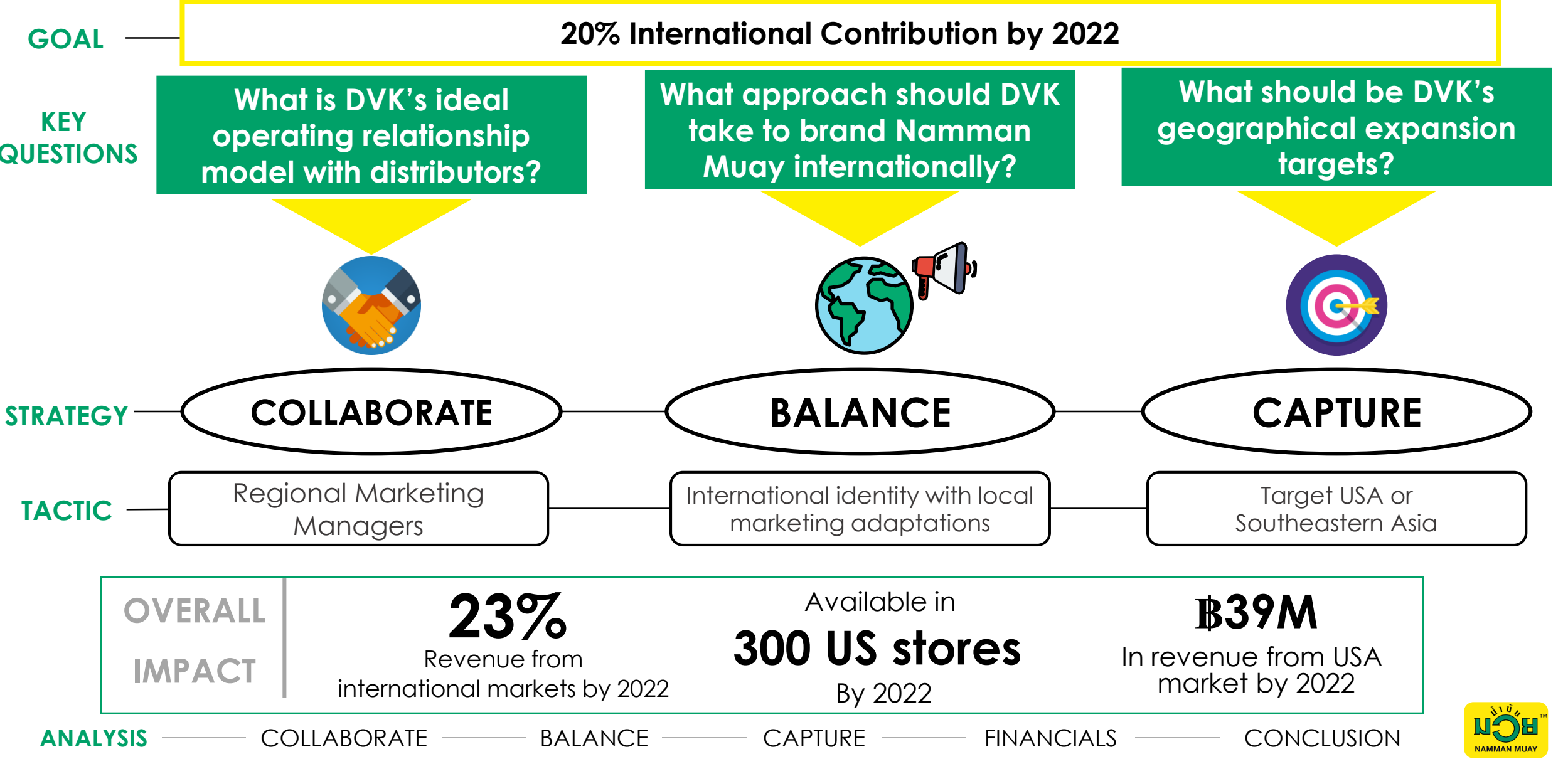


HICC CONSULTING

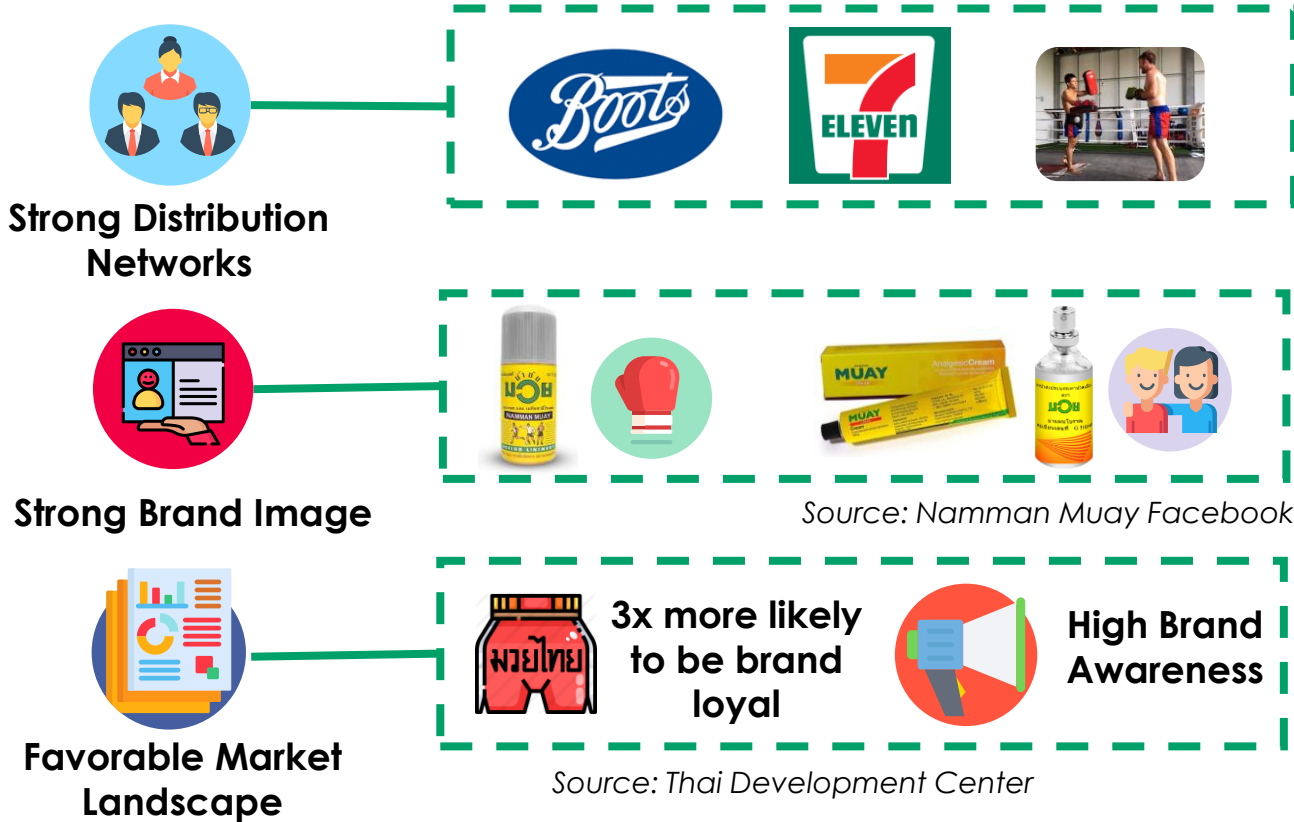
Strategic Recommendation



SITUATIONAL ANALYSIS

Rapid domestic growth of Namman Muay is driven by market penetration and modernization

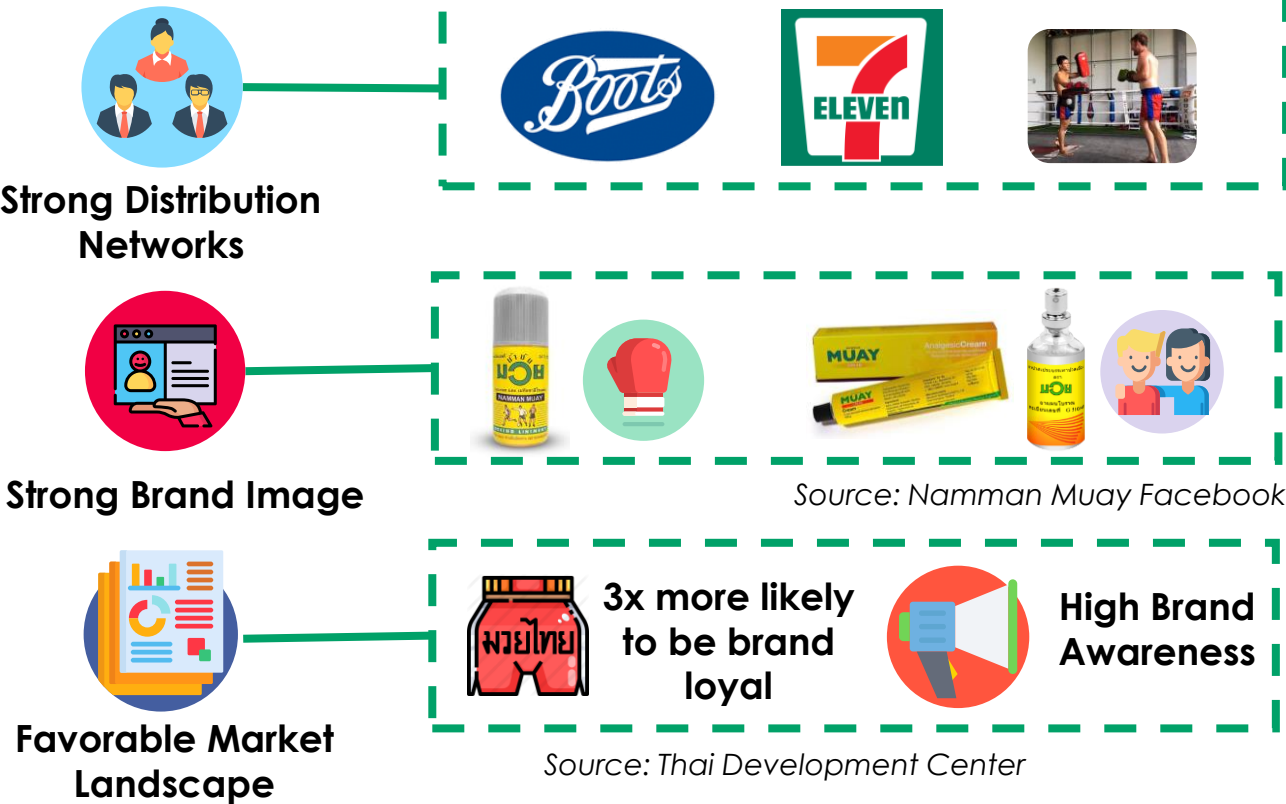
KEY GROWTH DRIVERS



SITUATIONAL ANALYSIS

Rapid domestic growth of Namman Muay is driven by market penetration and modernization

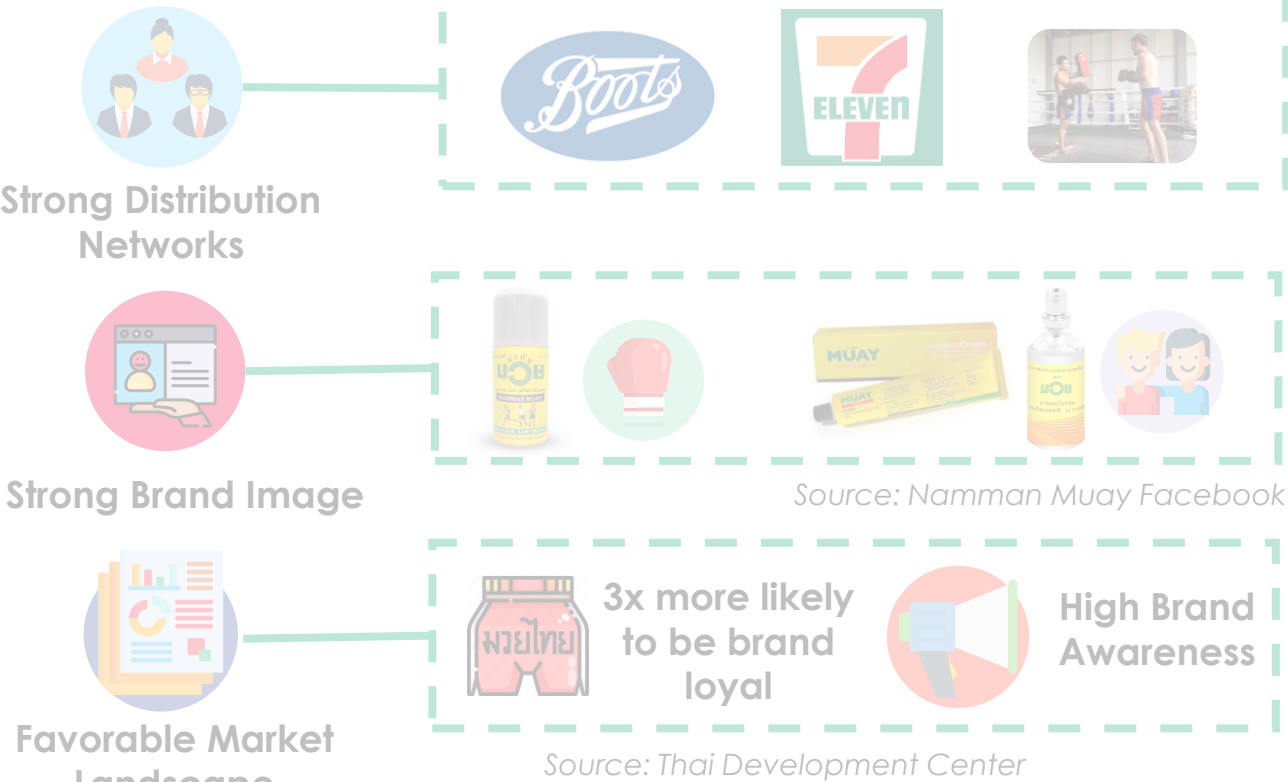
KEY GROWTH DRIVERS



SITUATIONAL ANALYSIS

Rapid domestic growth of Namman Muay is driven by market penetration and modernization

KEY GROWTH DRIVERS



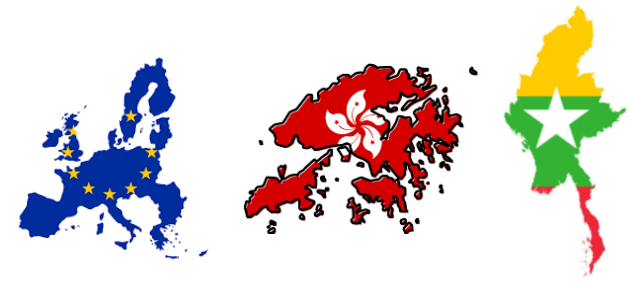
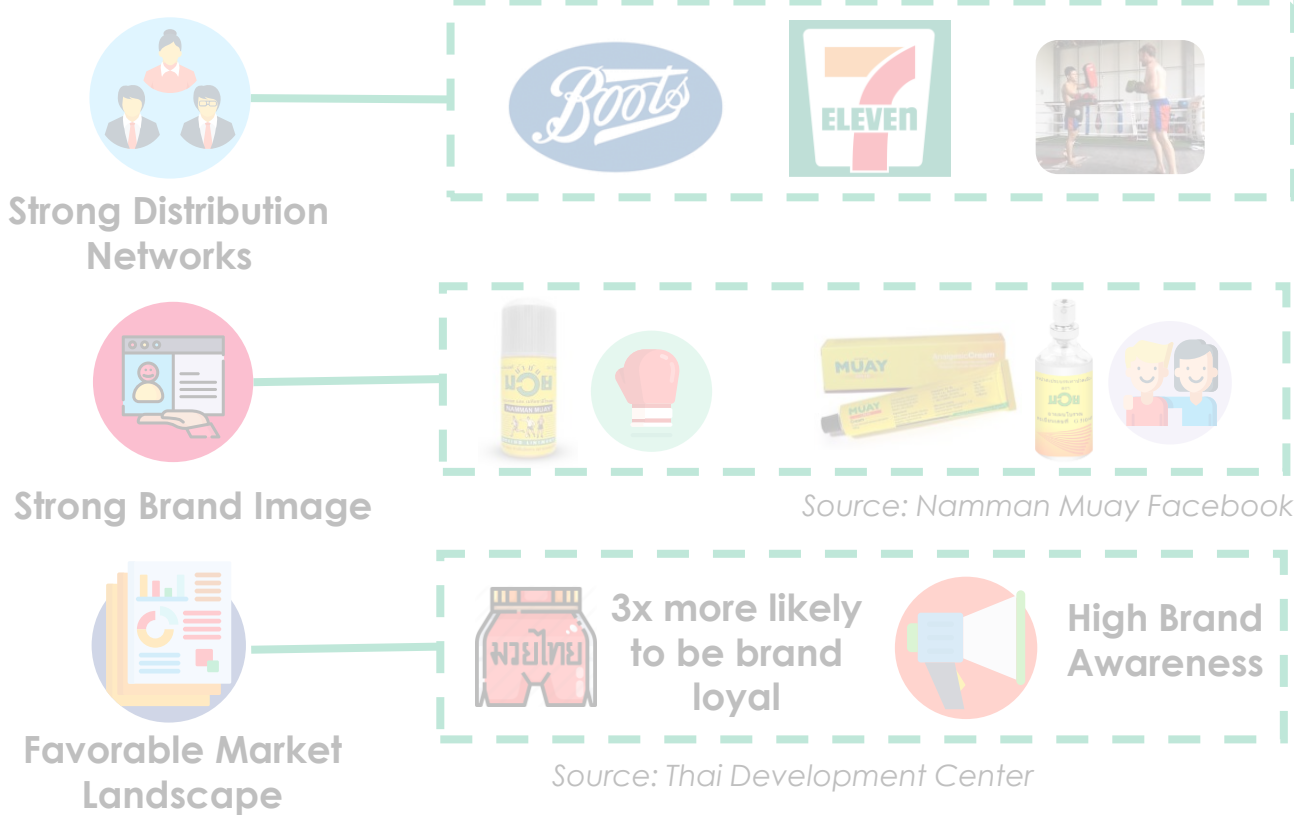
Considering current international challenges, is it the right time to expand further?



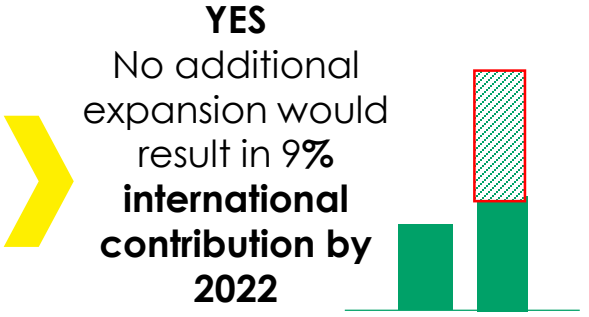
SITUATIONAL ANALYSIS

Rapid domestic growth of Namman Muay is driven by market penetration and modernization

KEY GROWTH DRIVERS



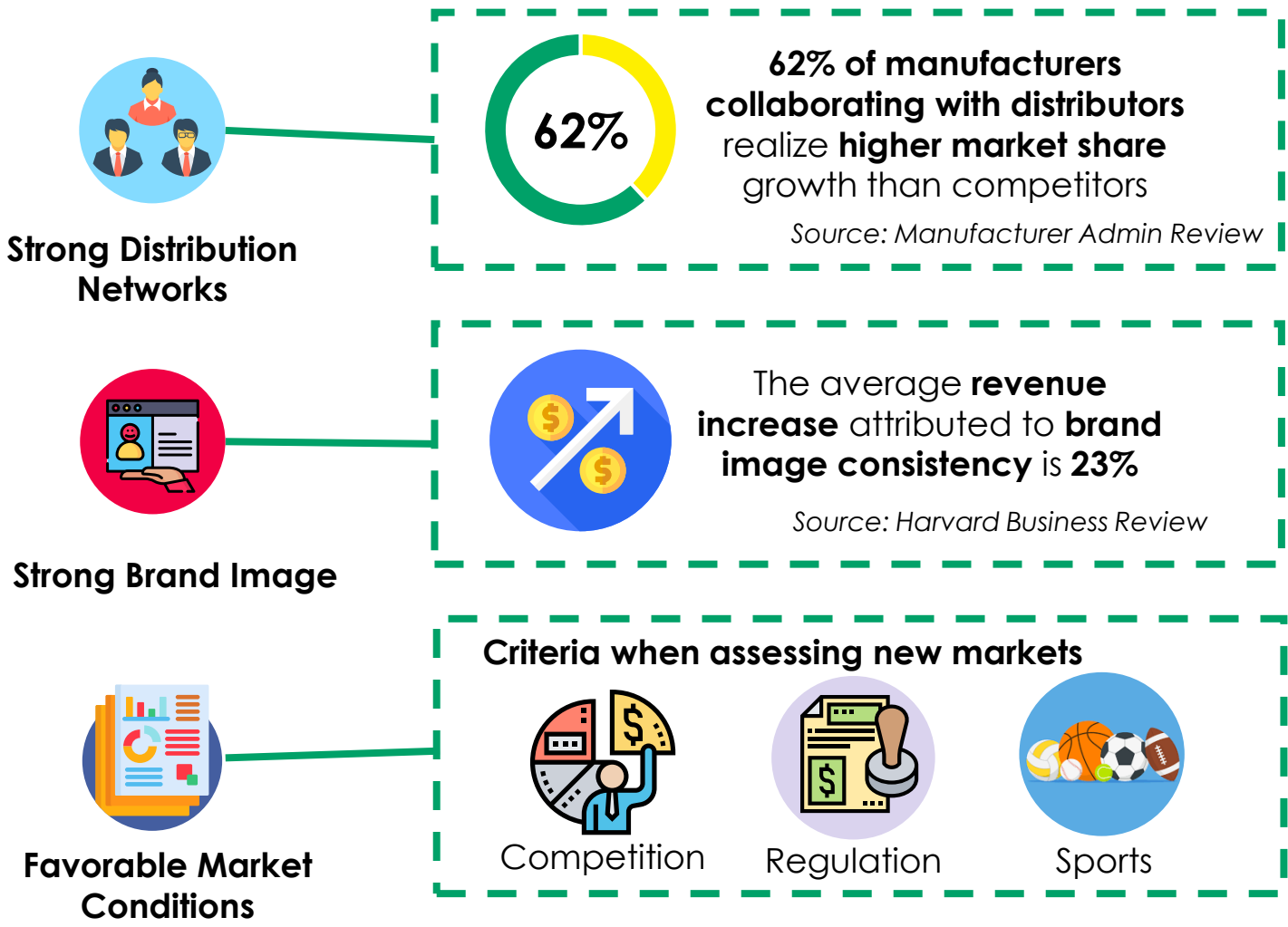
Considering current international challenges, is it the right time to expand further?



INTERNATIONAL EXPANSION CONSIDERATIONS

...but how can we ensure successful international market entry?

KEY GROWTH DRIVERS



KEY TAKEAWAY

Any **international expansion** strategy should consider a **strong distribution relationship**, a **consistent brand image**, and **key favorable market conditions**

WHAT DOES IT ALL MEAN?

It is the **right time** for DVK to **expand** **Namman Muay internationally**, but first must **improve** its **distribution model** and **international brand image**

ALTERNATIVES CONSIDERED

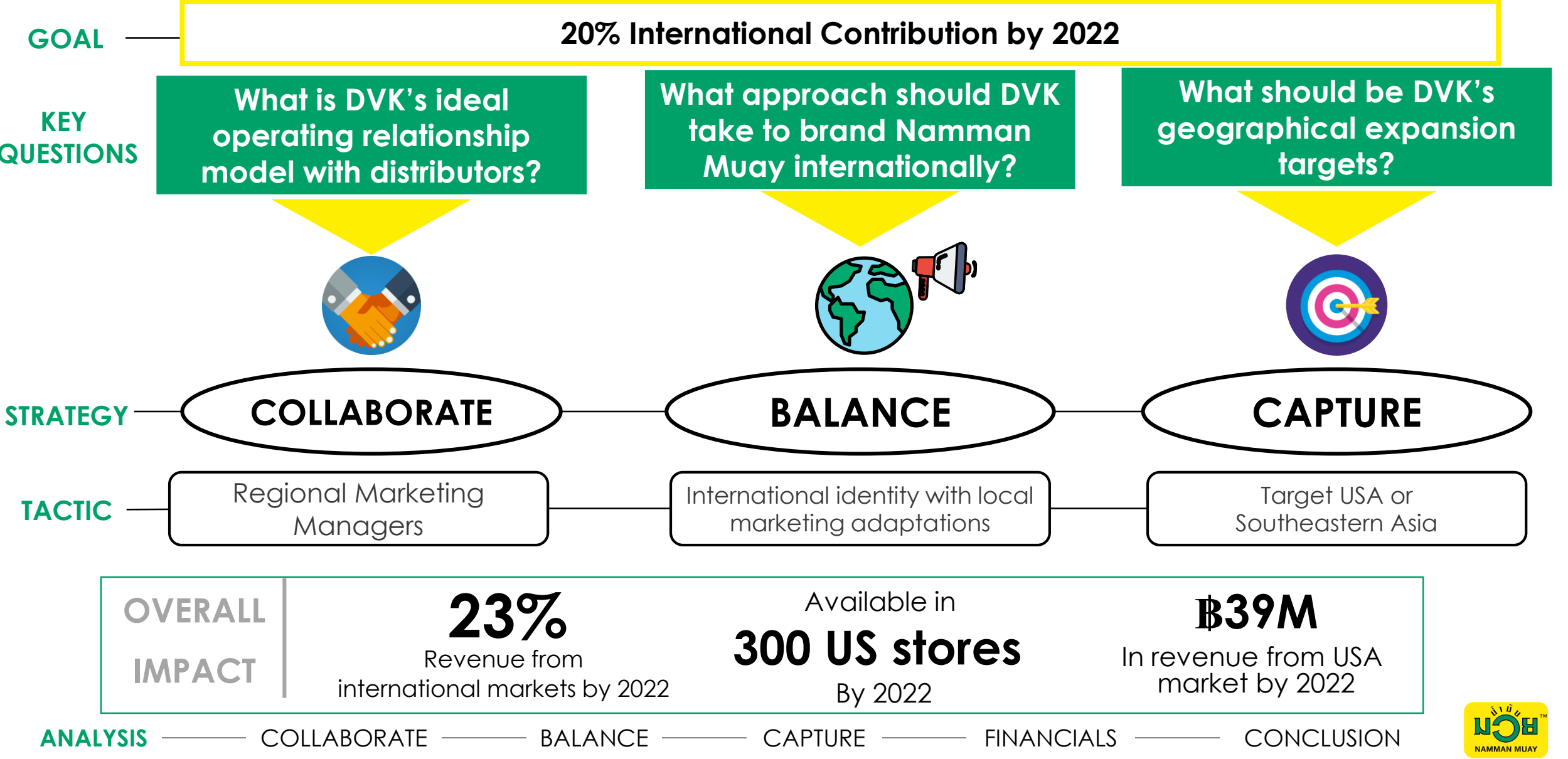


Alternative	Why it was <u>eliminated</u>
Customized packaging to appeal to international consumers	Detracts from desired consistent Thai legacy brand image
Market towards everyday users in international markets	Contradicts active consumer brand image; competitive & saturated market segment
Direct to Consumer Model	Lack of Expertise & exposes DVK to risk

Alternative	Why for <u>later consideration</u>
Expand into China	Regulations make market entry difficult, won't reach 20% international contribution in 3 years
Expand into general pain relief internationally	Will create an inconsistent product audience



Strategic Recommendation





ikin

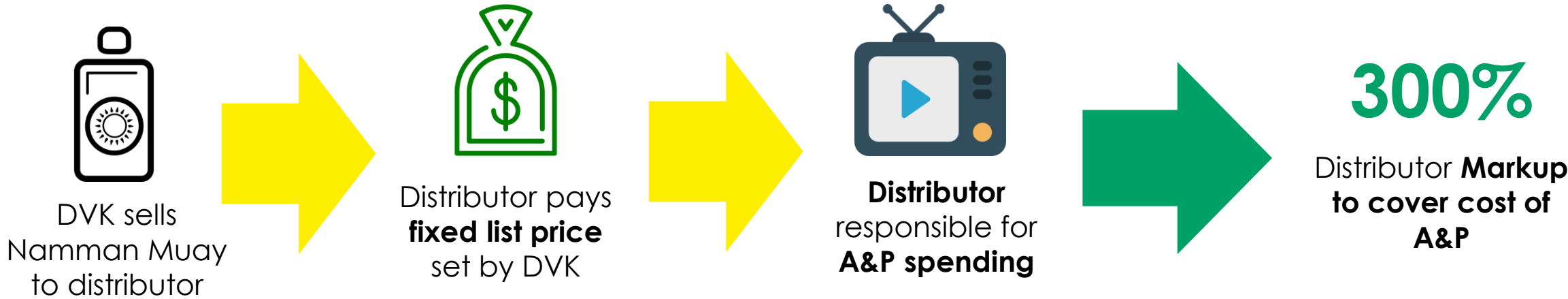
NAMMAN
MUAY.

COLLABORATE



INABILITY TO EXPAND

Our current operating relationship model is not optimized for international markets



PROBLEM

This massive markup results in a **price too high** for the end consumer

EXAMPLE

European Union



WHY?

We are **not competitive enough** in foreign markets **and this results in unauthorized sellers of our products** stealing market share



COLLABORATIVE RELATIONSHIP MODEL

DVK should adopt a Collaborative Operating Relationship Model in order to have more control over retail price and therefore market competitiveness

SOLUTION

Collaborative Operating Relationship Model

WHY?

A Collaborative Operating Relationship Model will give DVK more control over the retail price and therefore market competitiveness



Price setting is **joint agreement** between distributor and DVK



Marketing & Strategy is also **negotiated** beyond price



DVK holds **A&P budget**



Focus on **relationship**



Lower Price for End User

Competitive Internationally

Adapt price to market conditions

Synergy between DVK and distributor

REGIONAL MARKET MANAGER

DVK should hire Regional Marketing Managers to facilitate the relationship between manufacturer and distributor as well as provide key benefits

CONSIDERATION

How can DKV **effectively facilitate** the **manufacturer/distributor relationship**?

Hire one **Regional Marketing Manager** for each regional distributor



Constant pricing negotiations



Located at distributor's site



Decreased reaction time to changes



Direct insights to optimize price

KEY TAKEAWAY

Utilizing **Regional Marketing Managers** in a **Collaborative Operating Relationship Model** will allow for **dynamic pricing** in international markets and facilitate a **relationship** between **DVK and distributors**



BALANCE

PROS AND CONS

DVK needs to consider the pros and cons of two branding strategies before international expansion

What approach should DVK take with regards to Namman Muay's branding for international markets?

1 Namman Muay brand image **controlled by DVK**

PROS

- Ensures Quality
- Recognizable
- Consistent Brand Image

CONS

- Limited adaptability
- Limited cultural knowledge

2 Namman Muay brand image **controlled by distributor**

- Flexibility
- Awareness of Local Markets
- Intense Ownership

- Inconsistent Brand Image
- Losing sight of Thai values



PROS AND CONS

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Consistent
Brand Image

Flexibility

Awareness of
Local Markets

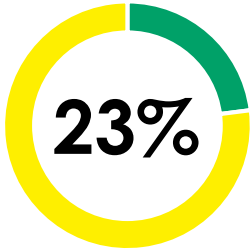


PROS AND CONS

DVK needs to consider the pros and cons of two branding strategies before international expansion

What approach should DVK take with regards to Namman Muay's branding for international markets?

Consistent Brand Image



Source: Forbes

Consistent branding increases revenue by 23%

Flexibility



“Adaption to change is the key to relevancy and value”

Source: Forbes

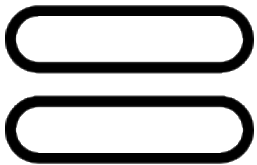
Awareness of Local Markets



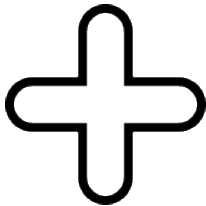
“Understanding the theories and concepts of consumer behavior helps to market the product successfully”

Source: UK Essays

Branding Approach



Consistent Brand Image



Flexibility in changing local markets

BALANCED APPROACH

Maintain a strong global identity that can be localized

SOLUTION

Take a **Balanced Approach** and maintain a **global identity** with **local adaptations**

WHY?

This will allow us to **leverage** our key strengths and **mitigate** any weaknesses



WHAT DOES THIS LOOK LIKE?

- 1 **Decide** what our international brand is
 - Rich History
 - Active Consumer
 - Pain Reliever
 - Yellow Packaging
- 2 **Communicate** our Brand Identity
 - Regional Marketing Manager
- 3 Utilize **relationship with distributor** to fine tune international brand identity to local markets

KEY TAKEAWAY: The regional marketing manager facilitates the knowledge transfer of company brand image and local adaptations



CAPTURE



GEOGRAPHIC EXPANSION TARGETS

Considered 5 criteria when determining how and where to expand internationally

1

Don't Expand Internationally

Will only reach 9% of International Revenue by 2022

Does not meet revenue goal of 20% by 2022

Growth will stay stagnant

2

Expand Internationally

Good timing because of Thai growth

Changing consumer mindsets towards healthy living

Growth will increase to reach 2022 goal

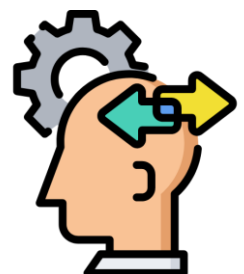
5 Criteria Considered for Growth



Competition



Legal and Regulatory Factors



Consumer Behavior



Market for Athletics



Market Size and Growth



GEOGRAPHIC EXPANSION TARGETS

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5 Criteria Considered for Growth




Competition




Legal and Regulatory Factors



Consumer Behavior



Market for Athletics



Market Size and Growth

GEOGRAPHIC EXPANSION TARGETS

Criteria considered for international expansion

	Competition	Regulation	Behavior	Sports	Market Size and Growth
USA	✗	✓	✓	✓	✓
SE Asia	✗	✓	✓	✓	✓
China	✗	✗	✗	✓	✓
Australia	✗	✗	✓	✓	✓
Middle East	✗	✓	✗	✗	✗
India	✗	✗	✗	✗	✓
Russia	✓	✗	✓	✓	✗



GEOGRAPHIC EXPANSION TARGETS

Criteria considered for international expansion

	Competition	Regulation	Behavior	Sports	Market Size and Growth
USA					
SE Asia					



A deeper look at the criteria for expansion into the United States

Competition



Marketing specifically to athletes = Potential untapped positioning

Regulation



Not required to sell OTC

Can be sold in any state if "Not FDA Approved is on container" (Source: FDA)

Consumer Behavior



Percentage of US people that rely on herbal medicine products (Source: US National Library of Medicine)

Relying on legacy beyond borders (Case study: Golden Milk)

Sports Prevalence



Emerging sports such as mountain biking, surfing, and climbing grow annually in popularity" (Source: Injuries)

American Football is the most popular sport in America (Source: Sport One)

Market Size and Growth



Growing topical pain management therapeutics market in the US: Expected to reach \$3,730 million in 2025, CAGR of 6.0% (Source: Market Watch)

Key Takeaway

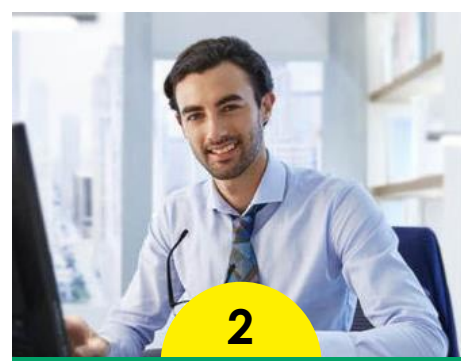
DVK should prioritize international expansion into regions that align with the 5 key criteria

Strategy Walkthrough



1

Meet Sarita:
Namman Muay
**USA Regional
Marketing Manager**



2

Sarita meets with
Jason, the **USA
distributor**, twice a
week to discuss
**marketing, sales
performance, and
pricing strategy**



3

Jason informs Sarita
of **marketing
opportunities**, such
as a **local football
game**



4

Sarita provides
Jason with
**promotion material
that aligns** with
**international brand
image** to promote
products at game



5

High school **football
player Joe**
purchases
Namman Muay
because of its
**competitive price
and brand**

ANALYSIS

COLLABORATE

BALANCE

CAPTURE

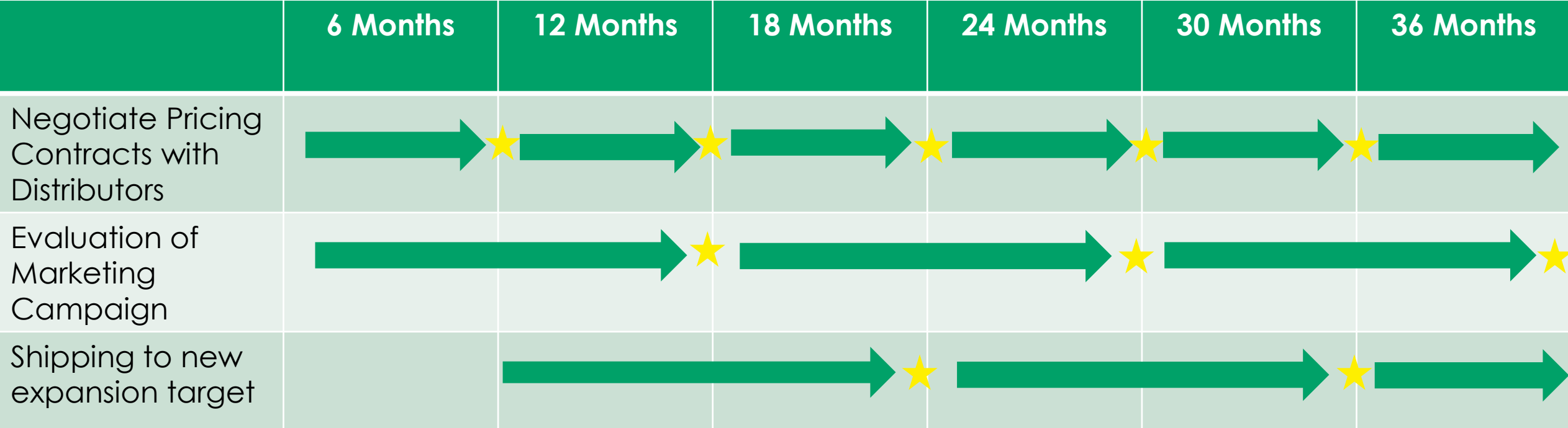
FINANCIALS

CONCLUSION



THE 3 YEAR PLAN

ACTION
STEPS



★ Evaluation Point





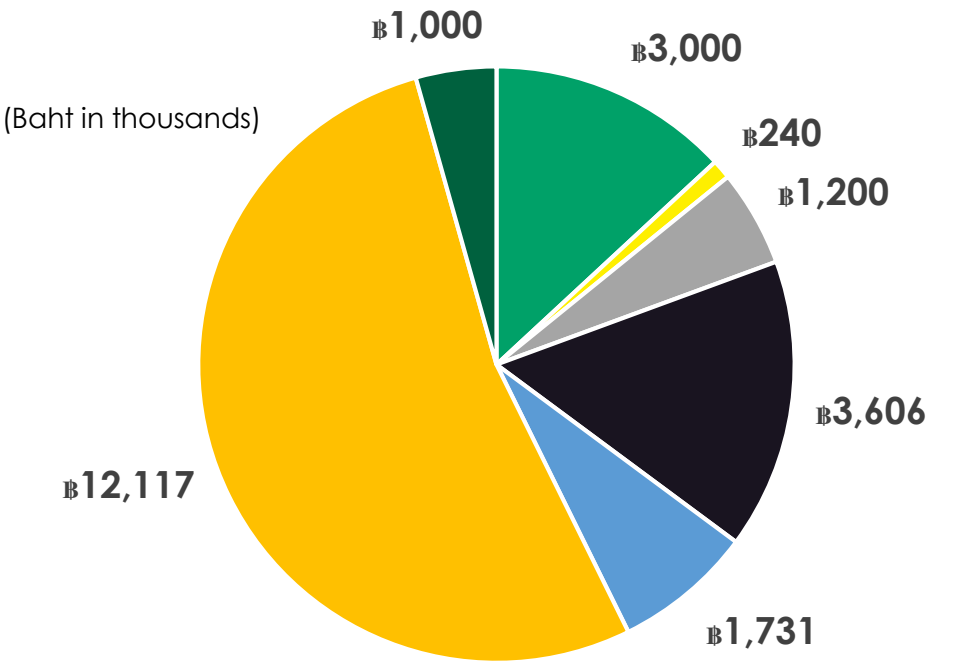
FINANCIALS

COST ANALYSIS

Investments in Regional Marketing Managers and advertising will allow DVK to accelerate growth in international markets by 2022



Total 2020 Expenses
฿22.9MM



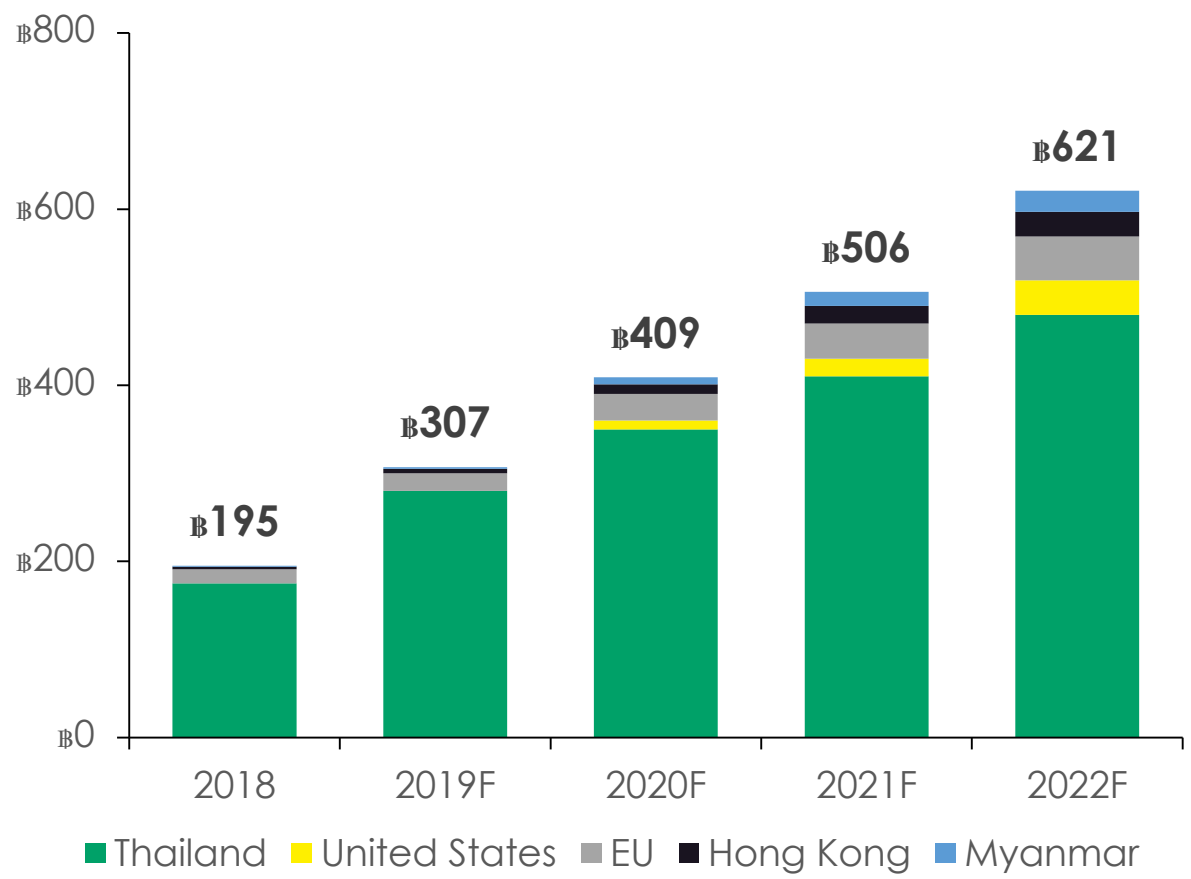
- New Employee Salary Expense
- Employee Travel and Perks
- Selling Expense
- Other Expenses
- New Employee Training
- Distribution Fee
- A&P Expenses



STRATEGY IMPACT

With a collaborative operating strategy in international markets, DVK will be able to reach the goal of 20% international revenue by 2022

Revenue by Country (in millions)



Key Performance Indicators



23% of revenue from international markets by 2022



Available in **300** stores in **USA** by 2022



฿39MM USA revenue by 2022



RISKS

Distributor is reluctant to change pricing strategy

Significant time differences make communication between Bangkok and global markets difficult

Cost of shipping products to USA is higher than to markets in Asia Pacific region



MITIGATION

Emphasize value added to customers and the increase in demand that will occur as a result

Regional Marketing Managers will be based in the country or region of the distributor they serve

Consumers in USA are willing to pay premium prices for quality brands like Namman Muay

Strategic Recommendation

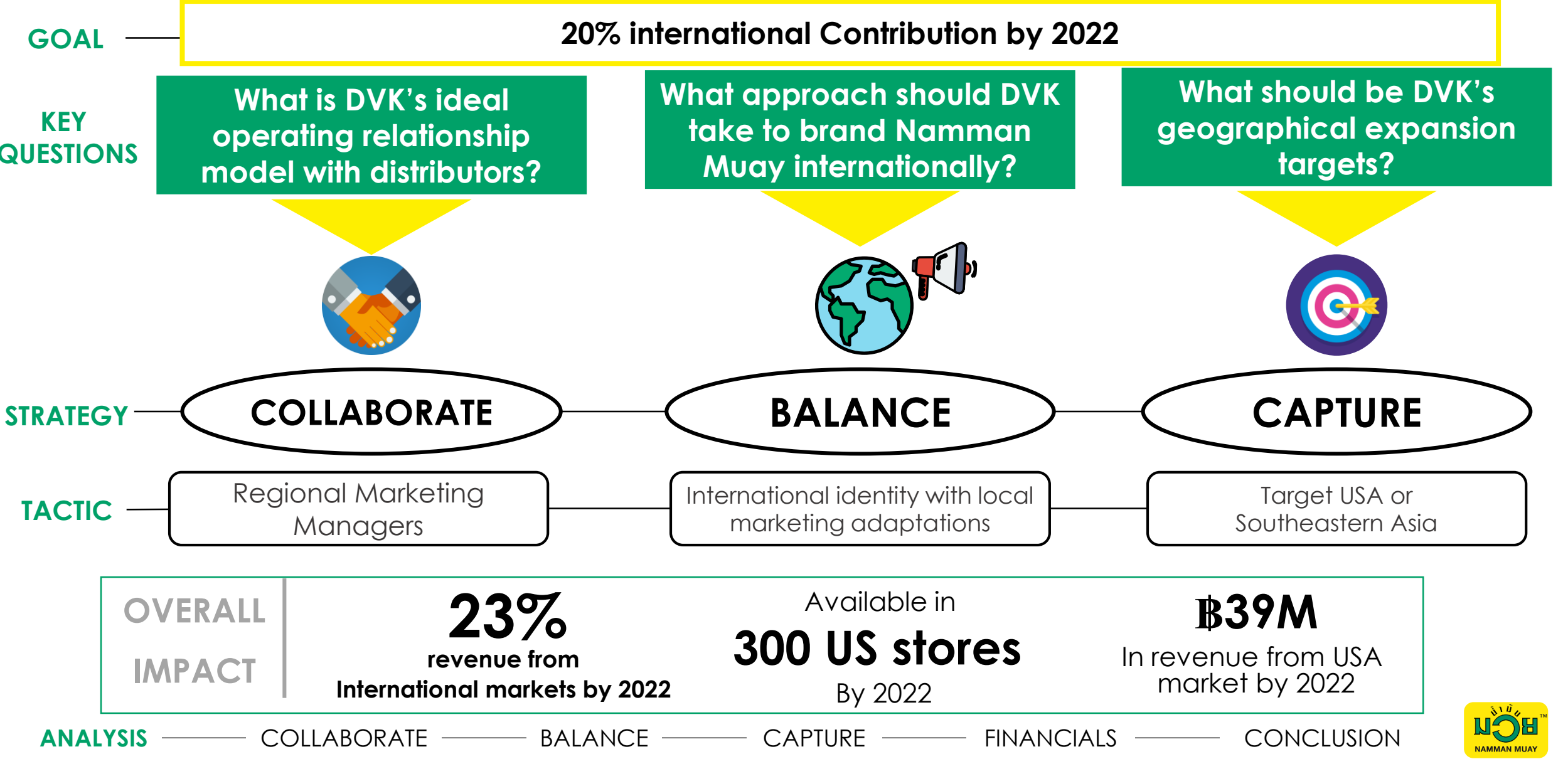


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Marketing Strategy to Increase Initial Demand in USA

Market Diversification: Must provide consumers with an understanding of what the product is

Targeting

Extreme Athletes

Athletic Individuals

Younger demographic

Consistent with brand image and growing market for healthy lifestyles and extreme sports

HOW?

1

Sampling at Sporting Events

- Marathons
- Football games
- CrossFit Competition
- BMX Competitions
- MMA & UFC Fights



2

Celebrity Endorsements

- Rhonda Rousey (UFC)
- Tim Tebow (NFL, MLB)
- Alex Honnold (Rock Climbing)



3

YouTube Advertisements

- Similar to Gatorade ads
- Motivation for intense workout
- Consumers identify with brand image of who they want to be

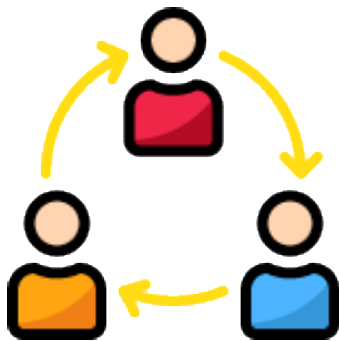


REGIONAL MARKETING MANAGER'S ROLE

Role description of the Regional Marketing Manager



Retail Price Negotiations



Liaison between DVK
and Distributor



Key to Feedback Loop



Marketing Discussions



Ensures brand consistency



Forefront of collaborative
relationship and brand
adaptation

COMMUNICATING CONSISTENT BRAND THROUGH DISTRIBUTORS

Tactics to communicate the brand consistently world-wide through distributors

Tactics:

- Selling Script
- Standards/Guidelines
- Digital Asset Management System
- Brand Training Sessions
- Brand Stories & Selling Points
- Generic Brand Promotions

Source: Branding Strategy Insider

- A selling script that outline's your brand's **unique value proposition** and key selling points
- Brand identity system and standards/guidelines
- Consider creating a digital asset management system so that distributors will be forced to present your brand accurately and consistently while creating high quality brand marketing materials more easily
- Consider offering **brand training sessions** to your distributors – you must make sure they understand what your brand promise is and the importance of delivering on that promise
- Consider establishing regular brand communication with the distributors, providing them with brand stories and "selling points" and increasing your brand's mindshare with them

SOUTHEAST ASIA INTERNATIONAL EXPANSION

A deeper look at the criteria for expansion in Southeast Asia

Competition



High Use of Bengay and Tiger Balm however no specific topical analgesic for ATHLETES

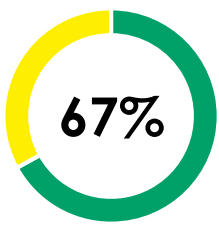
Regulation



As a member of the ASEAN alliance, our Thai certificates transfer over as long as we are using a Vietnamese distributor

Source: Pacific Bridge Medical

Consumer Behavior



67% Human Capital Index Score

Source: Worldbank

\$254 Billion USD- All time high GDP

Source: RWS

Sports Prevalence



Vietnamese government investment in student athletes

Four Gold Olympic Medals won last year

Source: Vietnam+

Market Size and Growth



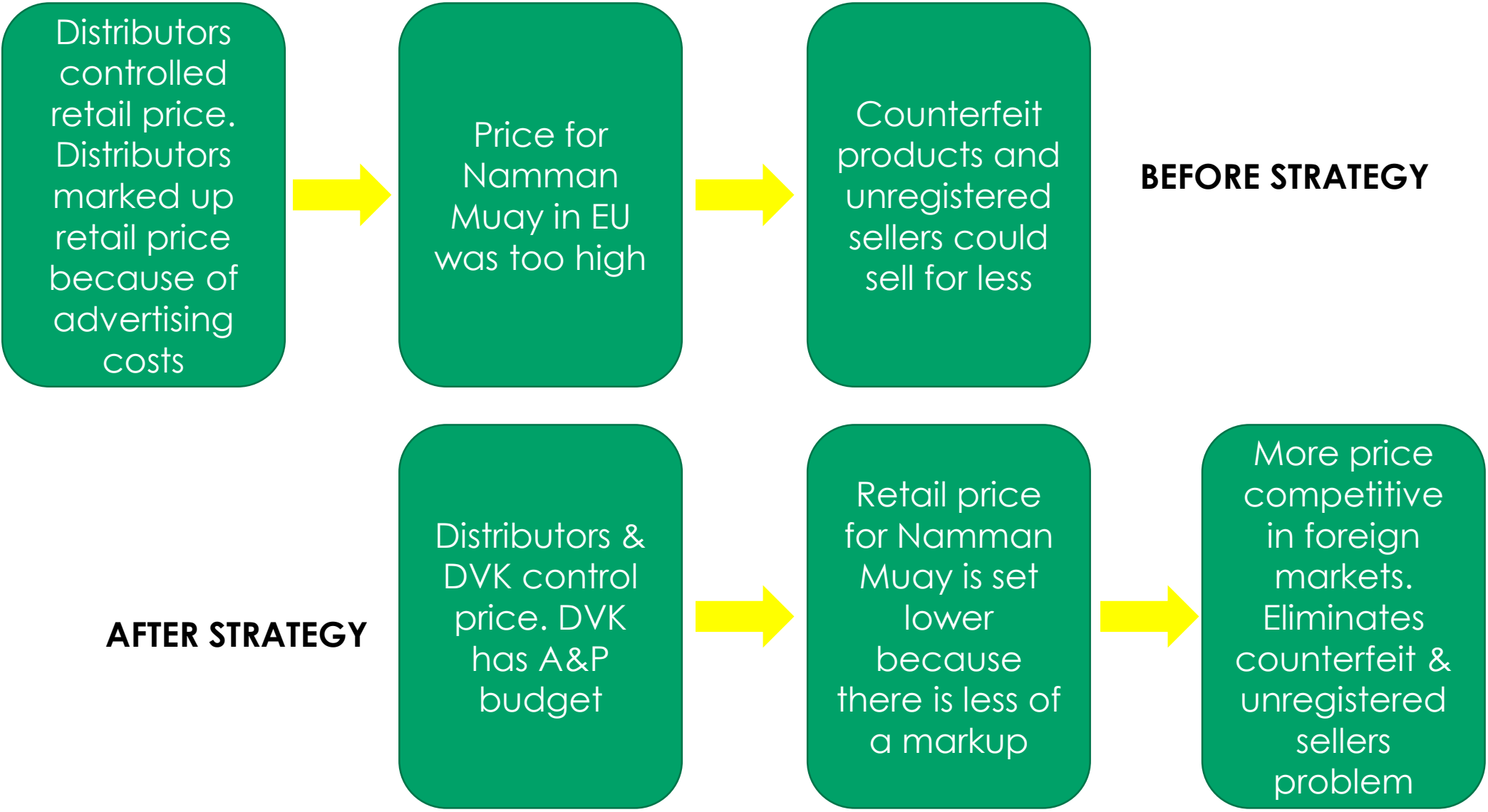
Rising Incidence of Sports Related Injuries will drive the market for sports medicine

Summer Asian Games has 725 injuries in 430 athletes



FIXING THE EU PROBLEM

Fixing the EU Problem



EXPANSION CRITERIA – USA

USA	
Competitive Landscape	<p>Extremely Saturated</p> <ul style="list-style-type: none"> •Icy Hot- main competitor; marketed to athletes •Salonpas •Biofreeze •Aspercreme •PRivate Label •Blue EmuRubs •Theraworx Relief •Tiger Balm •Bengay •Boiron Arnicare
Regulatory Landscape	Does not require FDA approval for OTC
Market Size & Growth Potential	<p>\$728.8 Million Dollar Industry</p> <p>6% CAGR by 2025</p>
Consumer Behavior	<p>Popular sports this can be marketed towards. Football, basketball, Baseball, Soccer, Hockey, Boxing, MMA.</p> <p>Lots of Sponsorship Opportunities, Novelty of being Asian</p>
Demographics	Good amount of TOP NOTCH athletes looking for the best product possible
Potential Distributor	SportsMed Distributor

EXPANSION CRITERIA – INDIA

India	
Competitive Landscape	Bengay, Tiger Balm have a majority of market share. So does Zandu Balm
Regulatory Landscape	New Provision in Indian Government to make OTC regulated more strict; uncertainty https://timesofindia.indiatimes.com/business/india-business/govt-to-come-up-with-list-of-otc-drugs-soon/articleshow/71268127.cms
Market Size & Growth Potential	https://www.euromonitor.com/analgesics-in-india/report
Consumer Behavior	Consistent use of it in india
Demographics	Large Growing population

EXPANSION CRITERIA – CHINA

China	
Competitive Landscape	China Gel, Tiger Balm. Traditional Chinese Medicine segment - opportunity but also could not be received well. Red Flower analgesic oil
Regulatory Landscape	China has been considered a challenging market to enter due to the following issues: quality gaps between products locally and internationally manufactured, longer timeframes for review and approval of new drugs, a huge number of applications awaiting approval
Market Size & Growth Potential	expected to grow at a CAGR of 6% in pain management drug market over the forecast period (https://www.alliedmarketresearch.com/press-release/pain-management-therapeutics-market.html). China dominates the sports medicine market in Asia-Pacific (but not by much). The factors attributing to the growth of this region are awareness among athletes to maintain their fitness levels coupled with growing demand for minimally invasive devices in the treatment of sports injuries, such as arthroscopy
Consumer Behavior	Ping Pong, running, martial arts, badminton, basketball, soccer. Acupuncture, cupping, herbal medicine used most often
Demographics	World's most populous country, upper-middle income country.

EXPANSION CRITERIA - MIDDLE EAST

Middle East	
Competitive Landscape	Bengay, Tigerbalm
Regulatory Landscape	Easy to sell products in the middle east, there are regulatory agencies but are not extremely strict about OTC
Market Size & Growth Potential	Other regions see a trend toward topical analgesics, a greater regulation of ingredients such as codeine, and continued strength in big-name corporations, MEA has largely been immune to these trends: systemics are still much more popular than topicals, codeine is still sold OTC in most markets, and governments across the region support and finance the growth of local competitors to big-name companies.
Consumer Behavior	Habitual products, intrigued by thai products when they have their own, their products are cheap



EXPANSION CRITERIA – AUSTRALIA

<p>Australia</p> <p>https://nicholashall.com/uploads/components/report/AnalgesicsSamplePages-5a7217bce82e9.pdf</p>	
Competitive Landscape	Dencorub, voltaren, feldene gel, mentholatum
Regulatory Landscape	Therapeutic Goods Association http://theconversation.com/why-medicines-take-so-much-time-to-get-listed-on-the-pbs-10902 Two years to get approved
Market Size & Growth Potential	25mm people, 8.6% growth rate in APAC
Consumer Behavior	Rugby, soccer, afl
Demographics	High income per capita
Potential Distributor	Closer to Thailand than some other options (reduces shipping costs)

EXPANSION CRITERIA- VIETNAM

VIETNAM	
Competitive Landscape	Lowest Competition and Highest Brand recognition of regions examined
Regulatory Landscape	<p>Obtain approval in a shorter period of time</p> <p>Fastest growing market for topical pain relief products Deep understanding of the market All are under ASEAN Consultative Committee for Standards and Quality Pharmaceutical group. This allows the thai certifications to be able to be used throughout southern asia.</p> <p>https://www.pacificbridgemedical.com/regulatory-services/pharmaceutical/product-registration/others/</p>
Market Size & Growth Potential	<p>2018, 2020, and 2022 Olympics will be in the Southeast Asia</p> <p>“https://www.tandfonline.com/doi/full/10.1080/17430437.2019.1621013”</p> <p>CAGR of 8.6% Asia-Pacific is experiencing a high prevalence of sports injuries. For instance, the summer Asian games in 2010, in Guangzhou, reported an overall of 725 injuries in 430 athletes. Thus, the high rate of sports injury in the region is likely to drive the market for sports medicine in the country (https://www.mordorintelligence.com/industry-reports/asia-pacific-sports-medicine-market-industry)</p>
Consumer Behavior	<p>Prevalance of MMA, Govt Participation in Sports by adolesence</p> <p>All countries in the South-East Asia Region of the World Health Organization (WHO) have a heritage of traditional systems of medicine (https://apps.who.int/medicinedocs/en/m/abstract/Js22292en/)</p>

EXPANSION CRITERIA – SOUTHEAST ASIA

Southeast Asia	
Competitive Landscape	Lowest Competition and Highest Brand recognition of regions examined
Regulatory Landscape	<p>Obtain approval in a shorter period of time</p> <p>Fastest growing market for topical pain relief products</p> <p>Deep understanding of the market</p> <p>All are under ASEAN Consultative Committee for Standards and Quality Pharmaceutical group. This allows the Thai certifications to be able to be used throughout southern Asia.</p> <p>https://www.pacificbridgemedical.com/regulatory-services/pharmaceutical/product-registration/others/</p>
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Consumer Behavior	<p>Prevalence of MMA,</p> <p>Govt Participation in Sports by adolescence</p> <p>https://asean.org/storage/2019/06/Investing-in-ASEAN-20192020-App.pdf</p> <p>All countries in the South-East Asia Region of the World Health Organization (WHO) have a heritage of traditional systems of medicine</p> <p>(https://apps.who.int/medicinedocs/en/m/abstract/Js22292en/)</p>

EXPANSION CRITERIA – RUSSIA

Russia	
Competitive Landscape	Biofreeze, Salvisar https://gmpnews.net/2017/01/the-share-of-analgesics-in-packages-on-the-russian-market-is-about-9/
Regulatory Landscape	Roszdrazvnadzor is the Regulatory Agency. In order to sell topical medication in russia, it MUST be authorized. Authorization process is very expensive and requires a significant amount of time
Market Size & Growth Potential	Are running out of painkillers in the country and just started growing 20,000 more hectares of poppy after nationwide shortage in painkillers https://www.thepharmaletter.com/article/russia-may-face-shortages-of-certain-pain-management-drugs-this-year
Consumer Behavior	Intensive sports are very common in Russia, such as power weight lifting, and ice hockey. https://www.theguardian.com/sport/2015/nov/13/sport-doping-putin-russia-world-power-wada
Demographics	Russia is one of the few countries with a negative growth rate, and its 2019 population is estimated at 145.87 million, a decline from an estimated population of 146.3 million in 2015. It's currently the 9th most populous country on earth, despite being the largest by area.

DISTRIBUTORS FOR THE UNITED STATES AND SOUTHEAST ASIA

SPORTS **med**
DISTRIBUTOR



PACIFIC HEALTHCARE

Because we care

Top Line vs Bottom Line



DVK is in charge of these activities to extend the international brand image

Distributors are in charge of these activities to modify the brand image to be more fine tuned for their region

USA Federal Drug Administration (FDA)

Can OTC medicines be marketed without pre-approval from FDA?

Yes. Any product that conforms to an OTC monograph may be manufactured and sold without an individual product license. A monograph is a regulatory standard for the labeling and ingredients for products within a specific category such as antacids, analgesics, etc. It is a kind of “recipe book” covering acceptable ingredients, doses, formulations, indications, and labeling. Final monographs are published in the government's [Code of Federal Regulations](#) (CFR). Some OTC medicines do not fall within the monograph system and require a new drug application (NDA).

Increasing Demand in Southeast Asia

- We can have a distribution channel, but it won't **matter unless people are motivated to buy the product.**
- **Target Audiences:** Athletes, younger audiences
- **Target Locations:** Gym's, Stadiums, Practice Courts, etc.
- **Advertising Mediums:** Posters announcing arrival in country, free samples at fitness centers, showcasing international brand image
- **BENEFIT OF SOUTHEAST ASIA:** we do not need to tell the public what the product is, we need to tell the public that the product has arrived. Many athletes will already be aware of what the product is.

FINANCIAL APPENDIX (US STRATEGY)

Revenue Breakdown by Country (US Strategy)						Itemized Costs (US Strategy)			
(Baht in millions)	2018	2019F	2020F	2021F	2022F	(Baht in thousands)	2020F	2021F	2022F
Thailand	฿175	฿280	฿350	฿410	฿480	New Employee Salary Expense	฿3,000	฿3,150	฿3,308
United States	0	0	10	20	39	New Employee Training	240	120	120
EU	16	20	30	40	50	Employee Travel and Perks	1,200	1,200	1,200
Hong Kong	3	5	11	20	28	Distribution Fee	3,606	5,692	7,947
Myanmar	1	2	8	16	24	Selling Expense	1,731	2,277	2,725
International Total	20	27	59	96	141	A&P Expenses	12,117	17,075	22,705
Total	฿195	฿307	฿409	฿506	฿621	Other Expenses	1,000	1,000	1,000
<i>% International</i>	<i>10%</i>	<i>9%</i>	<i>14%</i>	<i>19%</i>	<i>23%</i>	Total Cost	฿22,895	฿30,513	฿39,004

NPV Calculations (US Strategy)			
(Baht in millions)	2020F	2021F	2022F
International Revenue	฿59	฿96	฿141
COGS	27	45	66
Gross Profit	32	51	75
Total SG&A	23	31	39
EBIT	10	20	36
Less: Taxes	2	4	7
Project FCF	฿8	฿16	฿29
NPV10	฿42		

FINANCIAL APPENDIX (VIETNAM STRATEGY)

Revenue Breakdown by Country (Vietnam Strategy)					
(Baht in millions)	2018	2019F	2020F	2021F	2022F
Thailand	฿175	฿280	฿350	฿410	฿480
Vietnam	0	0	4	12	24
EU	16	20	30	40	50
Hong Kong	3	5	11	20	28
Myanmar	1	2	8	16	24
International Total	20	27	53	88	126
Total	฿195	฿307	฿403	฿498	฿606
<i>% International</i>	<i>10%</i>	<i>9%</i>	<i>13%</i>	<i>18%</i>	<i>21%</i>

Itemized Costs (Vietnam Strategy)			
(Baht in thousands)	2020F	2021F	2022F
New Employee Salary Expense	฿2,500	฿2,625	฿2,756
New Employee Training	240	120	120
Employee Travel and Perks	1,200	1,200	1,200
Distribution Fee	3,288	5,301	7,277
Selling Expense	1,578	2,120	2,495
A&P Expenses	9,206	15,904	20,792
Other Expenses	1,000	1,000	1,000
Total Cost	฿19,012	฿28,270	฿35,641

NPV Calculations (Vietnam Strategy)			
(Baht in millions)	2020F	2021F	2022F
International Revenue	฿53	฿88	฿126
COGS	24	41	59
Gross Profit	29	47	67
Total SG&A	19	28	36
EBIT	10	18	32
Less: Taxes	2	4	6
Project FCF	฿8	฿15	฿25
NPV10	฿39		



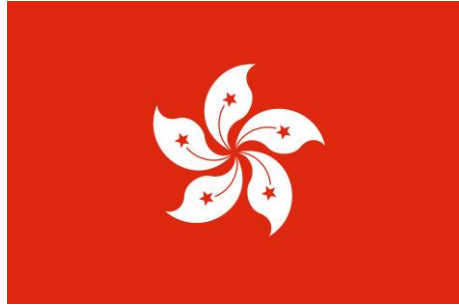
FINANCIAL APPENDIX (COMPANY PROJECTIONS)

	Company Projections				
(Baht in millions)	2018	2019F	2020F	2021F	2022F
Revenue					
Domestic	฿175	฿280	฿350	฿410	฿480
International	20	27	50	80	120
Total Revenue	195	307	400	490	600
<i>% International</i>	<i>10%</i>	<i>9%</i>	<i>13%</i>	<i>16%</i>	<i>20%</i>
COGS	100	130	180	230	280
Gross Profit	95	177	220	260	320
Distribution Fee	0	20	25	30	35
Selling Expense	10	10	12	12	12
A&P Expenses	20	50	70	90	100
General Admin Expenses	50	70	70	75	80
Total SG&A	80	150	177	207	227
EBIT	15	27	43	53	93
Interest Expense	5	5	5	6	7
EBT	10	22	38	47	86
Taxes	0	4	8	9	17
Net Profit	฿10	฿18	฿30	฿38	฿69

FINANCIAL APPENDIX (STATUS QUO)

Status Quo Financial Projections					
(Baht in millions)	2018	2019F	2020F	2021F	2022F
Revenue					
Domestic	฿175	฿280	฿350	฿410	฿480
International	20	27	32	39	47
Total Revenue	195	307	382	449	527
<i>% International</i>	<i>10%</i>	<i>9%</i>	<i>8%</i>	<i>9%</i>	<i>9%</i>
COGS	100	130	193	226	264
Gross Profit	95	177	190	223	263
Distribution Fee	0	20	25	30	35
Selling Expense	10	10	12	12	12
A&P Expenses	20	50	60	70	80
General Admin Expenses	50	70	70	75	80
Total SG&A	80	150	167	187	207
EBIT	15	27	23	36	56
Interest Expense	5	5	5	6	7
EBT	10	22	18	30	49
Taxes	0	4	8	9	17
Net Profit	฿10	฿18	฿10	฿21	฿32

ISSUES WITH CURRENT INTERNATIONAL MARKETS



Hong Kong



European Union



Myanmar

Problem	Political instability and limited store penetration	Counterfeit and unapproved resellers undercutting prices	Lack of access to official distribution channels
Resolution/Mitigation	No major capital investments until situation has resolved	New pricing strategy will aim to reduce undercutting	Currently waiting on approval to sell Namman Muay in the country
Expected Resolution Date	End of 2019	End of 2020	Early 2020