



S&P Syndicate Public Company Limited
Management Discussion & Analysis (MD&A)
1Q22





Executive Summary

1Q22 Highlight	1Q21	1Q22	Better or (Worse)
Revenue	1,159	1,258	127
Cost of Sales	(510)	(562)	(52)
Gross Profit	649	723	75
Gross Profit Margin (%)	56.0%	56.3%	0.3%
Distribution costs and Administrative expenses	(570)	(632)	(63)
Net Profit – Owners of the parent	79	87	8
Net Profit Margin (%)	6.8%	6.8%	0.0%

- ▶ 1Q22 Net Profit was 87mb, +8mb or +10% YoY mainly driven by the continuous costs and expenses control and the turnaround of International restaurants.
- ▶ 1Q22 %Gross Profit was 56.3%, +0.3% YoY mainly driven by 1) discount control, 2) in-store waste reduction via accurate forecasting, 3) key ingredients stock-up from last year, 4) lean production, 5) using alternative ingredients, 6) revised recipes, and 7) minimum price adjustment for some menus.
- ▶ 1Q22 Revenue was 1,285mb, +127mb or +11% YoY mainly driven by 1) successful festive products, 2) delivery sales and Takeaway from DelTA stores, and 3) International restaurant sales which have been resumed to normal.
- ▶ Strong growth in Delivery sales +61% YoY, due to DelTa stores expansion and marketing & promotion thru 1344 Delivery channel.



Number of Stores

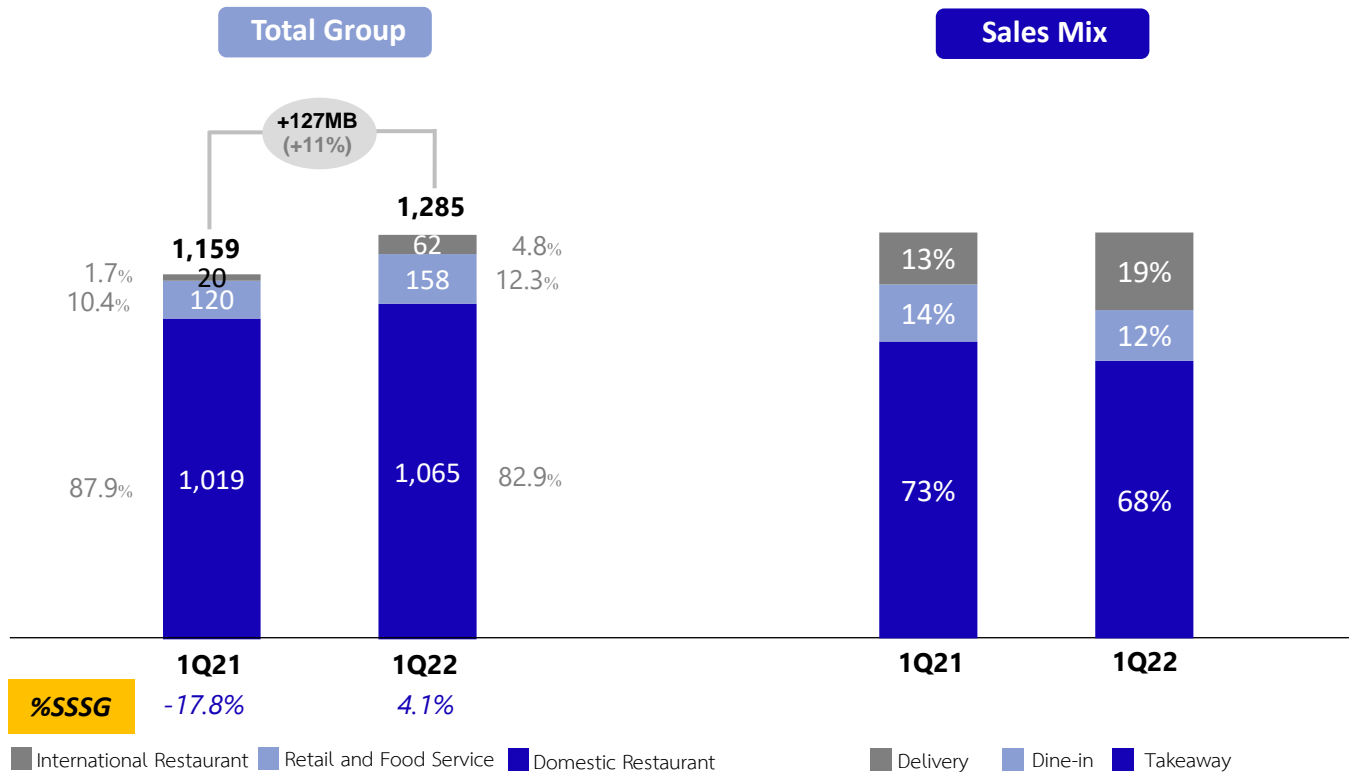
Food and Bakery Restaurants As of 31 Mar 2022		Total Number of Stores	Thailand		International		
			Equity	Franchise	Equity	Franchise	JV
S&P Restaurant	134	128	1	5	-	-	
S&P Bakery Shop	300	298	2	-	-	-	
S&P DelTA	33	33	-	-	-	-	
Patio	2	2	-	-	-	-	
Patara	9	1	-	3	1	4	
SNP (Cake Studio)	1	1	-	-	-	-	
Grand Seaside	1	1	-	-	-	-	
Maisen	11	11	-	-	-	-	
Umenohana	2	2	-	-	-	-	
Total	493	477	3	8	1	4	





Analysis of Statement of Income

Unit : Million Baht



Revenue

▶ Total Group

Domestic Stores : +46MB or +5% YoY mainly came from successful festive products and strong sales on Delivery & Takeaway from DelTA stores

Retail and Food Service : +38MB or +32% YoY mainly came from sales of frozen cake and Quick Meal products in Retail channels, and the increased OEM volume for food chain accounts

International Stores : +42MB or +209% YoY, strong Sales turnaround for the stores in Cambodia and UK

▶ Sales Mix

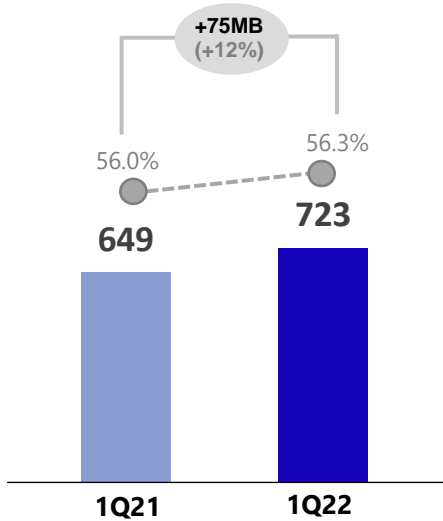
Takeaway : +5% YoY

Dine-in : Slightly decreased at -1.6% from LY

Delivery : Strong growth +61% YoY



Unit : Million Baht

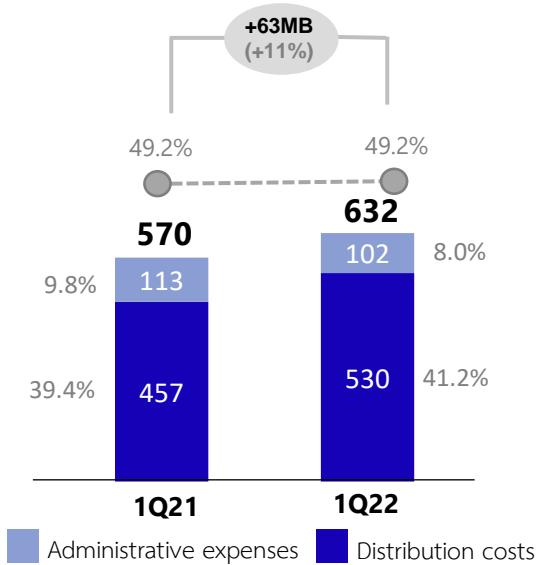


Gross Profit

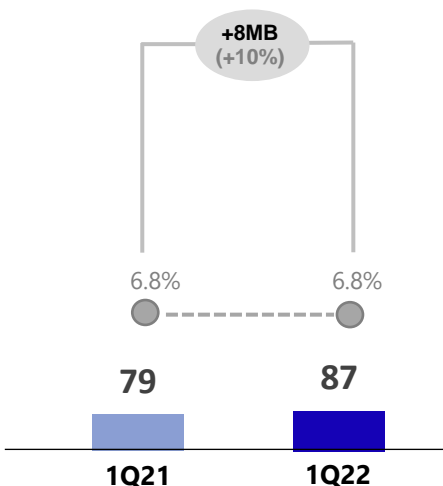
- 1Q22 %Gross Profit was 56.3%, +0.3% YoY mainly driven by 1) discount control, 2) in-store waste reduction via accurate forecasting, 3) key ingredients stock-up from last year, 4) lean production, 5) using alternative ingredients, 6) revised recipes, and 7) minimum price adjustment for some menus.



Distribution costs and Administrative expenses



- 1Q22 %Selling expenses was 41.2% or +1.8% YoY primarily due to the resumed in-store labor roster and rental expenses which were mostly back to contract amounts
- 1Q22 Administrative expenses was 102mb, -11mb or -1.8% on Net Sales YoY primarily due to
 1. Organization restructuring
 2. Cost effectiveness controls and cut
 3. System and workflows efficiency improvement thru automation and processes re-engineering



Net Profit – Owners of the parent

- 1Q22 Net Profit was 87mb, +8mb YoY mainly driven by the continuous costs and expenses control and the turnaround of International restaurants.





Assets / Liabilities and Equity

BALANCE SHEET				
Key Metrics (MB)	As at Mar22		As at Dec21	
	MB	%	MB	%
Cash and cash equivalents	1,009	21%	980	19%
Financial assets at fair value	361	7%	360	7%
Other current assets	482	10%	557	11%
Total Current assets	1,852	38%	1,898	37%
Investment in associate	83	2%	73	1%
Investment in joint ventures	204	4%	206	4%
Property, plant and equipment	1,506	31%	1,486	29%
Right-of-use asset	1,149	24%	1,306	26%
Other non-current assets	95	2%	96	2%
Total non-current assets	3,038	62%	3,168	63%
TOTAL ASSETS	4,889	100%	5,066	100%
Short-term borrowings from financial institutions	7	0%	8	0%
Current portion of lease liabilities	429	9%	443	9%
Trade and other payables	609	12%	760	15%
Other current liabilities	183	4%	147	3%
Total Current Liabilities	1,228	25%	1,357	27%
Long-term borrowings from financial institutions	202	4%	196	4%
Non-current provision for employee benefits	173	4%	167	3%
Lease liabilities	513	10%	653	13%
Other non-current liabilities	72	1%	77	2%
Total non-current liabilities	960	20%	1,093	22%
TOTAL LIABILITIES	2,188	45%	2,450	48%
Paid-up Capital	512	10%	512	10%
Premium on ordinary shares	690	14%	690	14%
Surplus on gain from transfer of business to JV	80	2%	80	2%
Legal reserve	52	1%	52	1%
Unappropriated	1,345	28%	1,258	25%
Other components of shareholders' equity	-15	0%	-14	0%
Non-controlling interests	38	1%	38	1%
TOTAL EQUITY	2,701	55%	2,616	52%
TOTAL LIABILITIES & EQUITY	4,889	100%	5,066	100%
Authorised share capital	515		515	
Par Value (Baht/Sh.)	1.00		1.00	
No. of share (millions)	515		515	

Cash & Cash equivalent of 1,009 mb, +29 mb vs. Dec21, mainly driven by the net operating cash inflow.

Other current assets of 482 mb, decreased by (75) mb mainly in 1) trade receivable (43) mb; despite the higher sales, the account receivables have been paid off. 2) Inventory (21) mb from stock usage management

Right-of-use asset and lease liabilities : decreased due to the depreciation on right-of-use assets and maturity of lease liabilities

Trade and other payables : decreased (151) mb, mainly resulted from trade payables (68) mb as payment on stock purchased since last year, and accrued expenses (74) mb decreased from bonus payment.

Retained earnings +87mb, mainly due to net profit for the period 87mb.





"Strengthen The Core, Create The Next"

For inquiries related to the Investor Relations, please contact us by:

 irsnp@snpfood.com

