

No: SN. 107/2022

17 November 2022

Subject: Management Discussion and Analysis for the fiscal year ended September 30, 2022

Attention: President
The Stock Exchange of Thailand

Oishi Group Public Company Limited and its subsidiaries clarify Consolidated Operating Results of the Fiscal Year 2022 and Financial Position ended September 30, 2022 as the following;

Oishi Group Financial Performances for the Fiscal Year 2022, ended September 30, 2022

Revenue

The Company reported total sales and services revenue for the fiscal year 2022 at Baht 12,696 million, which increased Baht 2,877 million or 29.3% from the previous year. Revenue was driven by both beverage business and food business. Detailed explanations of revenue by business segments are as follows:

Beverage business

The beverage sales and services revenue in FY2022 were Baht 7,292 million, increased by 16.7% or Baht 1,042 million from the previous year. The growth was driven by domestic sale. The company continues to be a leader in the ready-to-drink tea market resulted from successful of marketing activities and campaigns, the expanding distribution channels to reach consumers comprehensively, and the launch of new product "Oishi green tea honey lemon 0%" which is a healthy alternative drink that corresponds to the lifestyle, which was well-accepted by consumers. In export markets, the company continued to grow due to the re-opening of countries of main export markets.

Food business

The food business sales and services revenue in FY2022 were Baht 5,404 million, grew 51.5% or Baht 1,836 million from the previous year due to domestic economic recovery which benefit to dine-in restaurant, including the new store expansion. This year, the company has introduced a new restaurant style "Shabu by Oishi", which serves Japanese-style shabu, A-la-carte and set menu through creating a new experience for consumers, which the use of "train conveyors" in serving food. Moreover, the success expansion of "Oishi Biztoro", Japanese fast-food menus, to meet the lifestyle of today's consumers that emphasizes speed and convenience also help to drive growth. Oishi Eato products such as gyoza and sandwiches reported revenue growth both domestic sale and export.

Cost of Sales

The total cost of sales and service of the company for fiscal year 2022 were Baht 8,594 million, increased by 24.9% or Baht 1,715 million from the previous year. However, the increased of the cost was less proportion than revenue growth due to cost management. The ratio of cost of sales to revenue was 67.7% in FY2022 and 70.1% in FY2021, respectively.

Beverage business

The beverage cost of sales and service to sale ratio were 73.5% in FY2022, lower by 1.3% from the previous year due to efficient cost management and increased volumes (economy of scale) which offset the increase of raw material price and packaging cost.

Food business

The food cost of sales and service to sale ratio were 58.0% in FY2022, lower by 2.6% from the previous year due to increment of sales growth, efficiency of restaurant operation and cost management control to reduce the increase of raw material price impact.

Selling Expenses

Selling expenses in FY2022 were Baht 1,147 million, increased by 17.4% or Baht 170 million from the previous year due to investing in marketing activities to drive revenue. The company focused on target consumers and still controlling the use of marketing expenses effectively.

Administrative Expenses

Administrative expenses in FY2022 were Baht 1,691 million, increased by 11.8% or Baht 179 million from the previous year due to the increase of employee expenses and operation expenses to support both the beverage and the food business revenue growth.

Net Profit

The company reported net profit in fiscal year 2022 of Baht 1,199 million, increased by Baht 654 million or 120.0% from the previous year. Earnings growth was driven by the beverage earnings growth and recovery of the food business while remain effective cost control measures as aforementioned.

Oishi Group Financial Position as of September 30, 2022

Assets

Total assets as of September 30, 2022 were Baht 10,529 million, increased from total assets as of September 30, 2021 at Baht 9,109 million by Baht 1,420 million or 15.6%, consisted of the following:

Current assets were Baht 5,214 million, increased by Baht 1,769 million from the previous year due to the increased of cash and cash equivalent and short-term investments which have high liquidity and generate returns higher than bank deposit. Also, an increase of account receivables due to sales growth stage.

Non-current assets were Baht 5,314 million, decreased by Baht 350 million from the previous year mainly from a reduction in property plant and equipment items due to depreciation expenses.

Liabilities

Total liabilities as of September 30, 2022 were Baht 2,561 million, increased by 29.5% or Baht 584 million from the previous year. Total liabilities consisted of the following;

Current liabilities were Baht 2,072 million, increased by Baht 483 million or 30.4% due to the increase in account payable from the increased in purchasing to support the sales growth.

Non-current liabilities were Baht 489 million, increased by Baht 101 million was due to higher financial lease liabilities of Baht 112 million from new restaurant outlet expansions.

The company financial position remained strong with debt-free status as of September 30, 2022.

Shareholders' Equity

Total Equity as of September 30, 2022 was Baht 7,967 million, which rose by 11.7% or Baht 835 million from the previous year. An increase in retained earnings as a result of additional net profit Baht 1,199 million, partly offset by dividend paid to shareholders Baht 375 million.

Sincerely yours,

(Mrs. Nongnuch Buranasetkul)
President & CEO