

ที่ KK ELCID 2566/002

February 23, 2023

Subject: Management Discussion and Analysis for the year ended December 31, 2022

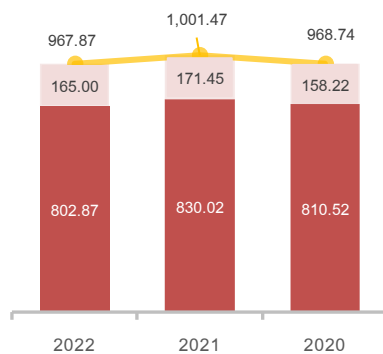
To: Director and Manager  
The Stock Exchange of Thailand

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

Operating performance overview for the year ended December 31, 2022.

Statement of comprehensive income	2022		2021		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenue from sales</b>	<b>967.87</b>	<b>100.00%</b>	<b>1,001.47</b>	<b>100.00%</b>	<b>(33.60)</b>	<b>(3.35%)</b>
- Retail	802.87	82.95%	830.02	82.88%	(27.14)	(3.27%)
- wholesales	165.00	17.05%	171.45	17.12%	(6.46)	(3.77%)
<b>Cost of sales</b>	<b>847.70</b>	<b>87.58%</b>	<b>869.55</b>	<b>86.83%</b>	<b>(21.85)</b>	<b>(2.51%)</b>
<b>Gross profit</b>	<b>120.17</b>	<b>12.42%</b>	<b>131.92</b>	<b>13.17%</b>	<b>(11.75)</b>	<b>(8.91%)</b>
Other income	4.84	0.50%	6.29	0.63%	(1.46)	(23.13%)
Sales and administrative expenses	109.95	11.36%	102.33	10.22%	7.62	7.45%
Financial cost	3.95	0.41%	3.15	0.31%	0.80	25.31%
<b>Net profit before tax</b>	<b>11.11</b>	<b>1.15%</b>	<b>32.73</b>	<b>3.27%</b>	<b>(21.62)</b>	<b>(66.07%)</b>
Income tax expense	2.18	0.23%	6.29	0.63%	(4.11)	(65.34%)
<b>Net profit</b>	<b>8.93</b>	<b>0.92%</b>	<b>26.44</b>	<b>2.64%</b>	<b>(17.51)</b>	<b>(66.24%)</b>
Gross profit margin	12.42%		13.17%			
Net profit margin	0.92%		2.62%			
Number of branches	32		30			

Overall of revenue from sales



■ Revenue from retails ■ Revenue from wholesales

Million Baht	2022	2021	2020
Retail	802.87	830.02	810.52
% SSSG	-6.59%	0.87%	2.14%
<b>Number of branch</b>			
B/F	30	28	26
+ Addition	2	2	2
C/F	32	30	28

### **Revenue from Sales**

In 2022, the Company generated revenue from sales of Baht 967.87 million, decreasing by Baht 33.60 million or 3.35 percent compared to the previous year. mainly due to the overall economic slowdown causing the purchasing power of consumers to decrease together with the reduction of measures to stimulate people's expenditures from government measures. In 2021 there are measures to alleviate the burden of living expenses for people through the 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. However, in 2022, the Company expanded two new stores which are Ching-Ko Branch and Tha Sa-An Branch.

Therefore, the same store sales growth for the year 2022 decrease when compared with the year 2021 equivalent to 6.59 percent.

### **Cost of sales and Gross profit**

In 2022, the Company has cost of sales equivalent to 847.70 million Baht decreasing by Baht 21.85 million or 2.51 percent decrease from the previous year according to the decreasing in revenue from sales, Then, the Company has 120.17 million Baht of gross profit, representing 12.42 percent which decreased from the previous year, mainly due to the decrease from revenue from sales.

### **Other income**

In 2022, the Company has other income equivalent to 4.84 million Baht decreased from the previous year amounted to 1.46 million Baht or 23.13 percent mainly due to in 2021 the company received compensation for the spread of the COVID-19 epidemic from Social Security Fund in the amount of 1.20 million baht.

### **Sales and administrative expenses**

In 2022, the Company has sales and administrative expenses equivalent to 109.95 million Baht increased from the previous year amounted to 7.62 million Baht or 7.45 percent mainly due to staff expenses, depreciation expenses and utility expenses from increasing the number of branches.

### **Financial cost**

In 2022, the Company has financial cost expenses equivalent to 3.95 million Baht increased from the previous year amounted to 0.80 million Baht or 25.31 percent mainly due to the interest on leasing contract amounted to Baht 0.66 million.

### **Net profit**

In 2022, the Company has net profit equivalent to 8.93 million Baht decreased from the previous year amounted to 17.51 million Baht or 66.24 percent mainly due to the decrease in the revenue from retails and increase in the distribution costs.

## **STATEMENT OF FINANCIAL POSITION**

Unit: Million Baht	As at		Increase (Decrease)	
	December 31,2022	December 31,2021	Million Baht	%
Total assets	402.44	383.56	18.88	4.92%
Total liabilities	223.80	209.24	14.56	6.96%
Total shareholders' equity	178.65	174.32	4.33	2.48%

### **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 December 31, 2022, the Company has total assets equivalent to 402.44 million Baht, increasing by Baht 18.88 million or 4.92 percent compared to the previous year, mainly due to the increase of inventories amounted to Baht 4.13 million and the increase of right-of-use assets amounted to Baht 14.08 million mainly due to additional two new branches.

### **Liabilities**

Most of liabilities consist of trade and other payables, lease liabilities and bank overdrafts and short-term borrowings from financial institutions. As at December 31, 2022, the Company has total liabilities equivalent to 223.80 million Baht, increasing by Baht 14.56 million or 6.96 percent compared to the previous year, mainly due to the increase of lease liabilities amounted to Baht 16.14 million from increasing the number of branches in line with the increase of asset according to TFRS 16 Leases.

### **Shareholders' equity**

As at December 31, 2022, the Company has shareholders' equity equivalent to 178.65 million Baht, increasing by Baht 4.33 million or 2.48 percent compared to the previous year, mainly due to the increasing of the share capital according to stock dividend amounted to Baht 5.75 million, increase of net profit for the year 2022 amounted to Baht 8.93 million and the decrease of dividend payment both cash and stock dividend amounted to Baht 10.35 million.

Please be informed accordingly

Yours Sincerely,

- Mr. Kawispong Sirithananonsakul-

(Mr. Kawispong Sirithananonsakul)

Managing Director

K&K Superstore Southern Public Company Limited