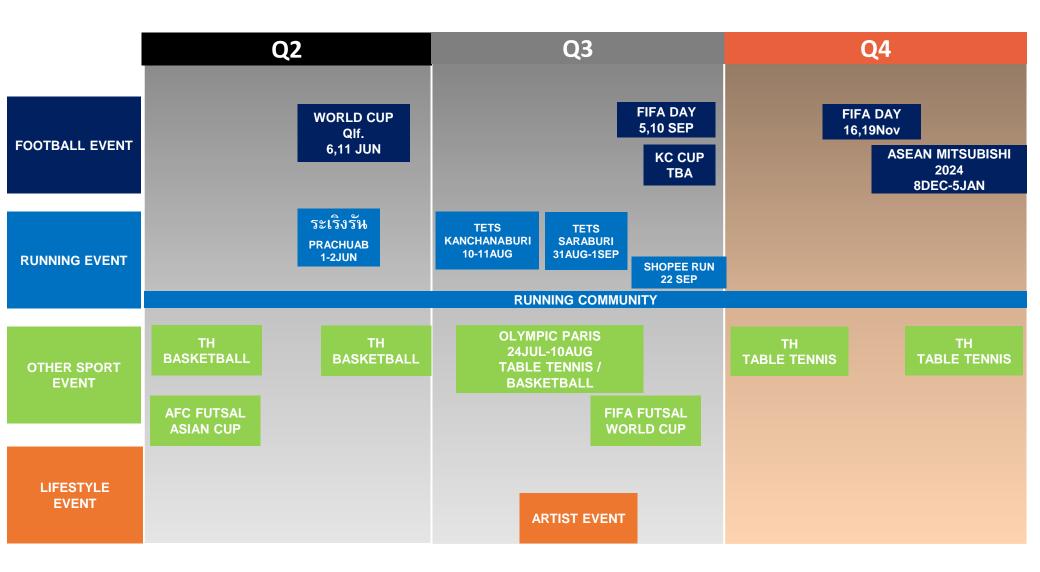


- Organize events at the shop.
- Broadcasting events, products, and promotions via various channels.
- TikTok live selling.
- Adjust product assortments.



# **Activity Roadmap Q2-Q4/2024**





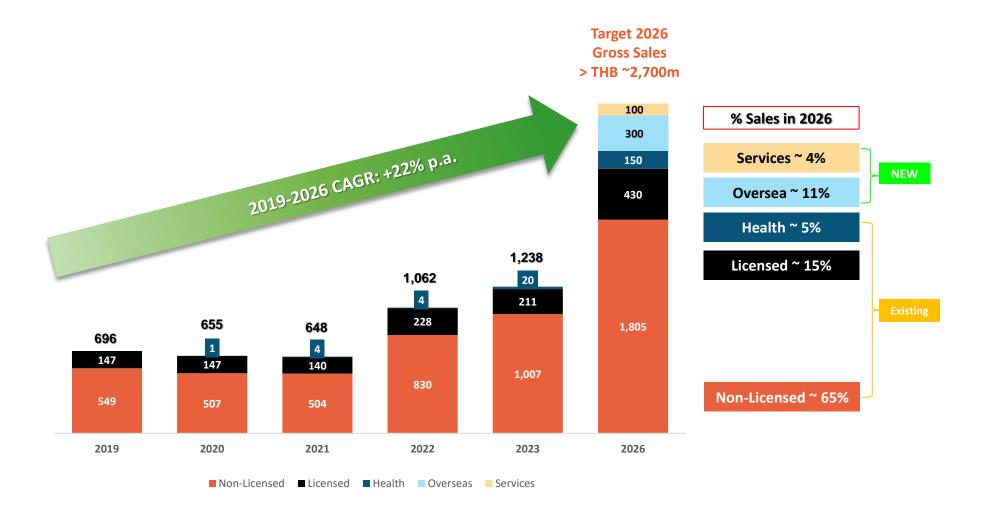


# **Activity Roadmap 2025**

|                    | JAN                            | Q1<br>FEB                      | MAR   | APR                              | Q2<br>MAY                           | JUN                              | JUL                                     | Q3<br>AUG                            | SEP   | ОСТ                           | Q4<br>NOV                        | DEC                               |
|--------------------|--------------------------------|--------------------------------|---|----------------------------------|-------------------------------------|----------------------------------|---|--------------------------------------|---|-------------------------------|----------------------------------|-----------------------------------|
|                    | JAN                            | PED                            | FIFA<br>17-25 Mar                                       | AFN                              | MAT                                 | <b>FIFA</b> 2 - 10 Jun           | JOL                                     | TNT new joursey                      | King's Cup<br>1-9 Sep                       | FIFA: Saudi<br>9 / 14 Oct     | FIFA<br>10-18 Nov                | DEC                               |
| FOOTBALL           |                                | AFC: U20 Asian Cup<br>6-23 Feb | <b>FIFA: Saudi</b><br>25 Mar                            | AFC: U17 Asian Cup<br>3-20 Apr   |                                     | <b>FIFA: Saudi</b><br>10 Jun     |   |                                      | AFC: U23 Asian Cup<br>1-9 Sep               |                               | <b>FIFA: Saudi</b><br>18 Nov     |                                   |
|                    |                                |                                |   |                                  |                                     |                                  |   |                                      |   | <b>TL 25/26</b><br>Aug - May  |                                  |                                   |
| EVENT              |                                | FIFA Inter Women<br>17-26 Feb  | AFC: U20 Women<br>8-16 Mar                              | AFC: U17 Women<br>26 Apr - 4 May |                                     |                                  |   | AFC: U20 Women<br>11-17 Aug          | AFC: U17 Women<br>TBC                       | FIFA Inter Women<br>20-29 Oct |                                  |                                   |
|                    |                                |                                | FIFA: Inter Women<br>31 Mar - 8 Apr                     |                                  |                                     |                                  |   |                                      |   |                               |                                  |                                   |
|                    |                                |                                | AFC: Beach Soccer<br>TBC                                |                                  | FIFA: Beach Soccer<br>1 - 10 May    |                                  |   |                                      |   |                               |                                  |                                   |
|                    |                                |                                |   |                                  |                                     | <b>Run Hub Activi</b><br>Every S | · · · · · · · · · · · · · · · · · · ·   |                                      |   |                               |                                  |                                   |
| RUNNING<br>EVENT   | Trail Series<br>TBC            | Trail Series<br>TBC            |   |                                  |                                     | Road Race<br>TBC                 |   | Tets-Special<br>TBC                  |   | Trail Series<br>TBC           |                                  | Trail Series<br>TBC               |
|                    |                                |                                |   |                                  |                                     | Trail Series<br>TBC              | Partner Activity<br>TBC                 |                                      |   |                               |                                  |                                   |
|                    | AFC: Futsal Women<br>11-19 Jan |                                |   |                                  | <b>AFC: Futsal Women</b> 7 - 18 May |                                  |   |                                      |   | AFC: Futsal<br>15-26 Oct      |                                  | <b>33rd SEA Games</b><br>9-20 Dec |
| OTHER<br>SPORT     |                                | FIBA: Asia Cup<br>20/23 Feb    | FIBA: Asia Cup<br>24-30 Feb                             |                                  |                                     | Big                              | FIBA: Asia Cup<br>Matches: May / July / | Aug                                  |   |                               |                                  |                                   |
| EVENT              |                                |                                | <b>Table Tennis</b><br>23-31 Mar                        |                                  | <b>Table Tennis</b><br>17-25 May    |                                  | <b>Table Tennis</b><br>TBC              |                                      |   |                               | <b>Table Tennis</b><br>14-23 Nov |                                   |
|                    |                                |                                |   | <b>SCAT</b><br>18-20 / 25-27 Apr | SCAT<br>2-4/16-18/23-25             | SCAT<br>6-8/13-15/25-29          | <b>SCAT</b> 5-6/11-13/26-27             | <b>SCAT</b><br>28 Jul - 3 Aug / 7-17 | <b>SCAT</b><br>5-6/21-28                    |                               |                                  |                                   |
| LIFESTYLE<br>EVENT |                                |                                | g <b>/ Lifestyle Campaig</b><br>Product: Jeans / T-Shir |                                  |                                     |                                  |   | Brandin                              | g <b>/ Lifestyle Campaig</b><br>Product TBC | 1 Launch                      |                                  |                                   |











For more information, please contact IR Department <u>ir@warrix.co.th</u> or 094 310 7103

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# 05

# **Appendix**

### **Sport Apparel Industry Outlook**



- The sport apparel goods market in Thailand is worth approximately THB 30 billion.
- Recovered to pre-COVID-19 level, and on an uptrend with prospect to grow 15-20% per year premised on increasing in health awareness as more people are committed to leading healthier and more active lifestyle.
- Along with huge opportunities from the resuming of large sports events including FIFA World Cup in 2022, AFF Mitsubishi Electric Cup 2022, and the Olympics in 2024 etc.
- An ongoing rise in popularity of outdoor and home-based sports (running, cycling, home exercise and yoga are becoming more popular).

### The sport apparel goods market in Thailand



### **Discounted/Mass market**

Import product by Thai company, no brand and cheap price



Middle market

Thai brand produce by Thai company



**Global market** 

Global brand, both import and export

### Top 5 most popular sports in Thailand



ш









Football

Rattan Ball

Badminton Volleyball

Futsa

### Top 5 most popular exercise activities in Thailand



Walking



Running



Cycling



Aerobic



Fitness

### ~THB 30 billion

of sport apparel goods market in Thailand

42 %

of Thai population exercise regularly

### >70%

of Thai people who exercise regularly are middle to high income

### 8%

of Thai population playing sport regularly



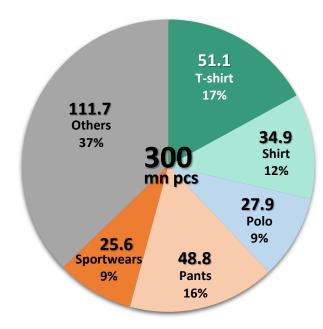
### **Thailand Annual Garment Consumption**

### **Garment annual consumption**

- According to a study by UTCC, Thailand 2020 annual garment consumption is estimated at 300mn pieces
- The estimated T-shirt consumption is ~51mn pieces annually, contributing ~17% of all garment consumption and slightly higher than annual pants consumption at ~49mn pieces

### **Fashion macro trend**

 According to UN, number of garment purchased per capita between 2000 and 2014 increased by about 60 percent, while each item is kept for only half as long. Hence people wants to buy more and spend less per piece



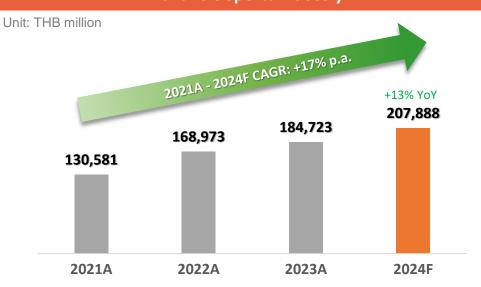
**Thailand Annual Garment Consumption 2020 (mn pcs)** 

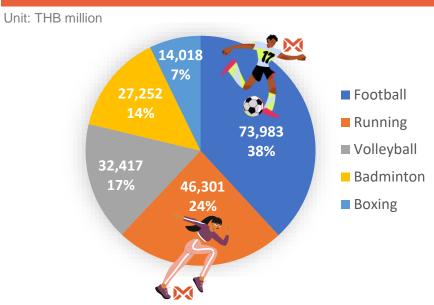
# **Industry Outlook**











### **Sports-Related Expenditure per Person in 2023**

# **Average** 7,055 THB/person



2,093 THB/person

### **Food and Beverages** during watching, competing, playing sports

THB/person

### **Sportswear**



### **Sports Equipment**



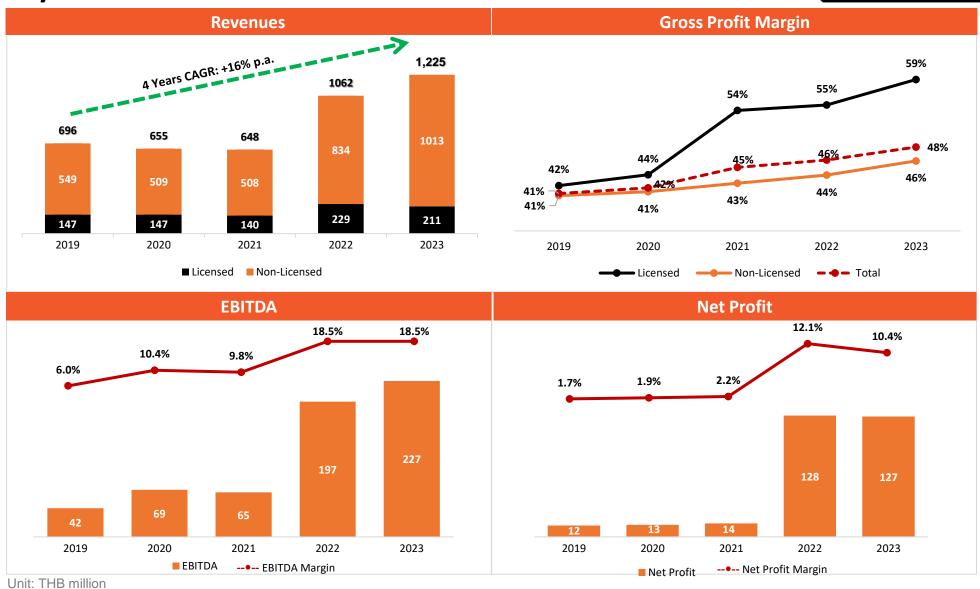
THB/person

### **Tickets and Fees**

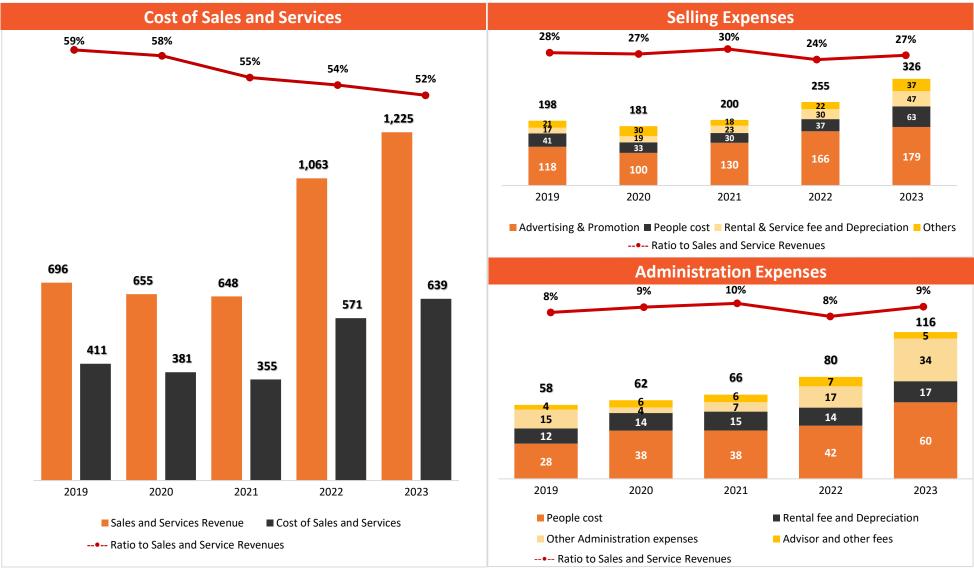


391 THB/person







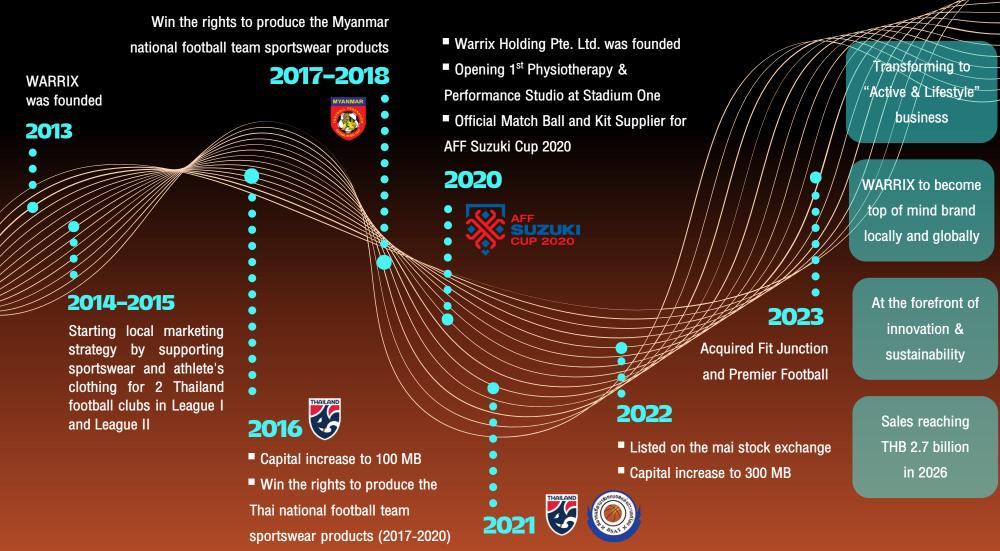


Unit: THB million



| Unit : Million Baht        | 1Q23   | 2Q23   | 3Q23   | 4Q23   | 1Q24   | 2Q24   | 3Q24   |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|
| Total A/R                  | 327.2  | 245.9  | 344.3  | 357.1  | 294.8  | 317.6  | 400.5  |
| Total Inventory            | 558.8  | 540.3  | 555.2  | 529.9  | 545.5  | 543.3  | 559.7  |
| Total A/P                  | 270.2  | 144.1  | 180.0  | 202.4  | 173.1  | 189.0  | 211.2  |
| Total Assets               | 1906.6 | 1658.9 | 1735.7 | 1799.7 | 1771.5 | 1729.3 | 1831.1 |
| Interest Bearing Debt      | 146.0  | 129.6  | 126.7  | 141.5  | 135.8  | 137.9  | 166.2  |
| Total Liabilities          | 454.7  | 299.2  | 334.8  | 392.3  | 363.2  | 364.5  | 416.1  |
| Total Equity               | 1451.9 | 1359.7 | 1400.9 | 1407.5 | 1408.3 | 1364.8 | 1415.0 |
| EBITDA                     | 28.5   | 41.8   | 66.9   | 89.3   | 45.8   | 42.6   | 89.7   |
| CPLTD                      | 17.9   | 18.2   | 19.5   | 25.6   | 26.5   | 28.2   | 36.4   |
|                            |        |        |        |        |        |        |        |
| Current ratio (Times)      | 3.98   | 5.99   | 3.66   | 5.39   | 5.78   | 5.59   | 5.07   |
| D/E (Times)                | 0.31   | 0.22   | 0.24   | 0.28   | 0.26   | 0.27   | 0.29   |
| IBD/E (Times)              | 0.10   | 0.10   | 0.09   | 0.10   | 0.10   | 0.10   | 0.12   |
| Inventory Turnover by days | 335    | 378    | 301    | 243    | 299    | 262    | 235    |
| AR Turnover by days        | 124    | 102    | 83     | 81     | 91     | 80     | 76     |
| AP Turnover by days        | 199    | 143    | 89     | 86     | 104    | 87     | 85     |
| Cash Cycle (days)          | 259    | 338    | 295    | 239    | 285    | 255    | 226    |





Key Milestones

- Win the rights to produce Thai national football team sportswear (2021-2028)
- Win the rights to produce Thai national basketball team sportswear
- Warrix Sdn. Bhd. was founded as subsidiary of Warrix Holding Pte. Ltd.