



Moshi Moshi

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Moshi Moshi Retail Corporation Public Company Limited

Management Discussion and Analysis(MD&A)

Q2/2023

Executive Summary

Operating Highlights	Q2/22	Q1/23	Q2/23	Change		1H/22	1H/23	Change
				+/–				+/–
Unite : Million THB				%YoY	%QoQ			%YoY
Operating Revenue	428.02	562.80	592.17	38.4%	5.2%	791.04	1,154.97	46.0%
Gross Profit	221.48	304.23	306.32	38.3%	0.7%	405.23	610.55	50.7%
EBITDA	149.62	189.62	263.06	75.8%	38.7%	406.88	524.90	29.0%
Net Profit	58.71	85.81	82.81	41.0%	(3.5%)	87.61	168.62	92.5%
Gross Profit Margin(%)	51.7%	54.1%	51.7%	0%	(2.3%)	51.2%	52.9%	1.6%
Net Profit Margin (%)	13.7%	15.2%	13.9%	0.2%	(1.3%)	11.0%	14.5%	3.5%

Notes: Values may differ due to rounding

In 1H/23, the Company have displayed a significant growth in revenue and net profit corresponding to the recovery of consumer purchasing power from the economic recovery. In addition, the Company have shown the ability to manage funds raised during IPO efficiently by investing mainly into branch expansions. In 1H/23, the Company reported an increase in Operating Revenue of Baht 363.93 million or 46.0%, and an increase in net profit of Baht 81.01 million or 92.5% compared to 1H/22. The increase was attributed to an increase in revenue from both retail store and wholesale store mainly from same store sales growth (SSSG), the increase in number of branches, the newly launched products and continuous marketing activities to enhance sales. In addition, the Company continues to give high importance to efficient cost management to maximize profitability, where the performance for 1H/23 is as targeted. In 2023, the Company will continue to focus on branch expansion in strategic areas with high growth potentials, developing new products, along with implementing new marketing activities and sales promotion in order to expand customer base.

YoY Q2/23 vs Q2/22

- In Q2/23, Moshi Moshi Retail Corporation Public Company Limited reported Operating Revenue of Baht 592.17 million, increased by Baht 164.15 million or 38.4% from Q2/22. This was mainly due to an increased in retail revenue from same store sales growth (SSSG), opening of new branches, along with the new special collections and the launch of the new pet category. In addition, the revenue generated from wholesale stores also increased mainly from the expansion of the Sampeng branch as well as the recovery of revenue from the Platinum Fashion Mall Branch due to the recovery of tourists and the opening of The OK Station branch.
- Gross Profit Margin was 51.7%, unchanged from Q2/22. The gross profit from retail store has improved corresponding to the higher sales proportion of higher margin products; however, during Q2/23, the Company began to recognize the gross profit from The OK Station which generates a relatively lower margin, resulting in the overall gross profit margin to remain stable compared to the previous quarter.
- Net Profit was Baht 82.81 million, increased by Baht 24.10 million or 41.0% in Q2/22. This was mainly due to an increase in revenue from all business units corresponding to the higher demand from consumers, as well as the Company's ability to control costs more efficiently.

QoQ Q2/23 vs Q1/23

- In Q2/23, Moshi Moshi Retail Corporation Public Company Limited reported Operating Revenue of Baht 592.17 million, increased by 29.37 million or 5.2% from Q1/23. an increase was mainly due to an increase in wholesale revenue from The OK Station store.
- Gross Profit Margin was 51.7%, slightly decreased from 54.1% in Q1/23 mainly due to the slight decline in gross profit from retail stores corresponding to the seasonality factor which generates more sales from stationery products in Q2, following the opening of the new school semester. In addition, the gross profit from The OK Station was recognized, which generates a relatively lower margin, resulting in the overall gross profit margin to slightly decline compared to the previous quarter.
- Net Profit was Baht 82.81 million, decreased by Baht 3.0 million or 3.5% from Q1/23 corresponding to the seasonality factor however the Company continues to plan to ensure continuous sales growth.

YoY 1H/23 vs 1H/22

- In 1H/23, Moshi Moshi Retail Corporation Public Company Limited reported Operating Revenue of Baht 1,154.97 million, increased by Baht 363.93 million or 46.0% from 1H/22. This was mainly due to an increased in retail revenue from same store sales growth (SSSG), opening of new branches, along with the new special collections and the launch of the new pet category. In addition, the Company's revenue was also driven by the NCT Dream Tour Concert activities. The revenue generated from wholesale stores also increased mainly from the expansion of the Sampeng branch as well as the recovery of revenue from the Platinum Fashion Mall Branch due to the recovery of tourists and the opening of The OK Station branch.
- Gross Profit Margin was 52.9%, increased from 51.2% in 1H/22. The gross profit from retail store has improved corresponding to the higher sales proportion of higher margin products, as well as the appreciation of Thai Baht against the Chinese Yuan (RMB)
- Net Profit was Baht 168.62 million, increased by Baht 81.01 million or 92.5% in 1H/22. This was mainly due to an increase in revenue from all business units corresponding to the higher demand from consumers, as well as the Company's ability to control costs more efficiently.



Significant Events in Q2/2023



Launched New Pet Category to Penetrate the Pet Market in Thailand

During Q2/23, the Company have successfully launched the new pet product category including pet supplies and equipment. On 30 June 2023, Mr. Sa-nga Boonsongkor, the Chief Executive Officer of Moshi Moshi Retail Corporation Public Company Limited or MOSHI revealed that after COVID-19, raising pets as a family member have been a new trend, and have been trending up until today. This trend is likely to continue to grow in the future. As a result, the Company have expanded the product portfolio by introducing the pet category in order to penetrate the pet market in Thailand. The pet category is currently available in 45 branches across Thailand including the Sumpeng branch, the Platinum shopping mall branch, Siam Square One branch, Mega Bangna Branch, Future Park Rangsit Branch and Central Chiangmai for instance.



Launched New Collection in Collaboration with Top 3 Thai Designers

During Q2/23, the Company has collaborated with 3 famous Thai designer brands including STICKWITHME4ev, SSKTMMEE and Monsty Planet to launch a special collection, in which Mr. Sa-nga Boonsongkor, the Chief Executive Officer of Moshi Moshi Retail Corporation Public Company Limited or MOSHI revealed that collaboration is nowadays a popular marketing trend and plays an increasingly important role in this age of interconnection. Cooperation between brands therefore plays an important role in expanding the customer base of both brands. The Company foresees the ability of Thai designers combined with the Company's expertise in product development to push the work of Thai artists to reach a wide range of customers, in which the products have started to be sold at all branches nationwide.



Penetrate the Sumpeng Market, a Large Retail Source After Acquiring The OK Station

During Q2/23, The Board Meeting of Moshi Moshi Retail Corporation Public Company Limited or MOSHI have approved to acquire the wholesale store of The OK Station Co., Ltd. to move forward to penetrate the Sumpeng Market area. Mr. Sa-nga Boonsongkor, the Chief Executive Officer of Moshi Moshi Retail Corporation Public Company Limited or MOSHI pointed out that The OK Station Company Limited will be brought as a branch of Moshi in the Sumpeng market area. The OK Station has been opened for over 20 years and has more than 10,000 customer base, both in Bangkok and other provinces. By acquiring the store, the presence of Moshi in Sumpeng area will magnify, reinforcing Moshi as a market leader in Thailand's lifestyle retail store.

Moshi Moshi's Direction in 2023



1 Seeking Opportunities For Continuous Growth Through Branch Expansion And Enhancing Distribution Channels

Moshi Moshi Retail Corporation Public Company Limited foresees growth opportunities through new branch expansion as currently, the Company's stores occupies only 16.1% of all department stores and hypermarkets in Thailand. With this fact, the Company identify major room for growth through branch expansions in order to capture new customers groups. In 2023, the Company plans to open 20 additional branches in high growth locations, both in Bangkok and Metropolitan, and other provinces, including new branches in big provinces that Moshi have not yet occupy. Furthermore, 2 out of 20 additional branches will be in the form of "Standalone" model which will be opened close to community areas, schools, and offices. The objective of the Standalone stores will be used as a pilot project to identify opportunities to expand into franchise model.



2 Enhancing Profitability Through New Product Innovations and New Marketing Activities

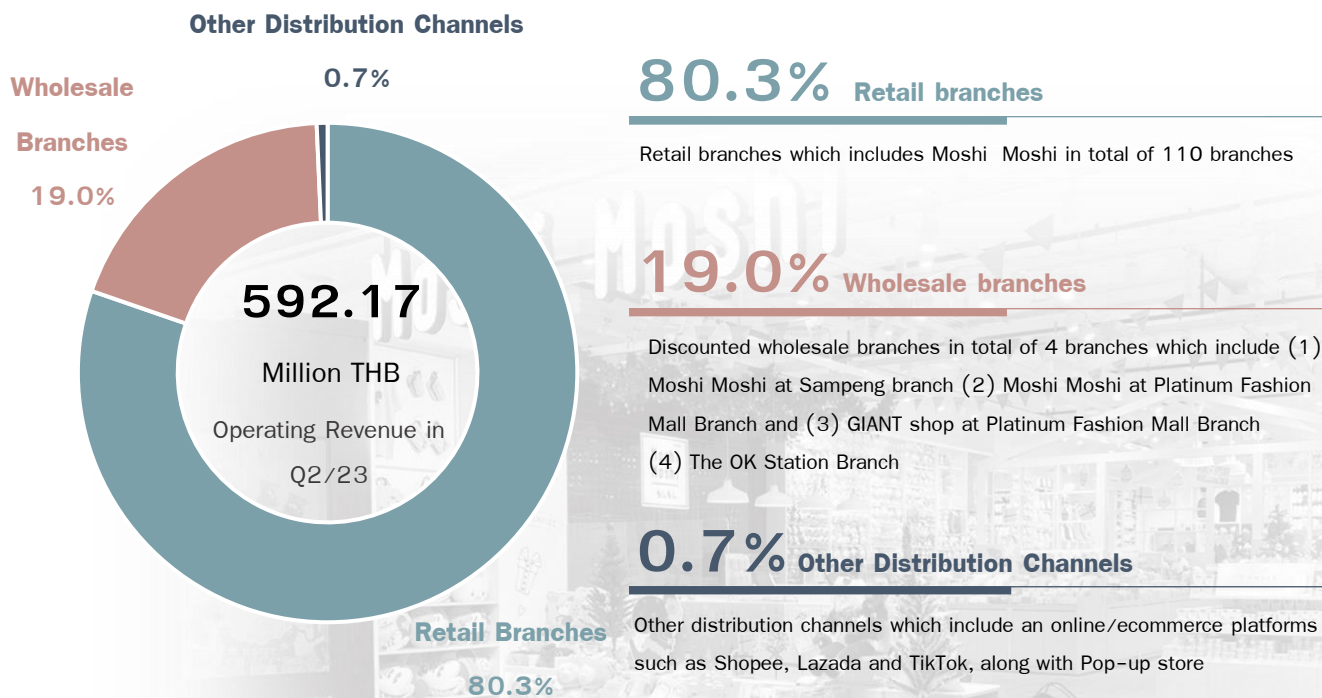
Moshi Moshi Retail Corporation Public Company Limited continues to develop new products including collection products, seasonal products, and cartoon-licensed products. In addition, the Company also sells co-branding products with well-known online influencers, product sets to increase basket size, and decorating the store (visual merchandise) in order to capture customers' attention. The Company continues to introduce new marketing activities, new sales promotion, new product designs and packaging to attract and add value to the products. As well as, adjusting the product mix to concentrate on product groups that have higher margins in order to improve profitability of the Company.

Operating Performance in Q2/2023

Operating Performance	Q2/22	Q1/23	Q2/23	Change		1H/22	1H/23	Change
				+/-	+/-			
Unit: Million THB				%YoY	%QoQ			%YoY
Operating Revenue	428.02	562.80	592.17	38.4%	5.2%	791.04	1,154.97	46.0%
Cost of Sales	(206.54)	(258.57)	(285.85)	38.4%	10.6%	(385.81)	(544.42)	41.1%
Gross Profit	221.48	304.23	306.32	38.3%	0.7%	405.23	610.55	50.7%
Other income	1.30	2.29	3.77	190%	64.6%	2.56	6.05	136.7%
Selling expenses	(126.47)	(167.62)	(172.12)	36.1%	2.7%	(254.96)	(339.74)	33.3%
Administrative expenses	(19.07)	(22.77)	(23.61)	23.8%	3.7%	(34.14)	(46.38)	35.9%
Other gain(losses)-net	1.73	2.56	3.36	94.2%	31.3%	3.11	5.92	90.4%
Financial costs	(5.49)	(10.03)	(12.32)	124.4%	22.8%	(11.46)	(22.34)	94.9%
Profit before income tax	73.48	108.23	105.40	43.4%	(3.0%)	110.34	214.07	94.0%
Income Tax	(14.77)	(22.85)	(22.59)	52.9%	(1.1%)	(22.73)	(45.45)	100%
Net Profit	58.71	85.81	82.81	41.0%	(3.5%)	87.61	168.62	92.5%

Notes: Values may differ due to rounding

Q2/2023 Operating Revenue Structure



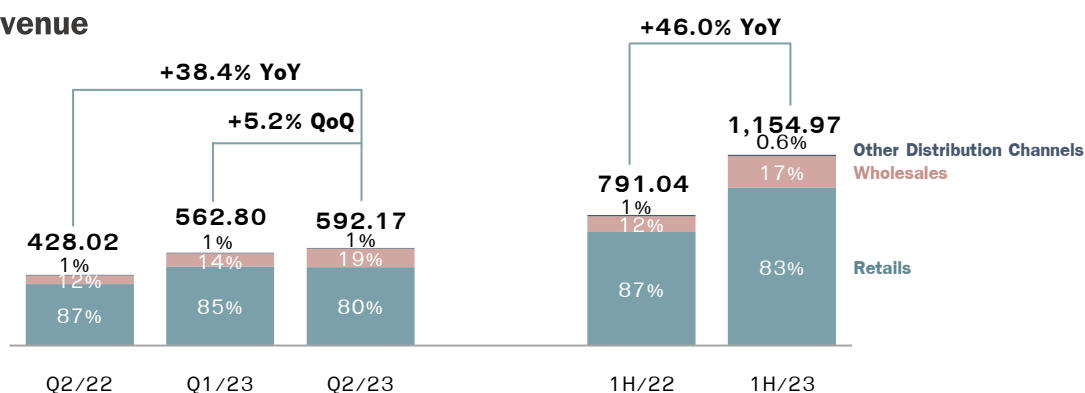
Operating Revenue Structure

Revenue Structure	Q2/22	Q1/23	Q2/23	Change +/-		1H/22	1H/23	Change +/-
(Unit: Million THB)				%YoY	%QoQ			%YoY
Revenue from retails	372.35	479.99	475.62	27.7%	(0.9%)	689.12	955.60	38.7%
Revenue from wholesales	51.86	79.56	112.69	117.3%	41.6%	93.24	192.26	106.2%
Revenue from other distribution channels	3.81	3.25	3.86	1.3%	18.8%	8.68	7.11	(18.1%)
Total Operating Revenue	428.02	562.80	592.17	38.4%	5.2%	791.04	1,154.97	46.0%
Other Income	1.30	2.29	3.77	190.0%	64.6%	2.56	6.06	136.7%
Total Revenue	429.32	522.09	595.94	38.8%	5.5%	793.60	1,161.03	46.3%

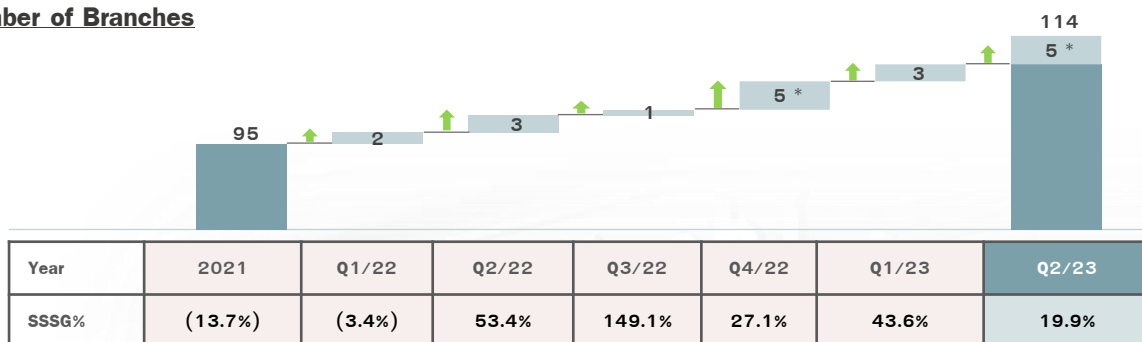
Notes: Values may differ due to rounding

1. Operating Revenue

Unit: Million THB, %



Number of Branches



*Notes: *Jungceylon branch at Phuket was back to operational in Q4/22 and The Ok Station branch was opened in April 2023

YoY Q2/23 vs Q2/22

In Q2/23, the Company reported Operating Revenue of Baht 592.17 million, increased by Baht 164.15 million or 38.4% from Q2/22, mainly due to:

- Revenue from Retail Stores:** increased by Baht 103.27 million or 27.7%, due to 1) an increase in same store sales growth (SSSG) resulting from the relaxation of the COVID-19 restrictions which resulted in the reopening of the country, department stores, schools, offices 2) The opening of 13 new branches, where the Company had 97 branches in Q2/22 and 110 branches in Q2/23, 3) The launch of new collections in collaboration with Top 3 Thai Designers, and the launch of the new pet category offering pet supplies and equipment to expand customer base to pet owners, as well as to capture growth opportunities corresponding to the high growth of the pet market.
- Revenue from Wholesale Stores:** increased by Baht 60.38 million or 117.3%, mainly due to 1) The relaxation of the COVID-19 restrictions which resulted in the reopening of the country, department stores, schools, offices. 2) The expansion of the area of the Sampeng branch in July 2022 from 1 floor to 4 floors, allowing to serve more customers. 3) The opening of The OK Station branch
- Other Distribution Channels:** increased by Baht 0.05 million or 1.3%, mainly due to an increase in online sales.



QoQ Q2/23 vs Q1/23

In Q2/23, the Company reported Operating Revenue of Baht 592.17 million, increased by Baht 29.37 million or 5.2% from Q1/23, mainly due to:

- **Revenue from Retail Store:** decreased by Baht 4.37 million or 0.9% mainly due to the decrease in sales corresponding to the seasonality factor. However, the Company continues to plan to ensure continuous sales growth by introducing the new special collection in collaboration with Top 3 Thai Designers, and the launch of the new pet category offering pet supplies and equipment to expand customer base to pet owners, as well as to capture growth opportunities corresponding to the high growth of the pet market.
- **Revenue from Wholesale Store:** increased by Baht 33.13 million or 41.6% mainly from The opening of The OK Station branch.
- **Other Distribution Channels:** increased by Baht 0.61 million or 18.8% mainly due to an increase in online sales.

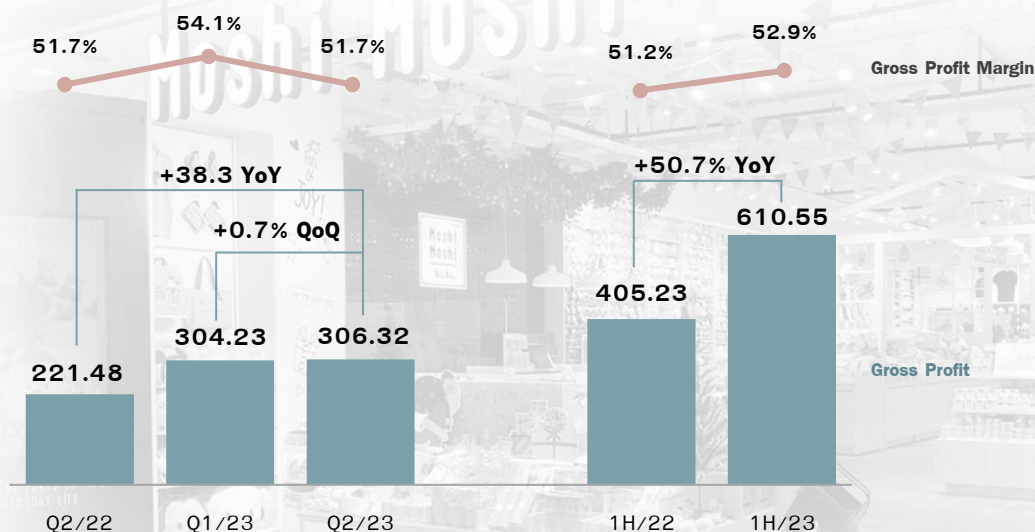
YoY 1H/23 vs 1H/22

In 1H/23, the Company reported Operating Revenue of Baht 1,154.97 million, increased by Baht 360.93 million or 46.0% from 1H/22, mainly due to:

- **Revenue from Retail Stores:** increased by Baht 266.48 million or 38.7%, due to 1) an increase in same store sales growth (SSSG) resulting from the relaxation of the COVID-19 restrictions which resulted in the reopening of the country, department stores, schools, offices 2) The opening of 13 new branches, where the Company had 97 branches in 1H/22 and 110 branches in 1H/23, 3) The launch of new collections in collaboration with Top 3 Thai Designers, and the launch of the new pet category offering pet supplies and equipment to expand customer base to pet owners, as well as to capture growth opportunities corresponding to the high growth of the pet market, 4) Marketing initiatives for NCT DREAM TOUR concert in Q1/23.
- **Revenue from Wholesale Stores:** increased by Baht 99.02 million or 106.2%, mainly due to 1) The relaxation of the COVID-19 restrictions which resulted in the reopening of the country, department stores, schools, offices. 2) The expansion of the area of the Sampeng branch in July 2022 from 1 floor to 4 floors, allowing to serve more customers. 3) The opening of The OK Station branch.
- **Other Distribution Channels:** decreased by Baht 1.57 million or 18.1% mainly due to the Company currently focusing on branch expansions.

2. Gross Profit and Gross Profit Margin

Unit: Million THB, %



YoY Q2/23 vs Q2/22

Gross Profit: In Q2/23, the Company reported Gross Profit of Baht 306.32 million, increased by Baht 84.84 million or 38.3% from Q2/22, mainly due to:

- **Gross Profit from Retail Stores:** increased by Baht 66.81 million or 33.4% corresponding to an increase in sales resulting from an increase in same store sales growth (SSSG), an increased in demand from customers from the new collection which collaborated with Top 3 Thai Designers, and the introduction of the new pet category.
- **Gross Profit from Wholesale Stores:** increased by Baht 17.92 million or 93.6% corresponding to an increase in sales from the relaxation of COVID-19 prevention measures from the government after the improved situation. In addition, during July 2022, the Company expanded the Sampeng branch to 4 floors, allowing it to serve more customers, the Platinum Fashion Mall branch has also benefited from the tourists corresponding to the reopening of the country, and the opening of the new The OK Station branch.
- **Gross Profit from Other Distribution Channels:** increased by Baht 0.09 million or 4.4% mainly due to the Company currently focusing on branch expansions.

Gross Profit Margin: Gross Profit Margin was 51.7%, unchanged from Q2/22. The gross profit from retail store has improved corresponding to the higher sales proportion of higher margin products such as Plush Toys; however, during Q2/23, the Company began to recognize the gross profit from The OK Station which generates a relatively lower margin, resulting in the overall gross profit margin to remain stable compared to the previous quarter.

QoQ Q2/23 vs Q1/23

Gross Profit: In Q2/23, the Company reported Gross Profit of Baht 306.32 million, increased by Baht 2.09 million or 0.7% from Q1/23, mainly due to:

- **Gross Profit from Retail Stores:** decreased slightly by Baht 4.39 million or 1.6% corresponding to the decrease in sales from seasonality factor. However, the Company continues to plan to ensure continuous sales growth by introducing the new special collection in collaboration with Top 3 Thai Designers, and the launch of the new pet category offering pet supplies and equipment.
- **Gross Profit from Wholesale Stores:** increased by Baht 6.15 million or 19.9% corresponding to an increase in sales from the newly opened branch of The OK Station.
- **Gross Profit from Other Distribution Channels:** increased by Baht 0.33 million or 17.9% corresponding to an increase in online sales.

Gross Profit Margin: Gross profit Margin was 51.7%, slightly decreased from 54.1% in Q1/23 mainly due to the slight decline in gross profit recognized from The OK Station which generates a relatively lower margin than retail store. In addition, the decrease in gross profit also corresponded to the seasonality factor which generates more sales from stationery products in Q2, following the opening of the new school semester, resulting in the overall gross profit margin to slightly decline compared Q1/23.

YoY 1H/23 vs 1H/22

Gross Profit: In 1H/23, the Company reported Gross Profit of Baht 610.55 million, increased by Baht 205.32 million or 50.7% from 1H/22, mainly due to:

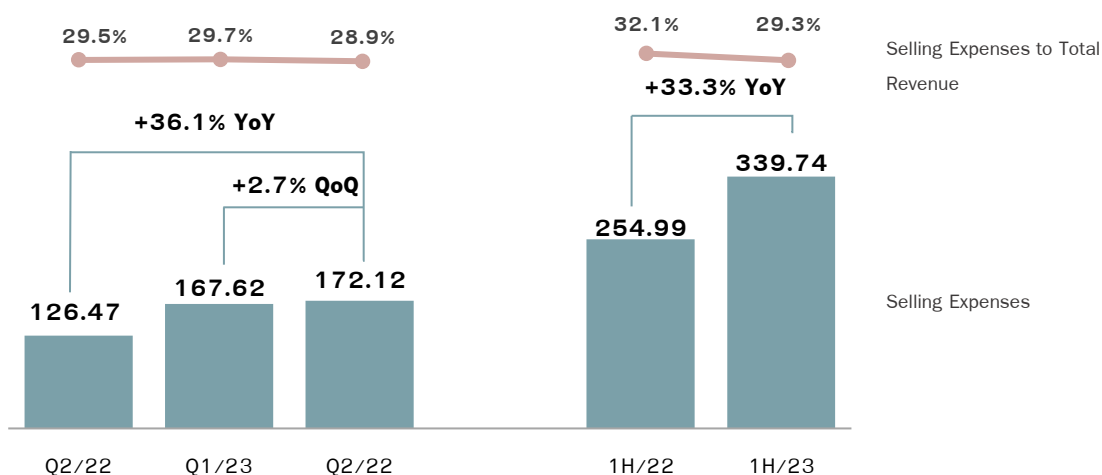
- **Gross Profit from Retail Stores:** increased by Baht 172.02 million or 46.9% corresponding to an increase in sales resulting from an increase in same store sales growth (SSSG), the new branch expansion, and an increased in demand from customers from the new collection which collaborated with Top 3 Thai Designers. In addition, the higher gross profit was a result from the introduction of the new pet category and the marketing initiatives for NCT DREAM TOUR concert in Q1/23.
- **Gross Profit from Wholesale Stores:** increased by Baht 33.89 million or 99.5% corresponding to an increase in sales from the relaxation of COVID-19 prevention measures from the government after the improved situation and the recovery of incoming tourists after the reopening of the country. In addition, during July 2022, the Company expanded the Sampeng branch to 4 floors, allowing it to serve more customers, as well the opening of the new The OK Station branch.
- **Gross Profit from Other Distribution Channels:** decreased by Baht 0.60 million or 13.0% mainly due to the relaxation of COVID-19 prevention measures allowing customers to return to purchase at the store front.

Gross Profit Margin: Gross Profit Margin was 52.9%, increased from 51.2% in 1H/22. The gross profit from retail store has improved corresponding to the higher sales proportion of higher margin products, as well as the appreciation of Thai Baht against the Chinese Yuan (RMB).



3. Selling Expenses

Unit: Million THB, %



YoY Q2/23 vs Q2/22

Selling Expenses: In Q2/23, the Company reported Selling Expenses of Baht 172.12 million, increased from Q2/22 by Baht 45.22 million or 36.1%. This was mainly due to an increase in employees' expenses from both full-time and part-time employees, corresponding to an increase in sales and new branch expansions. In addition, the rent also increased corresponding to the increased in sales as some of the Company's Lease Agreements are contracted as a proportion of sales.

Selling Expenses to Total Revenue: Selling Expenses to Total Revenue was 28.9%, improved from 29.5% in Q2/22, mainly due to the increase in total revenue at a higher proportion compared to the increase in expenses. This was due to some of the selling expenses being fixed costs, resulting in economy of scale.

QoQ Q2/23 vs Q1/23

Selling Expenses: In Q2/23, the Company reported Selling Expenses of Baht 172.12 million, slightly increased from Q1/23 by Baht 4.5 million or 2.7%. This was mainly due to the recognition of the selling expenses from The OK Station.

Selling Expenses to Total Revenue: Selling Expenses to Total Revenue was 28.9%, improved from 29.7% in Q1/23. This was mainly due to the recognition of the revenue and the selling expenses from The OK Station during Q2/23, where the proportion of selling expenses to revenue from The OK Station stores is less than other stores of the Company, resulting in an improvement in the proportion of selling expenses to total revenue.

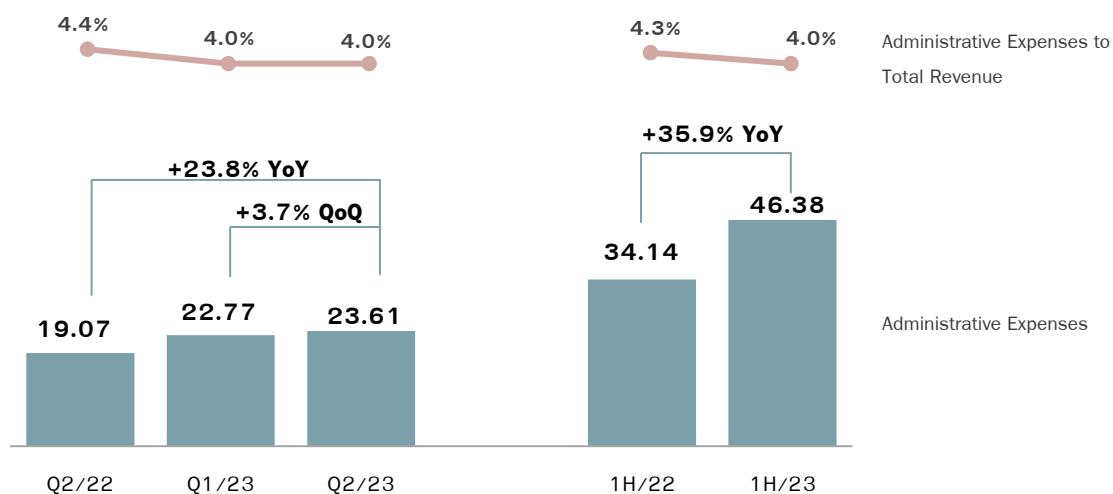
YoY 1H/23 vs 1H/22

Selling Expenses: In 1H/23, the Company reported Selling Expenses of Baht 339.74 million, increased from 1H/22 by Baht 84.75 million or 33.3%. This was mainly due to an increase in employees' expenses from both full-time and part-time employees, corresponding to an increase in sales and new branch expansions. In addition, the rent also increased corresponding to the increased in sales as some of the Company's Lease Agreements are contracted as a proportion of sales.

Selling Expenses to Total Revenue: Selling Expenses to Total Revenue was 29.3%, improved from 32.1% in 1H/22, mainly due to the increase in total revenue at a higher proportion compared to the increase in expenses. This was due to some of the selling expenses being fixed costs, resulting in economy of scale. In addition, the Company was able to control costs efficiently.

4. Administrative Expenses

Unit: Million THB, %



YoY Q2/23 vs Q2/22

Administrative Expenses: In Q2/23, the Company reported Administrative Expenses of Baht 23.61 million, increased from Q2/22 by Baht 4.54 million or 23.8%. This was mainly due to an increase in employee expenses according to the increase in the number of employees from business expansion, as well as the increase in employees' salary according to the Company's annual policy during Q1/23.

Administrative Expenses to Total Revenue: Administrative Expenses to total Revenue was 4.0%, slightly improved from 4.4% in Q2/22. This was mainly due to the Company's ability to control costs efficiently.

QoQ Q2/23 vs Q1/23

Administrative Expenses: In Q2/23, the Company reported Administrative Expenses of Baht 23.61 million, slightly increased from Q1/23 by Baht 0.84 million or 3.7%. This was mainly due to an increase in employee expenses according to the increase in the number of employees from business expansion, and expenses related to post-IPO.

Administrative Expenses to Total Revenue: Administrative Expenses to Total Revenue was 4.0%, unchanged from Q1/23. This was mainly due to the Company's ability to control costs efficiently.

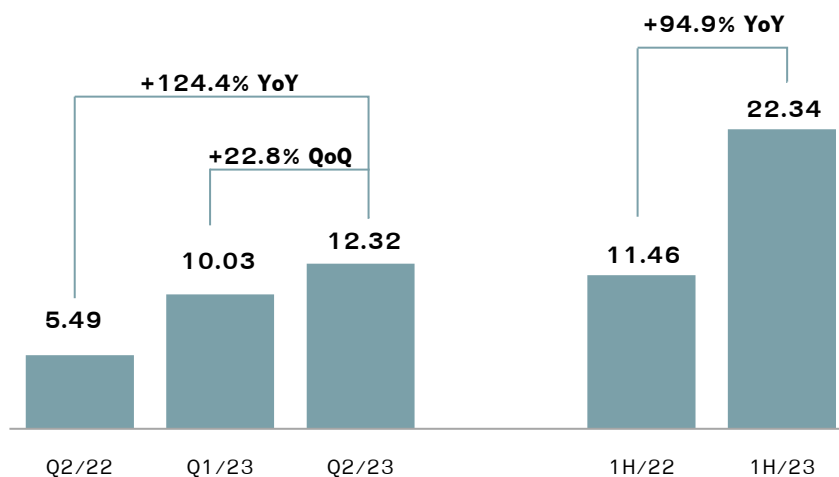
YoY 1H/23 vs 1H/22

Administrative Expenses: In 1H/23, the Company reported Administrative Expenses of Baht 46.38 million, increased from 1H/22 by Baht 12.24 million or 35.9%. This was mainly due to an increase in employee expenses according to the increase in the number of employees from business expansion, as well as the increase in employees' salary according to the Company's annual policy during Q1/23.

Administrative Expenses to Total Revenue: Administrative Expenses to Total Revenue was 4.0%, improved from 4.3% in 1H/22. This was mainly due to the increase in total revenue at a higher proportion compared to the increase in administrative expenses as a result of the Company's ability to manage expenses effectively.

5. Financial Cost

Unit: Million THB, %



YoY Q2/23 vs Q2/22

In Q2/23, the Company reported financial costs of Baht 12.32 million, increased from Q2/22 by Baht 6.83 million or 124.4%. This was due to the recognition of interest expense from the increase in lease liabilities corresponding to the increase in the number of branches, and the expansion of Sampeng branch in July 2022, as well as the adjustment of the Minimum Loan Rate (MLR) of Leases Policy of commercial banks.

QoQ Q2/23 vs Q1/23

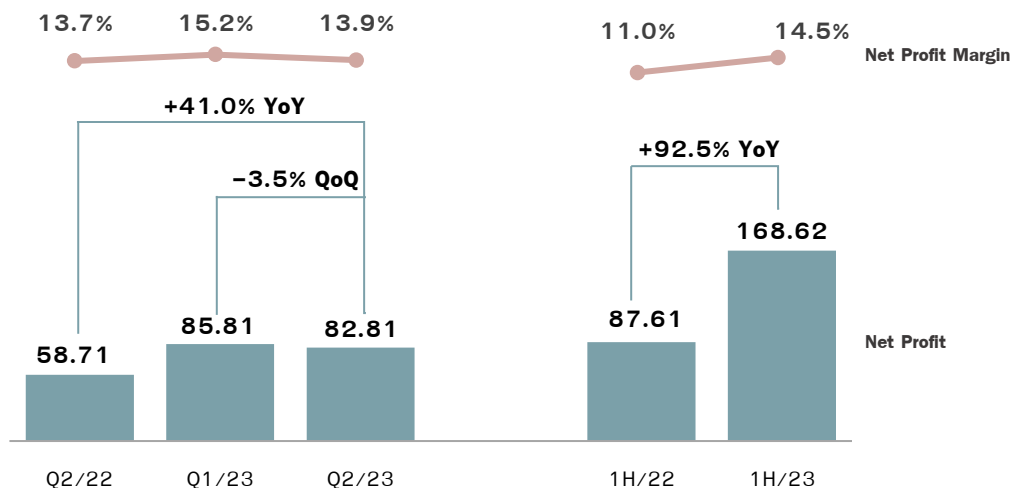
In Q2/23, the Company reported financial costs of Baht 12.32 million, increased from Q1/23 by Baht 2.29 million or 22.8%. This was due to the recognition of interest expense from the increase in lease liabilities from new leases based on the number of new branches opened during the period and the adjustment of the Minimum Loan Rate (MLR) of Leases Policy of commercial banks.

YoY 1H/23 vs 1H/22

In 1H/23, the Company reported financial costs of Baht 22.34 million, increased from 1H/22 by Baht 10.88 million or 94.9%. This was due to the recognition of interest expense from the increase in lease liabilities from new leases based on the number of new branches opened during the period and the expansion of Sampeng branch in July 2022, as well as the adjustment of the Minimum Loan Rate (MLR) of Leases Policy of commercial banks.

6. Net Profit and Net Profit Margin

Unit: Million THB, %



YoY Q2/23 vs Q2/22

Net Profit: In Q2/23, the Company reported Net Profit of Baht 82.81 million, increased from Q2/22 by Baht 24.10 million or 41.0%. This was mainly due to an increase in revenue from every business units mainly from same store sales growth (SSSG), the opening of new branches, new special collections, and the launch of the new pet category for pet supplies and equipment. In addition, the wholesale revenue has also increased from the expansion of the Sampeng branch and recovery of revenue from the Platinum Fashion Mall Branch due to the recovery of tourists, the opening of The OK Station branch, as well as the Company's ability to control costs and expenses efficiently.

Net Profit Margin: Net Profit Margin was 13.9%, increased from 13.7% in Q2/22. This was due to an increase in revenue from all business units corresponding to the higher demand from economic recovery and the reopening of the country, along with a higher sales proportion of higher margin products, and the Company's ability to control costs efficiently.

QoQ Q2/23 vs Q1/23

Net Profit: In Q2/23, the Company reported Net Profit of Baht 82.81 million, slightly decreased from Q1/23 by Baht 3.00 million or 3.5%, mainly due to the decline in sales corresponding to the seasonality factor. However, the Company continues to plan to ensure continuous sales growth by launching new collections in collaboration with the Top 3 Thai Designers and launching a new pet category offering pet supplies and equipment. For the wholesale revenue, the Company have opened The OK Station store.

Net Profit Margin: Net Profit Margin was 13.9%, decreased from 15.2%. This was due to the recognition of profit from The OK Station which generates a relatively lower margin. In addition, the decrease in the net profit margin also corresponded to the seasonality factor which generates more sales from stationery products in Q2, following the opening of the new school semester.

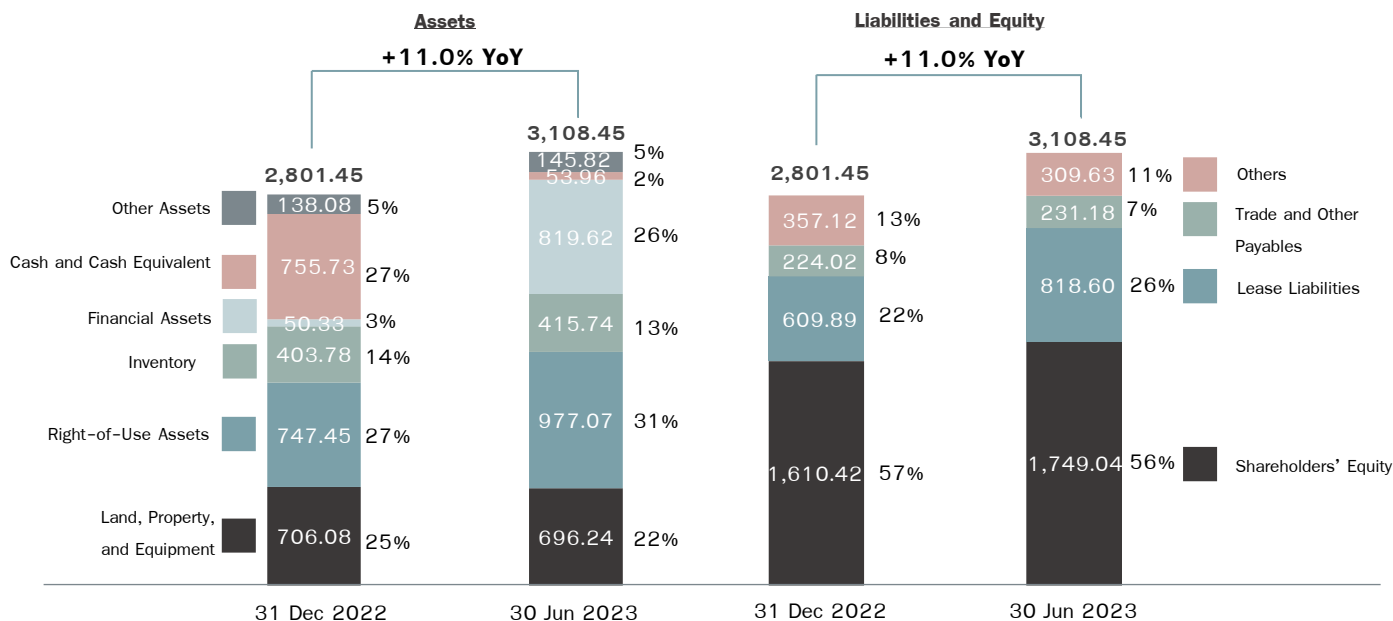
YoY 1H/23 vs 1H/22

Net Profit: In 1H/2023, the Company recorded Net Profit of Baht 168.62 million, increased by Baht 81.01 million or 92.5% in 1H/2022, mainly due to an increase in revenue from both the retail stores and wholesale stores, corresponding to same store sales growth (SSSG), the opening of new branches, the new special collections and the launch of the new pet category for pet supplies and equipment. In addition, the Company also hosted marketing initiatives to support the NCT DREAM TOUR concert, expanded the Sampeng branch, benefitted from the recovery of the Platinum Fashion Mall Branch and the opening of The OK Station branch. In addition, the Company has displayed the ability to control costs and expenses efficiently.

Net Profit Margin: Net Profit Margin was 14.5%, increased from 11.0% in 1H/22. This was due to the increase in revenue from both the retail stores and wholesale stores, corresponding to the higher demand as a result of economic recovery and the reopening of the country. In addition, the Company has shown the ability to control costs efficiently.

Statements of Financial Position

Unit: Million THB, %



Total Assets

As of 30 June 2023, The Total Assets of the Company were Baht 3,108.45 million, increased by Baht 307.00 million or 11.0% from 31 December 2022 mainly due to:

- **Cash and Cash Equivalent:** decreased by Baht 701.77 million due to the Company using cash to an investment in short-term fixed income funds, bonds, and bills of exchange.
- **Inventory:** increased by Baht 11.93 million due to the inventory for an increase in sales corresponding to branch expansion.
- **Right-of-Use Assets:** increased by Baht 229.62 million due to the renewal of the existing branch's rental agreement and the expansion of new branches.
- **Financial Assets:** increased by 769.29 million due to investment in short-term fixed income funds, bonds, and bills of exchange to optimize returns.
- **Other Assets:** increased by 7.74 million due to the collateral of the new branch expansion.

Total Liabilities

As of 30 June 2023, The Total Liabilities of the Company were Baht 1,359.41 million, increased by Baht 168.38 million or 14.1% from 31 December 2022 mainly due to:

- **Trade and Other Payables:** increased by Baht 7.16 million due to the inventory to support increase in sales corresponding to branch expansions.
- **Lease Liabilities:** increased by Baht 238.36 million due to the renewal of the existing branch's rental agreement and the expansion of new branches.
- **Current Liabilities:** decreased by 88.80 million due to the payment of withholding tax for the dividend payment in December 2022.

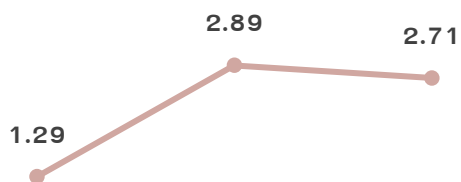
Total Shareholders' Equity

As of 30 June 2023, The Total Shareholders' Equity were Baht 1,749.04 million, increased by Baht 138.62 million or 8.6% from 31 December 2022 corresponding to the Company's performance.

Key Financial Ratios

Current Ratio

Unit: Times



Q2/22 Q1/23 Q2/23

Inventory Turnover

Unit: Days



Q2/22 Q1/23 Q2/23

Debt-to-Equity (D/E) Ratio

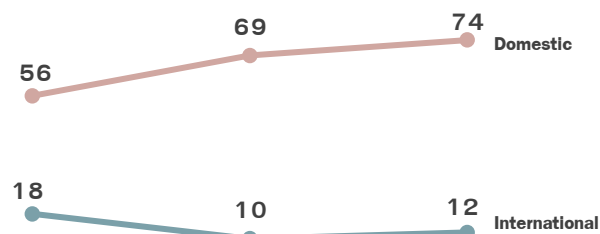
Unit: Times



Q2/22 Q1/23 Q2/23

AP Turnover

Unit: Days



Q2/22 Q1/23 Q2/23

Return on Equity (ROE)

Unit: %



Q2/22 Q1/23 Q2/23

Return on Assets (ROA)

Unit: %



Q2/22 Q1/23 Q2/23