



บริษัท ริช สปอร์ต จำกัด (มหาชน)

RICH SPORT PUBLIC COMPANY LIMITED

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11 August 2022

Subject: Management's Discussion and Analysis  
for the three-month period ended 30 June 2022

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 ended 30 June 2022 as follows:-

**Summary of consolidated income statement for the three-month period ended 30 June 2022**

Unit : Million Baht

	Q2			For the year ended 30 June		
	2022	2021	Change	2022	2021	Change
Revenue from sales	300.8	218.5	37.7%	567.7	446.5	27.1%
Other income	3.8	5.5	-30.9%	6.7	13.4	-50.0%
<b>Total revenues</b>	<b>304.6</b>	<b>224.0</b>	<b>36.0%</b>	<b>574.4</b>	<b>459.9</b>	<b>24.9%</b>
Cost of sales	135.9	114.7	18.5%	260.2	226.8	14.7%
Selling and administrative expenses	133.3	103.6	28.7%	250.3	214.9	16.5%
Loss (Gain) on disposal and change in value of other current financial assets	15.7	6.4	145.3%	(4.5)	(1.6)	181.3%
<b>Profit (loss) before finance costs and income tax expense</b>	<b>19.7</b>	<b>(0.7)</b>	<b>2,914.3%</b>	<b>68.4</b>	<b>19.8</b>	<b>245.5%</b>
Finance costs	1.9	1.4	35.7%	3.7	2.7	37.0%
Tax expense (income)	3.5	0.6	483.3%	13.3	4.4	202.3%
<b>Profit (loss) for the period</b>	<b>14.3</b>	<b>(2.7)</b>	<b>629.6%</b>	<b>51.4</b>	<b>12.7</b>	<b>304.7%</b>

**Operating result for the three-month period ended 30 June 2022**

In the second quarter of 2022, Thailand's headline inflation surged to 7%, reaching the highest level for 14 years. Increase in price of goods and services has impacted on consumer spending and financial concern. Although COVID-19 has continued to spread nationwide, the increase in proportion of vaccinated population had reduced the severity of the disease which helps economy to gradually return back to normal.

In this quarter, the Company's revenue from sales is Baht 300.8 million, increased 37.7% from the same period last year and other income is Baht 3.8 million, decreased 30.9% from the same period last year due to decrease in interest income and dividend received.

The Company's consolidated gross profit is Baht 164.8 million, increase of Baht 61 million or up 58.8% compared with the same period last year. The increase gross profit margin from 47.5% to 54.8% resulted from better management of sales promotion by the Company.

Selling and administrative (SG&A) expenses equaled to Baht 133.3 million, increased 28.7% from the same period last year. The proportion of SG&A expenses to total revenue from sales is 44.4%. The increase of SG&A expenses mainly resulted from an increase of personal expenses, marketing expenses, and rent expenses which are variable to sales.

The Company recognized loss on change in fair value of other current financial assets equaled to Baht 15.7 million. Due to the price of securities that the Company has invested in continued to decrease. Therefore, the fair value of other current financial assets has decreased.

The Company's total net profit is Baht 14.3 million and the net profit margin is 4.8%.

#### **Operating result for the six-month period ended 30 June 2022**

The Company's revenue from sales of the first half of the year 2022 is Baht 567.7 million, increased 27.1% from the same period last year.

Other income is Baht 6.7 million, decreased 50.0% from the same period last year due to decrease from gain on exchange rate, gain from disposal assets, gain from lease termination and dividend received.

The Company's consolidated gross profit is Baht 307.5 million, increase of Baht 87.8 million compared to the same period last year. The percentage of gross profit margin increased from 49.2% to 54.2%, which was resulted from better management of sales promotion by the Company.

Selling and administrative (SG&A) expenses equaled to Baht 250.3 million, increased 16.5% from the same period last year. The proportion of SG&A expenses to total revenue from sales is 44.1%. The increase of SG&A expenses mainly resulted from an increase of personal expenses, marketing expenses, and rent expenses which are variable to sales.

The Company recognized gain from disposals and gain on change in fair value of other current financial assets equaled to Baht 4.5 million.

The Company's total net profit is Baht 51.4 million and the net profit margin is 9.1%.

## Summary of consolidated statement of financial position as at 30 June 2022

Unit : Million Baht

	30 June 2022	30 June 2021	Change
Cash and cash equivalents	686.9	744.9	-7.8%
Other current financial assets	587.9	595.4	-1.3%
Trade and other receivables	131.6	154.1	-14.6%
Inventories	216.0	230.8	-6.4%
Other current assets	59.0	39.6	49.0%
Other non-current financial assets	61.6	-	100.0%
Property, plant and equipments	140.2	142.1	-1.3%
Right-of-use assets	185.2	192.3	-3.7%
Other non-current assets	72.1	68.5	5.3%
<b>Total assets</b>	<b>2,140.5</b>	<b>2,167.7</b>	<b>-1.3%</b>
Trade and other payables	140.5	116.8	20.3%
Accrued income tax	13.0	3.4	282.4%
Other current liabilities	9.3	4.8	93.8%
Lease liabilities	201.8	212.6	-5.1%
Other non-current liabilities	35.9	34.8	3.2%
Total liabilities	400.5	372.4	7.6%
Total shareholders' equity	1,740.0	1,795.3	-3.1%
<b>Total liabilities and shareholders' equity</b>	<b>2,140.5</b>	<b>2,167.7</b>	<b>-1.3%</b>

As at 30 June 2022, the Company's total assets is Baht 2,140.5 million, decreased by 1.3% from the end of 2021. The decrease of total assets mainly resulted from increase in other non-current financial assets and other current assets and decrease in cash and cash equivalents, trade and other receivables and right-of-use assets.

Total liabilities is Baht 400.5 million, increased 7.6% from the end of 2021. This was mainly from increase in trade and other payables, accrued income tax and other current liabilities and decrease in lease liabilities.

Total shareholders' equity is Baht 1,740.0 million, slightly decreased 3.1% from the end of 2021 due to dividend paid.

**Cash flow for the six-month period ended 30 June 2022**

Cash flows receiving from operating activities is Baht 153.5 million, which mainly came from the Company's operating results. Cash flows using from investing activities is Baht 73.3 million, resulted mainly from the Company's investment in other non-current financial assets and equipment purchase. Cash flows using from financing activities is Baht 141.5 million, which was mainly from dividend paid and paid for lease liabilities principle and interest.

Please be informed accordingly.

Sincerely yours,



**Papitch Wongpaitoonpiya**  
Chief Executive Officer

