

ที่ KK ELCID 2566/008

May 11, 2023

Subject: Management Discussion and Analysis for the first quarter ended March 31, 2023

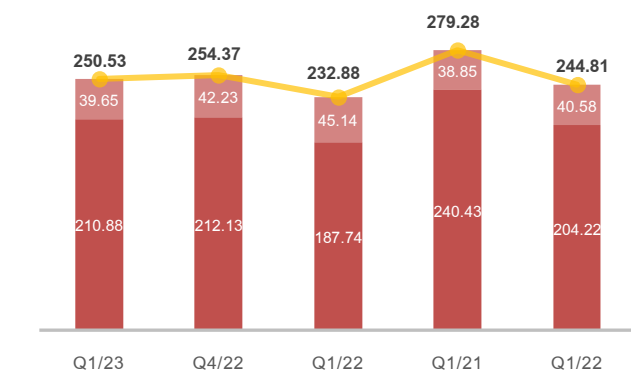
To: Director and Manager
The Stock Exchange of Thailand

K&K Superstore Southern Public Company Limited ("the Company") would like to submit the Management Discussion and Analysis for the first quarter ended March 31, 2023 as follows:

Operating performance overview for the first quarter ended March 31, 2023

Profit & Loss <i>Million Baht</i>	Amount			Increase (Decrease)		Increase (Decrease)	
	Q1/23	Q4/22	Q1/22	QoQ	%QoQ	YoY	%YoY
Revenue from sales	250.53	254.37	232.88	(3.83)	(1.51%)	17.65	7.58%
- Retail	210.88	212.13	187.74	(1.25)	(0.59%)	23.14	12.32%
- wholesales	39.65	42.23	45.14	(2.58)	(6.11%)	(5.48)	(12.15%)
Cost of sales	222.34	223.39	205.51	(1.05)	(0.47%)	16.83	8.19%
Gross profit	28.19	30.97	27.37	(2.78)	(8.99%)	0.82	3.01%
Other income	1.41	1.14	1.18	0.27	23.43%	0.23	19.54%
Distribution costs	22.77	20.89	18.44	1.88	8.97%	4.33	23.49%
Administrative expenses	8.60	7.55	7.63	1.04	13.83%	0.97	12.76%
Financial cost	1.21	1.05	0.92	0.16	15.06%	0.29	31.97%
Net profit (loss) before tax	(2.97)	2.62	1.57	(5.59)	(213.48%)	(4.54)	(289.66%)
Income (expenses) tax expense	0.56	(0.54)	(0.26)	1.10	(203.68%)	0.82	(313.94%)
Net profit (loss)	(2.41)	2.08	1.31	(4.49)	(216.03%)	(3.72)	(284.80%)
Gross profit margin	11.25%	12.18%	11.75%				
Net profit (loss) margin	(0.96%)	0.81%	0.56%				

Overall of revenue from sales



■ Revenue from retails ■ Revenue from wholesales

Million Baht	Q1/23	2022	2021
Retail	250.53	802.87	830.02
% SSSG	8.13%	(6.59%)	0.87%
Number of branch			
B/F	32	30	28
+ Addition	2	2	2
C/F	34	32	30



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K&K Superstore Southern Public Company Limited

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Revenue from Sales

In first quarter 2023, the Company generated revenue from sales of Baht 250.53 million, increasing by Baht 17.65 million or 7.58 percent from same period of the previous year due to the Company has a growth rate of same store sales growth of the first quarter of 2023 compared to the first quarter of 2022, increasing by 8.13% and the Company expanded 2 new stores in 2022 and 2 new stores in 2023.

Cost of sales and Gross profit

In first quarter 2023, the Company has cost of sales equivalent to Baht 222.34 million increasing by Baht 16.83 million or 8.19 percent from same period of the previous year according to the increasing in revenue from sales, Then, the Company has Baht 28.19 million of gross profit, representing 11.25 percent which decreased from same period of the previous year, mainly due to promotional items from manufacturers and distributors decreased.

Other income

In first quarter 2023, the Company has other income equivalent to Baht 1.41 million increased from same period of the previous year amounted to Baht 0.23 million or 19.54 percent.

Distribution costs and administrative expenses

In first quarter 2023, the Company has distribution costs and administrative expenses equivalent to Baht 31.37 million increased from same period of the previous year amounted to Baht 5.30 million or 20.35 percent due to the increment of number of branches lead to staff expenses, depreciation expenses and utility expenses increased.

Financial cost

In first quarter 2023, the Company has financial cost expenses equivalent to Baht 1.21 million increased from same period of the previous year amounted to Baht 0.29 million or 31.97 percent mainly due to an increase in interest on short-term loans from financial institutions and interest expenses on lease contracts.

Net profit

In first quarter 2023, the Company has net loss equivalent to Baht 2.41 million decreased from same period of the previous year amounted to Baht 3.72 million or 284.80 percent due to the increment of number of branches lead to staff expenses, depreciation expenses and utility expenses increased.

STATEMENT OF FINANCIAL POSITION

Unit: Million Baht	As at		Increase (Decrease)	
	March 31, 2023	December 31, 2022	Million Baht	%
Total assets	438.35	402.45	35.90	8.92%
Total liabilities	262.11	223.80	38.31	17.12%
Total shareholders' equity	176.24	178.65	(2.41)	(1.35%)

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 March 31, 2023, the Company has total assets equivalent to 438.35 million Baht, increasing by Baht 35.90 million or 8.92 percent compared to the previous year, mainly due to the increase of inventories amounted to Baht 11.37 million and the increase of right-of-use assets amounted to Baht 22.35 million mainly due to additional two new branches in 2023.

Liabilities

Most of liabilities consist of trade and other payables, lease liabilities and bank overdrafts and short-term borrowings from financial institutions. As at March 31, 2023, the Company has total liabilities equivalent to 262.11 million Baht, increasing by Baht 38.31 million or 17.12 percent compared to the previous year, mainly due to the increase of bank overdrafts and short-term borrowings from financial institutions amounted to Baht 25.94 million and the increase of lease liabilities amounted to Baht 22.07 million from increasing the number of branches in line with the increase of asset according to TFRS 16 Leases.

Shareholders' equity

As at March 31, 2023, the Company has shareholders' equity equivalent to Baht 176.24 million, decreasing by Baht 2.41 million or 1.35 percent compared to the previous year, mainly due to net loss for the first quarter 2023 amounted to Baht 2.41 million.

Please be informed accordingly

Yours Sincerely,

- Mr. Kawispong Sirithananonsakul-

(Mr. Kawispong Sirithananonsakul)

Managing Director

K&K Superstore Southern Public Company Limited