



“Elevate the Next”

S&P Syndicate Public Company Limited
Management Discussion & Analysis (MD&A)
4Q22 & FY22





Executive Summary

Unit : Million Baht

Highlight	3M		Better or (Worse)	FY		Better or (Worse)
	4Q21	4Q22		FY21	FY22	
Revenue	1,417	1,579	162	4,817	5,712	895
Cost of Sales	(619)	(706)	(87)	(2,163)	(2,526)	(363)
Gross Profit	798	873	75	2,654	3,186	532
<i>Gross Profit Margin (%)</i>	56.3%	55.3%	(1.0%)	55.1%	55.8%	0.7%
<i>Selling Expenses and Administrative expenses</i>	(643)	(715)	(72)	(2,299)	(2,659)	(360)
Net Profit – Owners of the parent	122	133	11	340	460	120
<i>Net Profit Margin (%)</i>	8.6%	8.4%	(0.2%)	7.1%	8.1%	1.0%

3M

- ▶ 4Q22 Net Profit was 133mb, +11mb YoY mainly driven by the top line, less-but-more promotions, and continuous controls over costs and expenses. Sales significantly increased in Dine-in and Delivery channels with continuous growth on Take-Away.
- ▶ 4Q22 %Gross Profit was -1.0% YoY mainly driven by the net impact from raw materials costs increase offset with the lean production and increased productivity at Factories.
- ▶ 4Q22 Revenue was 1,579mb, +162mb or +11% YoY mainly came from strong growth in Domestic Restaurant Business +12%, International Restaurant Business +19% and Retail and Food Service +6%
 - ▶ Dine-in Sales +53% YoY mainly came from stores in Shopping Mall and Hypermarket
 - ▶ Take-Away Sales +7% YoY mainly came from the resumed traffic in all locations especially from stores in Hypermarket
 - ▶ Delivery Sales +10% YoY from cake & bakery, festive products, food NPDs, snack boxes, and corporate accounts via stronger alliance with key strategic food aggregators.

FY

- ▶ FY22 Net Profit was 460mb, +120mb YoY mainly came from 1) Sales growth in all channels thru festive products, NPDs, snack boxes, and Corporate sales and Retail & Food Service segment, 2) Turnaround sales from both domestic and international business, 3) Successfully control discount thru “less-but-more” promotion campaigns, 4) alternative sourcing and ingredients, and 5) Keep up the momentum of cost controls and productivity, offset with forex loss impact YoY
- ▶ FY22 %Gross Profit was +0.7% YoY mainly came from less-but-more promotions and campaign design which caused lower %discount, menu redesign, raw materials stock-up and sourcing, the lean production control.
- ▶ FY22 Revenue was 5,712mb, +895mb or +19% YoY due to Dine-in Sales recovery and continuous growth in Delivery Sales for both Domestic and International stores.
 - ▶ Dine-in Sales +77% YoY mainly came from the resumed traffic in all locations especially from stores in Shopping Mall and Hypermarket.
 - ▶ Take-Away Sales +9% YoY mainly came from the NPDs and festive products sales.
 - ▶ Delivery Sales +24% YoY mainly came from cake & bakery, snack boxes, festive products, food NPDs and corporate accounts via stronger alliance with key strategic food aggregators



2022 Key Achievements

- 1 Grow Sales in all channels thru festive products, NPDs, snack boxes, and Corporate sales and Retail & Food Service segment / Turnaround sales from both domestic and international business
- 2 Successfully control discount thru “less-but-more” promotion campaigns design
- 3 Mitigate the impact on raw materials and packaging costs increase
- 4 Go Lean on manufacturing costs by controlling labor productivity and reducing overhead costs
- 5 Keep up the momentum of cost controls and productivity

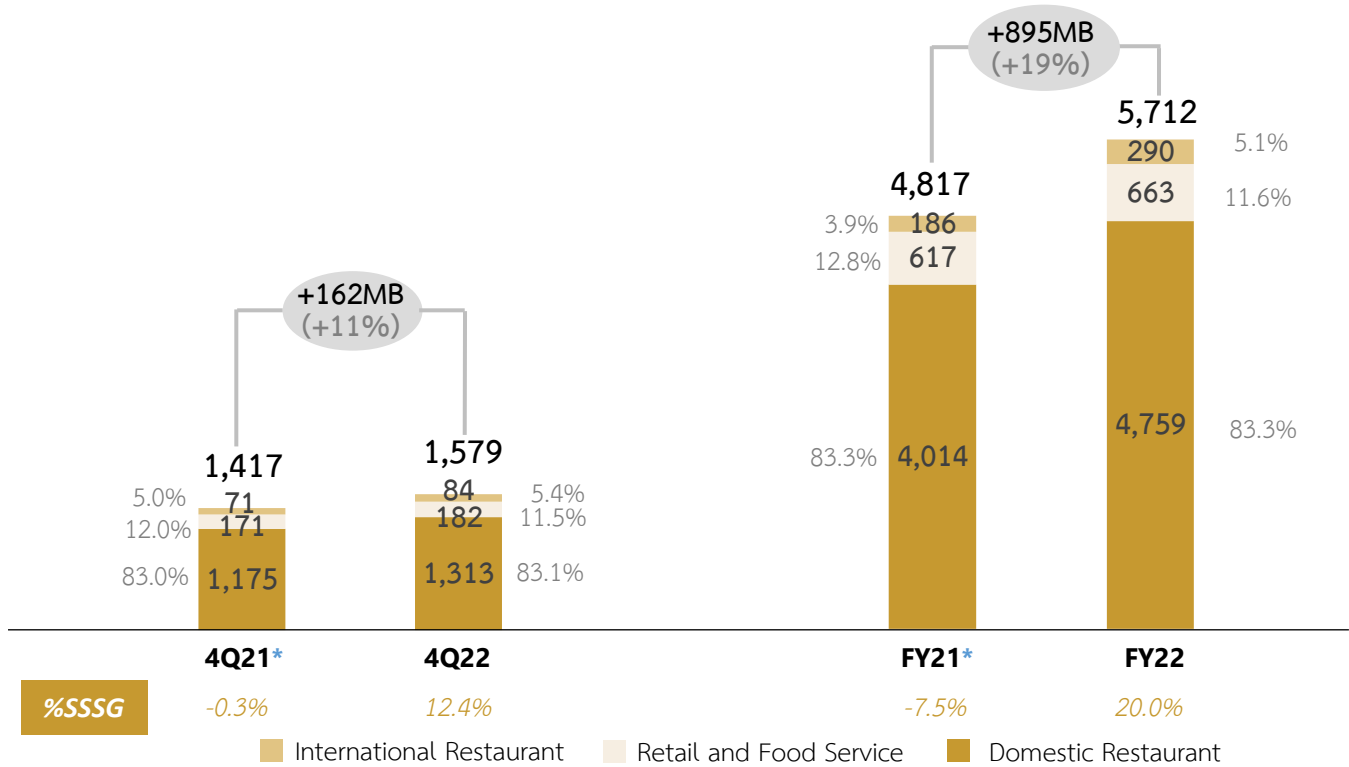
Number of Stores

Brand (As of 31 Dec 2022)	Total Stores	Thailand		International	
		Equity	Franchise	Equity	JV
S&P Restaurant	138	132	1	5	-
S&P Bakery Shop	279	277	2	-	-
S&P Delta	33	33	-	-	-
Patio	1	1	-	-	-
Patara	8	1	-	3	4
SNP Cake Studio	1	1	-	-	-
Maisen	11	11	-	-	-
Umenohana	2	2	-	-	-
Total	473	458	3	8	4




Revenue

Unit : Million Baht

Total Group


3M

FY

4Q22 Revenue was 1,579mb, +162mb or +11% YoY mainly came from strong growth in Domestic Restaurant Business +12%, International Restaurant Business +19% and Retail and Food Service +6%

- ▶ **Domestic Stores** : +138MB or +12% YoY mainly came from the strong growth in Dine-in and Delivery sales with continuous growth on Take-Away. Key contributors are stores in Shopping Mall and Hypermarket.
- ▶ **Retail and Food Service** : +11MB or +6% YoY mainly came from Cookies during New year festival.
- ▶ **International Stores** : +13MB or +19% YoY came from Cambodia and UK stores.

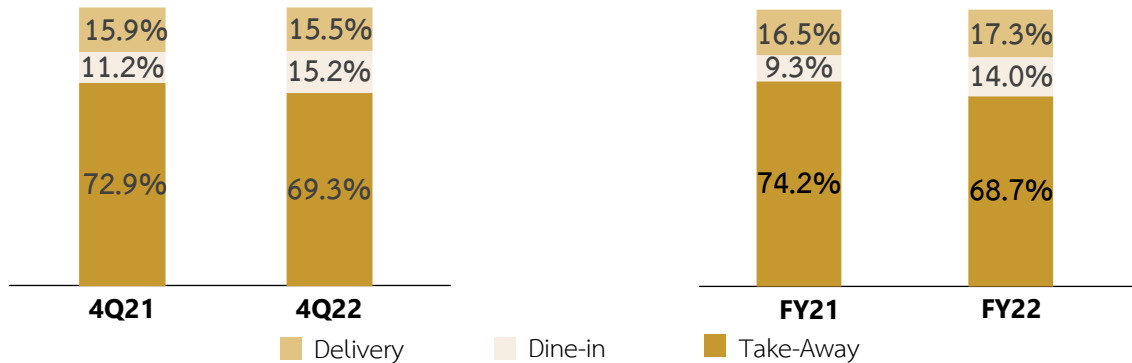
FY22 Revenue was 5,712mb, +895mb or +19% YoY due to Dine-in Sales recovery, Take-away Sales growth and continuous growth in Delivery Sales for both Domestic and International stores

- ▶ **Domestic Stores** : +745MB or +18% YoY mainly came from the strong growth in Dine-in, Take-Away, and Delivery channels. Key contributors are stores in Shopping mall, Hypermarket, Airport, and Hospital.
- ▶ **Retail and Food Service** : +46MB or +8% YoY mainly came from OEM food service for Food Chain accounts. Mooncake and Cookies were the key festive products.
- ▶ **International Stores** : +104MB or +56% YoY mainly came from stores in Cambodia and UK.

* Y2021 : Reclassified Store utility expenses from COGS to Selling expenses.



Domestic Revenue Mix



3M

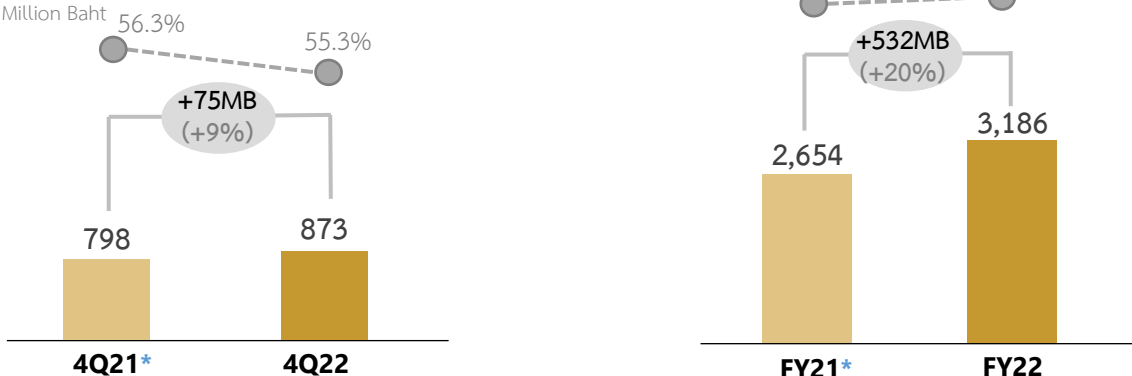
FY

- Dine-in** : 3M Revenue +53% YoY and FY Revenue +77% YoY mainly came from stores in Shopping Mall, Hypermarket and Airport due to situation of COVID-19 back to normal. Both 3M and FY Number of bills significantly increased with higher averaged spending per bill.
- Delivery** : 3M Revenue +10% YoY and FY Revenue +24% YoY mainly came from snack boxes (+70% vs LY), the festive products, food NPDs and corporate accounts via stronger alliance with key strategic food aggregators with attractive campaign and promotions help to increase delivery sales
- Take-Away** : 3M Revenue +7% YoY and FY Revenue +9% YoY mainly came from the resumed traffic in all locations especially from Hypermarket stores. Revenue was mainly driven by the NPDs and festive products.



Gross Profit

Unit : Million Baht



3M

FY

4Q22 %Gross Profit was -1.0% YoY mainly driven by the net impact from raw materials costs increase offset with the lean production and increased productivity at Factories.

FY22 %Gross Profit was +0.7% YoY despite of the increase in raw materials and packaging, mainly driven by 1) segmented less-but-more promotions and campaigns design to better fit consumers and to cause lower %discount, 2) higher %GP from Dine-in increased sales, 3) key ingredients stock-up from last year, 4) alternative sourcing and ingredients, 5) lean production & increased productivity at Factories, 6) menus redesign, and 7) minimum price adjustment for some menus

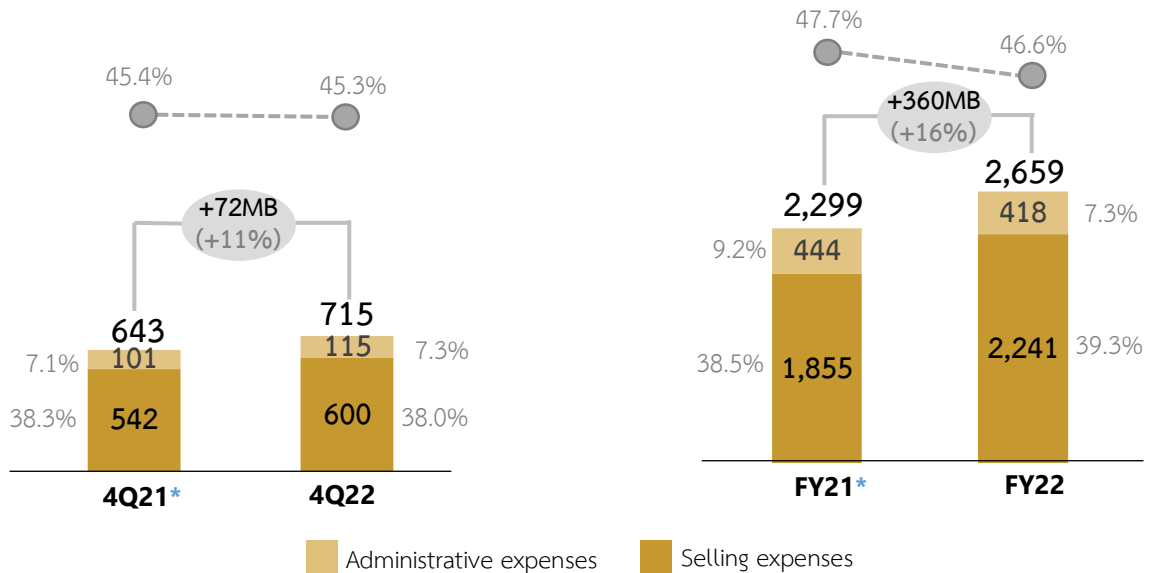
* Y2021 : Reclassified Store utility expenses from COGS to Selling expenses.





Selling expenses and Administrative expenses

Unit : Million Baht



3M

FY

4Q22 %Total SG&A was 45.3% or 0.1% better than LY

- 4Q22 %Selling expenses was 38.0% on Net Sales or 0.3% better than LY, mainly due to the top line leverage with the labor productivity and higher efficiency on transportation.
- 4Q22 Administrative expenses +14MB YoY or 0.2% worse than LY, mainly driven by the incremental accrued bonus in 4Q22. If normalized, the amount was about on par with LY.

FY22 %Total SG&A was 46.6% or 1.1% better than LY despite of the labor costs increase and rental mostly back to the contracts.

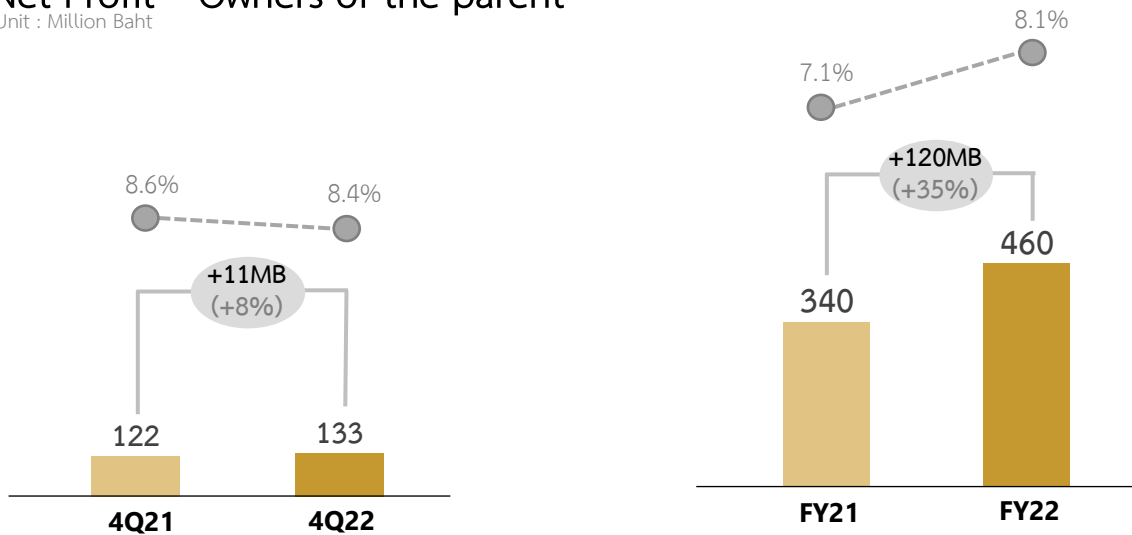
- FY22 %Selling expenses was 39.3% on Net Sales or 0.8% worse than LY, mainly driven by the labor costs increase, rental expenses mostly back to the contracts, fuel costs increase etc. which were mitigated by the labor productivity and roster planning including upskill & reskill, higher efficiency on transportation and close monitoring on rental expenses.
- FY22 Administrative expenses 26MB better than LY was primarily due to the restructuring, office space reduction, matured depreciation, costs cut and controls, offset with the new headcounts.
%Administrative expenses was 1.9% better than LY was mainly due to the overall cost down and top line leverage.

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Net Profit – Owners of the parent

Unit : Million Baht



3M

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Assets / Liabilities and Equity

Statements of Financial Position				
Key Metrics (MB)	As at Dec22		As at Dec21	
	MB	%	MB	%
Cash and cash equivalents	1,082	20%	980	19%
Financial assets at fair value	362	7%	360	7%
Other current assets	607	11%	558	11%
Total Current assets	2,051	39%	1,898	37%
Investment in associate	109	2%	73	1%
Investment in joint ventures	196	4%	206	4%
Property, plant and equipment	1,581	30%	1,486	29%
Right-of-use asset	1,300	24%	1,306	26%
Other non-current assets	88	2%	97	2%
Total non-current assets	3,274	61%	3,168	63%
TOTAL ASSETS	5,325	100%	5,066	100%
Short-term borrowings from financial institutions	2	0%	8	0%
Current portion of long-term borrowings	154	3%	54	1%
Current portion of lease liabilities	335	6%	443	9%
Trade and other payables	861	16%	760	15%
Other current liabilities	116	2%	92	2%
Total Current Liabilities	1,468	28%	1,357	27%
Long-term borrowings from financial institutions	141	3%	196	4%
Non-current provision for employee benefits	162	3%	167	3%
Lease liabilities	736	14%	653	13%
Other non-current liabilities	69	1%	77	2%
Total non-current liabilities	1,108	21%	1,093	22%
TOTAL LIABILITIES	2,576	48%	2,450	48%
Paid-up Capital	513	10%	512	10%
Premium on ordinary shares	690	13%	690	14%
Surplus on gain from transfer of business to JV	80	2%	80	2%
Legal reserve	52	1%	52	1%
Unappropriated	1,370	26%	1,258	25%
Other components of shareholders' equity	-1	0%	-14	0%
Non-controlling interests	45	1%	38	1%
TOTAL EQUITY	2,749	52%	2,616	52%
TOTAL LIABILITIES & EQUITY	5,325	100%	5,066	100%
<i>Authorised share capital</i>	<i>515</i>		<i>515</i>	
<i>Par Value (Baht/Sh.)</i>	<i>1.00</i>		<i>1.00</i>	
<i>No. of share (millions)</i>	<i>515</i>		<i>515</i>	

Cash & Cash equivalent of 1,082 mb, +102mb vs. Dec21, In total net increased +102mb was primarily attributable to net cash of operating activities, netted off cash outflow from investing and dividend payment.

Property, plant and equipment : increased +95mb due to investment in stores expansion and renovation for opportunity growth

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

Long-term borrowing : In total increased of 46 mb mainly from net borrowing for stores expansion (DelTa)

Trade and other Payables: increased of 101mb mainly from trade payable Raw material, stores expansion and DC management fee

Employee benefits obligation : decreased (5)mb due to changes in interest rate of (20)mb, employees retirement (10)mb, and net of provision 2022 accrued 25mb

Retained earnings +112 mb, mainly due to net profit for the period 460mb, net with dividend payment 348 mb





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

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