



บริษัท เคแอนด์เค ซูเปอร์สโตร์ เซาท์เทิร์น จำกัด (มหาชน)
K&K Superstore Southern Public Company Limited

เลขประจำตัวผู้เสียภาษี : 0107562000394
สำนักงานใหญ่ 9/9 หมู่ 5 ต.คลองแห อ.หาดใหญ่ จ.สงขลา 90110
โทรศัพท์ : 074-205288 โทรสาร : 074-205289 E-Mail : contact@kandk.co.th

No. KK ELCID 2563/003

November 11, 2020

Subject: Management Discussion and Analysis for the third quarter ended September 30, 2020

To: President
The Stock Exchange of Thailand

K&K Superstore Southern Public Company Limited (“the Company”) would like to submit the Management Discussion and Analysis for the third quarter ended September 30, 2020 as follows:

Operating performance overview for the third quarter ended September 30, 2020

Unit: Million Baht	For the three-month periods ended 30 September		Change		For the nine-month periods ended 30 September		Change	
	2020	2019	Amount	%	2020	2019	Amount	%
Revenue from sales	224.97	233.67	-8.70	-3.7%	706.95	685.84	21.11	3.1%
Cost of sales	-194.96	-208.31	13.35	-6.4%	-617.06	-601.34	-15.72	2.6%
Gross profit	30.01	25.36	4.65	18.3%	89.89	84.50	5.39	6.4%
Other income	1.45	1.26	0.19	15.2%	3.61	5.15	-1.54	-29.9%
Sales and administrative expenses	-24.65	-26.19	1.54	-5.9%	-75.00	-75.79	0.79	-1.0%
Financial cost	-1.66	-1.48	-0.17	11.7%	-5.36	-4.75	-0.61	12.8%
Income tax expense	-1.02	0.48	-1.50	-310.5%	-2.25	-1.50	-0.75	50.2%
Net profit	4.13	-0.57	4.70	-822.5%	10.90	7.62	3.28	43.0%
Gross profit margin (%)	13.3%	10.9%			12.7%	12.3%		
Net profit margin (%)	1.8%	-0.2%			1.5%	1.1%		

Revenue from Sales

For 3-month period of third quarter 2020, the Company generated revenue from sales of Baht 224.97 million, decreasing by Baht 8.70 million or 3.7 percent compared to same period of the previous year, mainly due to the postponing of promotion activities for wholesales resulted from the spread of COVID-19 virus (COVID-19).



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For 9-month period 2020, the Company generated revenue from sales of Baht 706.95 million, increasing by Baht 21.11 million or 3.1 percent compared to same period of the previous year, mainly due to, during March and April 2020, The Covid-19 has spread in Thailand and The government has enacted the Emergency Decree on Public Administration in Emergency Situation (Emergency Decree) and orders to close the places where there is a high risk of getting infection to stop the spread of COVID-19. As a result, people in the area are hoard the consumer products in stores to prepare for emergency. Causing the revenue from retail of the Company during March and April 2020 was increases.

Cost of sales and Gross profit

For 3-month period of third quarter 2020, the Company has cost of sales equivalent to Baht 194.96 million decreased by Baht 13.35 million compared to same period of the previous year according to the decreasing in revenue from sales, Then, the Company has 30.01 million Baht of gross profit, representing 13.30 percent. For 9-month period 2020, the Company has cost of sales equivalent to Baht 617.06 million increased by Baht 15.72 million compared to same period of the previous year according to the increasing in revenue from sales, Then, the Company has 89.89 million Baht of gross profit, representing 12.70 percent which increased from same period of the previous year, mainly due to the Company has rental revenue from end-aisle product shelves and promotion programs increased. The rental revenue from end-aisle product shelves and promotion programs is compensation that the company obtained from suppliers.

Net profit

For 3-month period of third quarter 2020, the Company has net profit equivalent to Baht 4.13 million, increasing from the same period of previous year by Baht 4.70 million which net profit margin ratio was 1.80%. For 9-month period 2020, the Company has net profit equivalent to Baht 10.90 million, increasing from the same period of previous year by Baht 3.28 million which net profit margin ratio was 1.50%. The amount of net profit and net profit margin increased due to the increase in sales as well as an increase of gross profit margin.

Financial position

Unit: Million Baht	As at	As at	Change	
	September 30, 2020	September 30, 2019	Amount	%
Total assets	353.56	322.69	30.87	9.6%
Total liabilities	254.18	232.59	21.58	9.3%
Total shareholders' equity	99.38	90.09	9.29	10.3%

Assets

As at 30 September 2020, the Company has total assets equivalent to Bath 353.56 million, increased by Baht 30.87 million from the previous year or 9.6%, mainly due to right of use assets increased by Baht 40.11 million as the adoption of TFRS16 and inventory decreased by Baht 6.55 million.



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Liabilities

As at 30 September 2020, the Company has total liabilities equivalent to Baht 254.18 million, increased by Baht 21.58 million from the previous year or 9.3%, which the recognition of liability as the adoption of TFRS16 was Baht 32.63 million as well as bank overdrafts and short-term borrowings from financial institutions decreased by Baht 8.00 million.

Shareholders' equity

As at 30 September 2020, the total Shareholders' equity of the Company were Baht 99.38 million, increasing by Baht 9.29 million or 10.3%. The increase was mainly from total comprehensive income of 9-month period 2020 by Baht 10.90 million and decreasing by Baht 1.61 million from dividend payout.

Please be informed accordingly

Yours Sincerely,

- Mr. Kawispong Sirithananonsakul-

(Mr. Kawispong Sirithananonsakul)

Managing Director

K&K Superstore Southern Public Company Limited