

ที่ KK ELCID 2565/009

May 10, 2022

Subject: Management Discussion and Analysis for the first quarter ended March 31, 2022

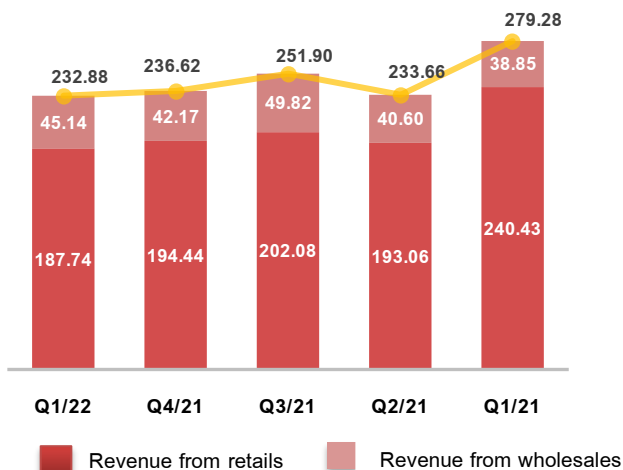
To: Director and Manager
The Stock Exchange of Thailand

K&K Superstore Southern Public Company Limited ("the Company") would like to submit the Management Discussion and Analysis for the first quarter ended March 31, 2022 as follows:

Operating performance overview for the first quarter ended March 31, 2022

Profit & Loss <i>Million Baht</i>	Amount			Increase (Decrease)		Increase (Decrease)	
	Q1/22	Q4/21	Q1/21	QoQ	%QoQ	YoY	%YoY
Revenue from sales	232.88	236.62	279.28	(3.74)	(1.6%)	(46.40)	(16.6%)
- Retail	187.74	194.44	240.43	(6.70)	(3.4%)	(52.69)	(21.9%)
- wholesales	45.14	42.17	38.85	2.96	7.0%	6.29	16.2%
Cost of sales	205.51	205.89	245.35	(0.38)	(0.2%)	(39.83)	(16.2%)
Gross profit	27.37	30.72	33.94	(3.36)	(10.9%)	(6.57)	(19.4%)
Other income	1.18	1.81	1.35	(0.63)	(34.8%)	(0.17)	(12.7%)
Sales and administrative expenses	26.06	25.98	24.94	0.09	0.3%	1.13	4.5%
Financial cost	0.92	0.77	0.82	0.15	19.0%	0.09	11.1%
Net profit before tax	1.57	5.79	9.53	(4.22)	(72.9%)	(7.96)	(83.5%)
Income tax expense	0.26	0.94	1.91	(0.68)	(72.2%)	(1.65)	(86.3%)
Net profit	1.31	4.85	7.62	(3.54)	(73.1%)	(6.31)	(82.9%)
Gross profit margin	11.8%	13.0%	12.2%				
Net profit margin	0.6%	2.0%	2.7%				

Overall of revenue from sales



Million Baht	Q1/2022	2021	2020
Retail	187.74	830.02	810.52
% SSSG	-24.08%	0.87%	2.14%
Number of branch			
B/F	30	28	26
+ Addition	0	2	2
C/F	30	30	28



Revenue from Sales

In first quarter 2022, the Company generated revenue from sales of Baht 232.88 million, decreasing by Baht 46.40 million or 16.62 percent from same period of the previous year due to the overall economic slowdown, the increase of general inflation according to energy prices and ready-to-eat food prices. In addition, In the first quarter 2021 there are measures to alleviate the burden of living expenses for people through We Win project and the increment of purchasing power through the welfare state card program. As a result, the Company received direct benefits from government measures in the previous year.

Therefore, the same store sales growth for the first quarter 2022 decrease when compared with the first quarter 2021 equivalent to 24.08 percent.

Cost of sales and Gross profit

In first quarter 2022, the Company has cost of sales equivalent to Baht 205.51 million decreasing by Baht 39.83 million or 16.23 percent from same period of the previous year according to the decreasing in revenue from sales, Then, the Company has Baht 27.37 million of gross profit, representing 11.75 percent which decreased from same period of the previous year, mainly due to the increment of warehouse management expenses due to the increase in the number of branches.

Other income

In first quarter 2022, the Company has other income equivalent to Baht 1.18 million decreased from same period of the previous year amounted to Baht 0.17 million or 12.74 percent mainly due to the decrement of store rental income.

Sales and administrative expenses

In first quarter 2022, the Company has sales and administrative expenses equivalent to Baht 26.06 million increased from same period of the previous year amounted to Baht 1.13 million or 4.52 percent due to the increment of number of branches lead to staff expenses, depreciation expenses and utility expenses increased too.

Financial cost

In first quarter 2022, the Company has financial cost expenses equivalent to Baht 0.92 million increased from same period of the previous year amounted to Baht 0.09 million or 11.12 percent.

Net profit

In first quarter 2022, the Company has net profit equivalent to Baht 1.31 million decreased from same period of the previous year amounted to Baht 6.31 million or 82.85 percent mainly due to the decrease in the revenue from retails, decrease in gross profit margin and increase in the distribution costs.



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K&K Superstore Southern Public Company Limited

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STATEMENT OF FINANCIAL POSITION

Unit: Million Baht	As at	As at	Increase (Decrease)	
	March 31, 2022	December 31, 2021	Million Baht	%
Total assets	383.60	383.56	0.04	0.01%
Total liabilities	207.97	209.24	(1.27)	(0.60%)
Total shareholders' equity	175.63	174.32	1.31	0.75%

Asset

Most assets consist of inventories, property plant and equipment, right-of-use assets, cash and cash equivalents and trade and other receivables. As at March 31, 2022, the Company has total assets equivalent to Baht 383.60 million, increasing by Baht 0.04 million or 0.01 percent compared to the previous year.

Liabilities

Most of liabilities consist of trade and other payables, lease liabilities and bank overdrafts and short-term borrowings from financial institutions. As at March 31, 2022, the Company has total liabilities equivalent to Baht 207.97 million, decreasing by Baht 1.27 million or 0.60 percent compared to the previous year.

Shareholders' equity

As at March 31, 2022, the Company has shareholders' equity equivalent to Baht 175.63 million, increasing by Baht 1.31 million or 0.75 percent compared to the previous year, mainly due to the increase of net profit for the first quarter 2022 amounted to Baht 1.31 million.

Please be informed accordingly

Yours Sincerely,

- Mr. Kawispong Sirithananonsakul-

(Mr. Kawispong Sirithananonsakul)

Managing Director

K&K Superstore Southern Public Company Limited