



บริษัท ริช สปอร์ต จำกัด (มหาชน)

RICH SPORT PUBLIC COMPANY LIMITED

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24 February 2021

Subject: Management's Discussion and Analysis  
for the three-month period ended 31 December 2020

Attention: President  
The Stock Exchange of Thailand

Rich Sport Public Company Limited ("the Company") would like to clarify the operating results of the Company and its subsidiaries for the three-month period and the year ended 31 December 2020 as follows :-

**Summary of consolidated income statement for the three-month period and the year ended 31 December 2020**

Unit : Million Baht

	Q4			For the year ended 31 December		
	2020	2019	Change	2020	2019	Change
Revenue from sales	315.6	323.5	-2.4%	949.0	1,268.3	-25.2%
Other income	5.9	(2.7)	318.5%	18.5	33.6	-44.9%
<b>Total revenues</b>	<b>321.5</b>	<b>320.8</b>	<b>0.2%</b>	<b>967.5</b>	<b>1,301.9</b>	<b>-25.7%</b>
Cost of sales	157.3	148.6	5.9%	449.6	567.3	-20.7%
Selling and administrative expenses	141.4	144.4	-2.1%	484.3	546.3	-11.3%
Loss (Gain) on disposal and change in value of other current financial assets (Current investment)	(3.9)	2.5	256.0%	30.7	2.5	100.0%
<b>Profit before finance costs and income tax expense</b>	<b>26.7</b>	<b>25.3</b>	<b>5.5%</b>	<b>2.9</b>	<b>185.8</b>	<b>-98.4%</b>
Finance costs	0.2	0.1	100.0%	6.4	0.2	3100.0%
Tax expense (income)	-	7.1	-100.0%	(4.9)	34.8	-114.1%
<b>Net profit (loss) for the period / year</b>	<b>26.5</b>	<b>18.1</b>	<b>46.4%</b>	<b>1.4</b>	<b>150.8</b>	<b>-99.1%</b>

### **Operating result for the three-month period ended 31 December 2020**

The Company had total revenue from sales in the 4Q20 of Baht 315.6 million, 2.4% decreased from the same period of last year. This was resulted from the new phase of COVID-19 outbreak that had occurred in Mid-December and economic situation has not yet returned to the normal condition.

Meanwhile, total other income is Baht 5.9 million, increased 318.5% from the same period of last year, which was due to an increase in return on investment in other current financial assets.

The consolidated gross profit is Baht 158.3 million with gross profit margin of 50.2%. The decreased in gross profit margin was as a result of sales promotion.

Selling and administrative (SG&A) expenses equaled to Baht 141.4 million, decreased 2.1% from the same period of last year. The proportion of SG&A expenses to total revenue from sales is 44.8%. Decrease in SG&A expense mainly came from selling and distribution expenses.

The Company had the loss on disposal and change in other current financial assets (current investments) decreased by Baht 3.9 million due to the fair value of investment in other current financial assets began to increase.

The Company's total net profit is Baht 26.5 million, increased 46.4% from the same period last year. The net profit margin of 4Q20 is 8.4%.

### **Operating result for the year ended 31 December 2020**

The operating result for the year 2020, The Company had total revenue from sales of Baht 949.0 million, 25.2% decreased from the same period of the year 2019. The Company's revenue was largely impacted from COVID-19 outbreak that has occurred since the beginning of the year. The government declared lockdown measures which largely affected all economic activities from late-March to mid-May. Majority of the Company's offline distribution channels (Mono-brand stores and Shop-in-Shop in the department stores) were forced to close temporarily. However, the Company has expanded its online distribution channels through various marketplace platforms and social commerce in order to compensate with sales from offline distribution channels.

Total other income equaled to Baht 18.5 million, decreased 44.9% from the year 2019. The mainly due to decrease of interest income and return on investment in other current financial assets.

The consolidated gross profit is Baht 499.4 million with gross profit margin of 52.6%. The decrease in gross profit margin was a result of sales promotion to stimulate sales continuously.

Selling and administrative (SG&A) expenses equaled to Baht 484.3 million, decreased 11.4% from the year 2019. Decrease in SG&A expense mainly came from selling and distribution expenses.

The Company recorded loss on disposal and change in other current financial assets (current investments) of Baht 30.7 million due to the fair value of investment in other current financial assets which held by the Company had the significant value decreased.

Total finance cost of the Company is Baht 6.4 million. The significant increase from the year 2019 was primarily due to the TFRS No. 16 "Lease" which impact by recording some rental expenses to depreciation and interest expense.

The Company's total net profit is Baht 1.4 million. Net profit margin is at 0.1%.

**Summary of consolidated statement of financial position as at 31 December 2020**

Unit : Million Baht

	31 December 2020	31 December 2019	Change
Cash and cash equivalents	1,014.9	461.9	119.7%
Other current financial assets	215.1	698.7	-69.2%
Trade and other receivables	140.3	147.9	-5.1%
Inventories	260.0	297.5	-12.6%
Advance payment for inventories	7.4	61.3	-87.9%
Other current assets	27.7	24.0	15.4%
Property, plant and equipments	145.8	150.1	-2.9%
Right of use assets	163.8	-	100.0%
Other non-current assets	83.0	71.1	16.7%
<b>Total assets</b>	<b>2,058.0</b>	<b>1,912.5</b>	<b>7.6%</b>
Trade and other payables	78.3	61.0	28.4%
Accrued income tax	2.2	15.1	-85.4%
Other current liabilities	1.1	1.1	0.0%
Lease liabilities	177.9	4.8	3606.3%
Other non-current liabilities	41.7	33.7	23.7%
<b>Total liabilities</b>	<b>301.2</b>	<b>115.7</b>	<b>160.3%</b>
<b>Total shareholders' equity</b>	<b>1,756.8</b>	<b>1,796.8</b>	<b>-2.2%</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,058.0</b>	<b>1,912.5</b>	<b>7.6%</b>

As at 31 December 2020, total assets is equaled to Baht 2,058.0 million, increased 7.6% from the end of 2019. The mainly due to the recognition of right of use assets from the adoption of TFRS No. 16 "Lease" and change in total assets was mainly from increase in cash and cash equivalents, inventories, other current assets and other non-current assets as well as decrease in other current financial assets and advance payment for inventories.

Total liabilities is equaled to Baht 301.2 million, increased 160.3% from the end of 2019. Mainly due to the recognition of Lease liabilities from the adoption of TFRS No. 16 – Lease and change in total liabilities was mainly from increase in trade and other payables and other non-current liabilities as well as decrease in accrued income tax.

Total shareholders' equity is equaled to Baht 1,756.8 million, decreased 2.2% from the end of 2019. This was resulted from decrease in the Company's operation result and dividend payment.

**Cash flow for the year ended 31 December 2020**

Cash flows receiving from operating activities was equaled to Baht 194.1 million. This was mainly from Company's operating result. Cash flows receiving from investing activities was equaled to Baht 423.2 million. This was mainly from net receive of disposal of other current financial assets, dividend receive and equipment and intangible purchase. Cash flows using from financing activities was equaled to Baht 64.3 million. This was mainly from paid for lease liabilities principle with interest expense and dividend payment.

Please be informed accordingly.



Sincerely yours,

Papitch Wongpaitoonpiya  
Chief Executive Officer