

No: SN. 090/2023

11 May 2023

Subject: Management Discussion and Analysis for the three-month and six-month periods and Financial Position ended March 31, 2023 (Quarter 2/2022-2023)

Attention: President  
The Stock Exchange of Thailand

Oishi Group Public Company Limited and its subsidiaries clarify Consolidated Operating Results for the three-month and six-month periods and Financial Position ended March 31, 2023 as the following;

**Oishi Group Financial Performances for the three-month period ended March 31, 2023 (Quarter 2/2022-2023)**

**Revenue**

The Company total sales and services revenue for Q2/2022-2023 was Baht 3,627 million, an increase of Baht 616 million or 20.4% from Q2/2021-2022. Revenue was driven by both beverage business and food business. Detailed explanations by business segments are as follows;

**Beverage business**

The beverage sales and services revenue for Q2/2022-2023 was Baht 2,160 million, which rose by Baht 411 million or 23.5% from Q2/2021-2022. The domestic sales growth mainly due to the new marketing campaign for this year summer through the introduction of “OISHI x ONE PIECE Open the Hunting Battle”. The Company launched new green tea flavor “OISHI Gomu Gomu” in this quarter. The Company also places a great importance on distribution channels so that products can reach consumers thoroughly. The firm emphasized the health benefits of green tea, especially the “Catechin” compounds which fight free radicals and strengthen the body's immunity.

The export markets in this quarter posted double-digit growth on the back of a recovery in consumer purchasing power and economic recovery, particularly Cambodia and the Lao People's Democratic Republic.

**Food business**

The food business sales and services revenue for Q2/2022-2023 was Baht 1,467 million, which increased by Baht 205 million or 16.2% from the same period last year due to the recovery of private consumption and tourism. This can be seen from the number of dine-in customers and delivery channels, same-store-sales growth and store expansion are also indicative of growth.

Ready-to-eat products branded “Oishi EATO”; sandwich and gyoza, have grown continuously in both convenience stores and modern trades.

**Cost of Sales**

The total cost of sales and services of the Company for Q2/2022-2023 was Baht 2,485 million, which was higher than the cost of sales and services in Q2/2021-2022 by Baht 448 million or 22.0% due to the increase of raw material prices and utilities expenses. Thus, cost of sales to sales revenue ratio for Q2/2022-2023 and Q2/2021-2022 were 68.5% and 67.7%, respectively

### Beverage business

The cost of sales and services of the beverage business increased according to the increase in sales volume. In addition, the beverage business has affected by the increase of raw materials, packaging and utilities costs. However, the Company still focused on effective cost management, reducing losses in the production process to help offset the impact of costs increasing. Therefore, the cost of sales and services to sales revenue ratio increased from 72.8% in Q2/2021-2022 to 72.9% in Q2/2022-2023.

### Food business

The cost of sales and services of the food business increased in line with the increase in sales. Rising raw material prices have affected profit margins. As a result, the ratio of total cost of sale and services to sale revenue increased from 58.8% in Q2/2021-2022 to 59.8% in Q2/2022-2023. However, the Company continues to increase efficiency in restaurant operations and raw material procurement planning to manage costs and mitigate the impact of rising raw material costs.

### Selling Expenses

Selling expenses for Q2/2022-2023 was Baht 328 million, increased by Baht 47 million or 16.7% from the same period last year, in line with the growth of both beverage and food businesses during the period.

### Administrative Expenses

Administrative expenses for Q2/2022-2023 was Baht 451 million, increased by 21 million or 4.8% from the same period last year due to the increase of employee and other operation expenses to support both the beverage and the food business revenue growth. Rising electricity and gas prices are another factor that affects administrative expenses.

### Net Profit

The Company reported net profit of Baht 326 million in Q2/2022-2023, increased by Baht 61 million or 23.0% from the same period last year as a resulted of sales growth and effective cost management as mention above.

## **Oishi Group Financial Performances for the six-month period ended March 31, 2023**

### Revenue

The Company total sales and services revenue for the first half year 2022-2023 was Baht 7,088 million, increased by Baht 1,095 million or 18.3% from the first half year 2021-2022. Revenue was driven by both beverage business and food business. Detailed explanations by business segments are as follows;

### Beverage business

The beverage sales and services revenue for the first half year 2022-2023 was Baht 4,112 million, increased by Baht 669 million or 19.4% from the first half year 2021-2022. The growth in both

domestic and international sales is a result of the successful marketing activities and new product launches mentioned above.

#### Food business

The food business sales and services revenue in the first half year 2022-2023 was Baht 2,976 million, an increase of Baht 426 million or 16.7% from the same period last year. The store expansion allows a greater number of dine-in customers and the spending per head, while home delivery channel continue to increase as a resulted of promotion and the introduction of new menu.

Ready-to-eat products branded “Oishi EATO”; sandwich and gyoza, have grown steadily in both convenience stores and modern trades.

#### Cost of Sales

The total cost of sales and services of the Company for the first half year 2022-2023 was Baht 4,894 million, which was higher than the cost of sales and services in the first half year 2021-2022 by Baht 907 million or 22.7% due to the increase of raw material prices and utilities expenses. Thus, cost of sales to sales revenue ratio in the first half of 2022-2023 and the first half of 2021-2022 were 69.0% and 66.5%, respectively.

#### Beverage business

The cost of sales and services of the beverage business increased from sales volume, including the impact of the cost of raw materials, packaging and utilities cost. As a resulted, the cost of sales and services to sales revenue ratio increased from 72.4% in the first half of 2021-2022 to 75.4% in the first half year 2022-2023.

#### Food business

The cost of sales and services of the food business increased in line with sales, and partly including in raw ingredient price rose. Therefore, cost of sale and services to sale revenue ratio increased from 57.8% in the first half year 2021-2022 to 58.8% in the first half year 2022-2023.

#### Selling Expenses

Selling expenses for the first half year 2022-2023 was Baht 621 million, increased in line with revenue by Baht 112 million or 22.0% from the same period last year. The Company continuously invest in building brand awareness to strengthen the “Oishi” brand in the long run.

#### Administrative Expenses

Administrative expenses in the first half year 2022-2023 was Baht 885 million, increased by Baht 73 million or 9.0% 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. Electricity and gas prices at the high level were another factor that increased administrative expenses.

#### Net Profit

The Company reported net profit of Baht 643 million in the first half year 2022-2023, slightly decreased by Baht 11 million or 1.6% from the same period last year. In Q1/2022-2023, the Company was impacted from the increase of operation costs. With our gravely cost management, earnings in Q2/2022-2023 magnificently improved. In conclusion, net profit in the first half year 2022-2023 slightly decreased.

## **Oishi Group Financial Position as of March 31, 2023**

### **Assets**

Total assets as of March 31, 2023 were Baht 10,661 million, increased from total assets as of September 30, 2022 at Baht 10,529 million by Baht 132 million or 1.3%, consisted of the following:

Current assets were Baht 5,439 million, increased by Baht 224 million from the same period last year due to the increased of cash and cash equivalent which increased from the Company has sold investment for preparation for another investment to increase return and the increase of account receivables were in line with sales growth. Meanwhile, inventory decreased from the inventory management.

Non-current assets were Baht 5,222 million, decreased by Baht 92 million from the same period last year mainly from a reduction in property plant and equipment items due to the increase of depreciation and amortization under TFRS16.

### **Liabilities**

Total liabilities as of were Baht 2,463 million in March 31, 2023, decreased by Baht 98 million or 3.8% from September 30, 2022 which were Baht 2,561 million. Total liabilities consisted of the following;

Current liabilities were Baht 1,935 million, decreased by Baht 137 million due to the decrease in account payable was in line with the decrease of inventory.

Non-current liabilities were Baht 528 million, increased by Baht 39 million was due to higher financial lease liabilities from new restaurant store expansions.

Furthermore, the Company financial position remained solid with debt-free status as of March 31, 2023.

### **Shareholders' Equity**

Total Equity as of March 31, 2023 was Baht 8,198 million, which rose by 2.9% or Baht 231 million from September 30, 2022 which were Baht 7,967 million. The increase of retained earnings as a results of additional net profit during period, partly offset by dividend paid to shareholders.

Sincerely yours,

(Mrs. Nongnuch Buranasetkul)  
President & CEO