



บริษัท ริช สปอร์ต จำกัด (มหาชน)

RICH SPORT PUBLIC COMPANY LIMITED

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14 November 2023

Subject: Management's Discussion and Analysis
for the three-month period ended 30 September 2023

Attention: President
The Stock Exchange of Thailand

Rich Sport Public Company Limited ("the Company") would like to clarify the operating results of the Company and its subsidiaries for the three-month period ended 30 September 2023 as follows:-

Summary of consolidated income statement for the three-month period ended 30 September 2023

Unit : Million Baht

	Q3			For the year ended 30 September		
	2023	2022	Change	2023	2022	Change
Revenue from sales	319.0	303.3	5.2%	1,052.5	871.0	20.8%
Other income	22.4	12.3	82.1%	66.1	18.3	261.2%
Total revenues	341.4	315.6	8.2%	1,118.6	889.3	25.8%
Cost of sales	138.2	139.8	-1.1%	451.5	400.1	12.8%
Selling and administrative expenses	166.4	144.2	15.4%	519.2	394.4	31.6%
Loss (Gain) on disposal and change in value of other current financial assets	(13.3)	17.6	-175.6%	13.7	12.2	12.3%
Profit (loss) before finance costs and income tax expense	50.1	14.0	257.9%	134.2	82.6	62.5%
Finance costs	3.1	1.7	82.4%	8.0	5.5	45.5%
Tax expense (income)	9.9	2.6	280.8%	27.2	16.0	70.0%
Profit (loss) for the period	37.1	9.7	282.5%	99.0	61.1	62.0%

Operating result for the three-month period ended 30 September 2023

During the third quarter of 2023, private consumption had softened as Thai consumers have concern over rising cost of living which was resulted from increase in price of consumer goods and policy interest rate. Moreover, Thai consumers were not confident that Thai economy is going to recover as they had seen from other negative economic factors.

The Company had total revenue from sales in 3Q23 of Baht 319.0 million, 5.2% increased from the same period of last year. Total other income is Baht 22.4 million, increased 82.1% from the same period of last year. An increase in other income is from Baht 19.2 million credit note that reversed from accrued expense that occurred during COVID-19 situation in 2022.

The Company's consolidated gross profit is Baht 180.8 million, 10.6% increased from the same period last year. An improvement in Gross Profit Margin from 53.9% to 56.7% was resulted from better management of cost and sales promotion.

Selling and administrative (SG&A) expenses equaled to Baht 166.4 million, 15.4% increase from the same period last year. An increase in SG&A expenses was mainly resulted from the returning to the normal course of business which included in personnel, distribution area, marketing, depreciation and other expenses. However, the Company has continued to control these expenses to ensure that it aligns with revenue.

The Company recognized loss on change in fair value of other current financial assets equaled to Baht 13.3 million due to increase in price of securities.

The Company's total net profit is Baht 37.1 million with net profit margin of 11.6%.

Operating result for the nine-month period ended 30 September 2023

The Company's revenue from sales for the nine-month period of year 2023 is Baht 1,052.5 million, increased 20.8% from the same period last year.

Other income is Baht 66.1 million, increased 261.2% from the same period last year. This is due to the Company received the credit note amount of Baht 51.7 million which occurred during COVID-19 situation in the year 2021 and year 2022.

The Company's consolidated gross profit is Baht 601.0 million, increase of Baht 130.1 million compared to the same period last year. The percentage of gross profit margin increased from 54.1% to 57.1%, which was resulted from better management of cost and sales promotion by the Company.

Selling and administrative (SG&A) expenses equaled to Baht 519.2 million, increased 31.6% from the same period last year. The proportion of SG&A expenses to total revenue from sales is 49.3%. The increase of SG&A expenses is mainly resulted from the normalized personnel expenses, distribution area, marketing, depreciation and other expenses. However, the Company has continued to control these expenses to ensure that it aligns with revenue.

The Company recognized loss from disposals and gain on change in fair value of other current financial assets equaled to Baht 13.7 million.

The Company's total net profit is Baht 99.0 million and the net profit margin is 9.4%.

Summary of consolidated statement of financial position as at 30 September 2023

Unit : Million Baht

	30 September 2023	31 December 2022	Change
Cash and cash equivalents	407.2	366.5	11.1%
Other current financial assets	481.5	748.3	-35.7%
Trade and other receivables	117.8	155.9	-24.4%
Inventories	452.8	347.2	30.4%
Other current assets	172.4	123.8	39.3%
Other non-current financial assets	37.0	37.0	0.0%
Property, plant and equipments	178.5	164.3	8.6%
Right-of-use assets	254.5	207.8	22.5%
Other non-current assets	89.4	76.2	17.3%
Total assets	2,191.1	2,227.0	-1.6%
Trade and other payables	108.8	168.1	-35.3%
Accrued income tax	26.8	13.9	92.8%
Other current liabilities	3.8	2.8	35.7%
Lease liabilities	266.9	216.4	23.3%
Other non-current liabilities	43.8	39.5	10.9%
Total liabilities	450.1	440.7	2.1%
Total shareholders' equity	1,741.0	1,786.3	-2.5%
Total liabilities and shareholders' equity	2,191.1	2,227.0	-1.6%

The Company's total assets is Baht 2,191.1 million, decreased 1.6% from the end of 2022. This is mainly from increase in cash and cash equivalents, inventories, other current assets, property, plant and equipment, right of use assets, other non-current assets and decrease in other current financial assets and trade and other receivables.

Total liabilities is Baht 450.1 million, increased 2.1% from the end of 2022. This was mainly from increase in accrued income tax, other current liabilities, lease liabilities, other non-current liabilities and decrease in trade and other payables.

Total shareholders' equity is Baht 1,741.0 million, slightly decreased 2.5% from the end of 2022, due to dividend paid.

Cash flow for the nine-month period ended 30 September 2023

Net cash flows receiving from operating activities is Baht 25.1 million, resulted mainly from the Company's operating results. Net cash flows receiving from investing activities is Baht 210.8 million, resulted mainly from cash received from short-term fixed deposit due, cash received from dividend and equipment and intangible assets purchase. Net cash flows using from financing activities is Baht 198.4 million, this is mainly from dividend paid and paid for lease liabilities principles and interest.

Please be informed accordingly.

Sincerely yours,

P.W.

Papitch Wongpaitoonpiya
Chief Executive Officer

