

No: SN. 036/2022

14 February 2022

Subject: Management Discussion and Analysis for the three-month period and Financial Position ended December 31, 2021 (Quarter 1/2021-2022)

Attention: President
The Stock Exchange of Thailand

Oishi Group Public Company Limited and its subsidiaries clarify Consolidated Operating Results for the three-month period and Financial Position ended December 31, 2021 as the following;

Oishi Group Financial Performances for the three-month period ended December 31, 2021 (Quarter 1/2021-2022)

Revenue

The Company reported total sales and services revenue for Q1/2021-2022 was Baht 2,982 million, an increase of Baht 315 million or 11.8% from Q1/2020-2021. Detailed explanations by business segments are as follows;

Beverage business

The beverage sales and services revenue for Q1/2021-2022 was Baht 1,694 million, which rose by Baht 214 million or 14.5% from Q1/2020-2021 as a result of sales growth in both domestic and international markets. Domestically, we drove sales growth by cooperating with local distribution channels in the areas that have room for expansion. We also focused on kids and teens groups; created excitement with the campaign of “Demon Slayer”, a well-known Japanese animation, by wrapping Oishi bottles with Demon Slayer design, which was well-received by our target customers. For the international market, consumer purchasing power gradually recovered and the Company continued to use marketing activities to communicate with our customers. As a result, our export revenue returned to positive growth this quarter.

Food business

The food sales for Q1/2021-2022 was Baht 1,288 million, which improved by Baht 101 million or 8.5% from Q1/2020-2021. Thanks to the measures to contain COVID-19 has been relaxed and restaurants were allowed to resume their dine-in operations since September 2021, our food business has been moving towards an uptrend in top line revenue. In addition, our revenue from home delivery channel continued to expand this quarter.

Cost of Sales

The total cost of sales and services of the Company for Q1/2021-2022 was Baht 1,950 million, which was higher than the cost of sales and services in Q1/2020-2021 by Baht 165 million or 9.3%, in line with revenue.

Beverage business

The beverage cost of sales and services for Q1/2021-2022 grew from Q1/2020-2021, aligned with an increase in beverage revenue.

Food business

The food cost of sales for Q1/2021-2022 grew from Q1/2020-2021, moved towards the same trend as food revenue.

Selling Expenses

Selling expenses for Q1/2021-2022 was Baht 228 million, a decrease of Baht 27 million or 10.4% from Q1/2020-2021. The major contribution to a decline in selling expenses was reductions in beverage marketing expenses by efficiently spending on our target customers. Moreover, we continued to enforce stricter policies to improve efficiency and lower expenses at the restaurant.

Administrative Expenses

Administrative expenses for Q1/2021-2022 was Baht 382 million, which decreased by Baht 38 million or 9.0% from Q1/2020-2021. This was mainly supported by labour cost management including educating and upskilling our staff to achieve productivity enhancements. Besides, head office expenses were well under control to improve overall management efficiency.

Net Profit

The Company reported Baht 389 million of Net profit in Q1/2021-2022, a sharp rise of Baht 164 million or 73.1% from Q1/2020-2021, from growth in both beverage and food business units. This was because of our positive revenue growth while our cost control measures remained intact as aforementioned.

Oishi Group Financial Position as of December 31, 2021

Assets

Total assets as of December 31, 2021 was Baht 9,650 million, increased from Baht 9,109 million as of September 30, 2021 by Baht 540 million or 5.9%, which consisted of the following;

Current assets stood at Baht 4,096 million, higher by Baht 650 million, which was mainly from an increase in Cash and cash equivalent and Investment in debt instrument items which was short-term available for sales securities. The amount was allocated from the whole cash accounts to be invested for higher return potential versus the bank deposit rate. Furthermore, account receivables increased on account of beverage sales growth.

Non-current assets of Baht 5,554 million, lower by Baht 110 million, mainly from a reduction in property plant and equipment items due to depreciation expenses for the year, partly offset by an increase in fixed assets as a result of restaurant outlet expansions.

Liabilities

Total liabilities as of December 31, 2021 was Baht 2,130 million, an increase of Baht 153 million or 7.7% from total liabilities of Baht 1,977 million as of September 30, 2021, and consisted of the following;

Current liabilities of Baht 1,717 million, which increased by Baht 128 million, was due to an increase in account payable mainly resulting from recovery in the food business, partly negated by a reduction in other payables

Non-current liabilities of Baht 413 million, which increased by Baht 25 million, was due to higher financial lease liabilities from new restaurant outlet expansions.

The Company financial position remained strong with debt-free status as of December 31, 2021.

Shareholders' Equity

Total equity as of December 31, 2021 was Baht 7,519 million, which increased from Baht 7,132 million from the yearend fiscal year 2021 by Baht 387 million or 5.4%. An increase in retained earnings as a result of additional net profit during the quarter was a key supporter for the increase in equity.

Sincerely yours,

(Mrs. Nongnuch Buranasetkul)
President & CEO