

No: SN. 130/2019

21 November 2019

Subject: Clarification of Operating Results and Financial Position of the year ended September 30, 2019

Attention: President

The Stock Exchange of Thailand

Oishi Group Public Company Limited and its subsidiaries clarify Consolidated Operating Results and Financial Position of the year ended September 30, 2019 as the following;

Oishi Group Financial Performance for Fiscal Year 2019

Revenue

Total sales and services revenue of the Company was Baht 13,631 million, increased by Baht 1,035 million or 8.2% from last year that was explained as follows;

Beverages business

The beverage sales and services revenue was Baht 6,501 million, increased by Baht 515 million or 8.6% from last year which was Baht 5,986 million, driven by strong growth in export sales, successful of launching new products into market, it resulted in the Company was able to maintain the leadership position in the domestic RTD Tea market continuously. Moreover, the Company started to earn services revenue from OEM business.

Food business

The food sales was Baht 7,130 million, increased by Baht 520 million or 7.9% from last year mainly from new restaurant outlet expansion and strong growth in sales of existing outlets, despite economic stagnant

Cost of Sales

Total cost of sales and services of the Company was Baht 8,816 million, increased by Baht 706 million or 8.7% from last year which was explained as follows;

Beverages business

The beverage cost of sales and services was Bath 4,902 million increased by Baht 459 million or 10.3% from last year according to sales growth and partly from changes in sales product mixed, and also initial cost of ramping up of the UHT OEM operation.

Food business

The cost of food and services was Baht 3,914 million increased by Baht 247 million or 6.7% from last year, driven by the Company was able to control key raw materials price and also increased the operation's efficiency continuously.

Selling Expenses

Selling expenses was Baht 1,497 million decreased by Baht 94 million or 5.9% from last year, which was 1,591 million. Mainly it was from spending control efficiently due to the success of Brand investment strategy, Moreover, there was a joint marketing campaign between Beverages and Food Business, which was created synergy savings that help the Company can grow revenue continuously.

Administrative Expenses

Administrative expenses was Baht 2,083 million slightly increased by Baht 85 million or 4.2% from last year, which aligned to business growth.

Non-recurring Item

The Company booked provision for retirement benefit amounted Baht 22 million. This was due to the changes in the Labor Protection Act This was one-time expense in the Income Statement, but no impact to Cash Flow due to its non-cash item.

Compared to last year, the Company recognized tax expense of Baht 51 million due to the food business restructuring and the company was able to utilize the deferred tax asset, which was non-cash item.

Net Profit

Reported net profit of the Company was Baht 1,229 million, rose by Baht 221 million or 21.9% from last year.

Normalized net profit, adjusted with Non-recurring item, was Baht 1,251 million, increased by Baht 192 million or 18.1% from Normalized net profit of last year.

Increasing of both the company's Reported net profit and normalized net profit were mainly from beverages export sales growth, Food business growth from outlet expansion and existing outlets and the Company was able to reduce selling expenses and increase of operation efficiency.

Oishi Group Financial Position as of September 30, 2019

Assets

Total assets as of September 30, 2019 was Baht 8,407 million, declined by Baht 1,273 million or 13.2% from Total assets of Baht 9,680 million as of September 30, 2018. Mainly it was from reduction of current assets by Baht 1,260 million due to reduction of cash and cash equivalents by Baht 579 million and other receivables by Baht 692 million from partial insurance claim received from UHT fire incident. The Company used the received cash including some portion of operating cash flow to pay debentures that due on January and July 2019 totaling Baht 1,701 million completely.

Non-current assets were not changed materially.

Liabilities

Total liabilities as of September 30, 2019 was Baht 1,768 million consisted of current liabilities Baht 1,575 million and non-current liabilities Baht 193 million. Overall total liabilities decreased by Baht 1,922 million or 52.1% from September 30, 2018. Mainly due to the Company paid all debts effect to no any interest-bearing debts.

Shareholders' Equity

Total equity as of September 30, 2019 was Baht 6,640 million, increased by Baht 649 million or 10.8% from September 30, 2018, due to increase in retained earnings as a result of additional net profit partly offset by dividend payment.

Sincerely yours,

(Mrs. Nongnuch Buranasetkul)
President & CEO