

No. KK ELCID 2566/013

November 10, 2023

Subject: Management Discussion and Analysis for the third quarter ended September 30, 2023

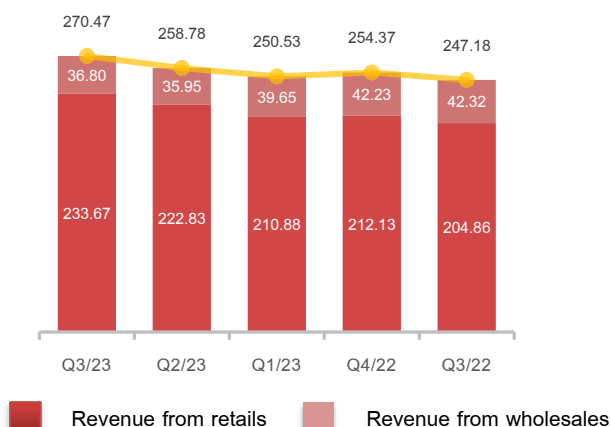
To: Director and Manager
The Stock Exchange of Thailand

K&K Superstore Southern Public Company Limited ("the Company") would like to submit the Management Discussion and Analysis for the third quarter ended September 30, 2023 as follows:

Operating performance overview for the 3 months and 9 months period ended September 30, 2023.

Statement of comprehensive income (Million Baht)	3 months							9 months			
	Q3/23	Q2/23	Q3/22	QoQ	%QoQ	YoY	%YoY	9M'23	9M'22	YoY	%YoY
Revenue from sales	270.47	258.78	247.18	11.69	4.52%	23.29	9.42%	779.78	713.50	66.28	9.29%
- Retail	233.67	222.83	204.86	10.84	4.87%	28.81	14.07%	667.38	590.74	76.64	12.97%
- wholesales	36.80	35.95	42.32	0.85	2.35%	-5.52	-13.05%	112.40	122.76	-10.36	-8.44%
Cost of sales	238.48	226.78	216.50	11.70	5.16%	21.98	10.16%	687.60	624.31	63.29	10.14%
Gross profit	31.99	32.00	30.68	-0.01	-0.05%	1.31	4.25%	92.18	89.19	2.99	3.35%
Other income	1.01	1.27	1.31	-0.26	-20.67%	-0.30	-22.67%	3.70	3.70	0.00	0.00%
Sales and administrative expenses	33.64	35.26	27.68	-1.62	-4.63%	5.96	21.50%	100.26	81.50	18.76	23.02%
Financial cost	1.65	1.79	1.06	-0.14	-7.90%	0.59	55.91%	4.66	2.90	1.76	60.71%
Net profit (loss) before tax	-2.29	-3.78	3.25	1.49	-39.48%	-5.54	-170.47%	-9.04	8.49	-17.53	-206.60%
Income tax expense	0.36	0.33	-0.65	0.03	8.13%	1.01	-156.30%	1.26	-1.64	2.90	-176.80%
Net profit (loss)	-1.93	-3.45	2.60	1.52	-44.13%	-4.53	-173.99%	-7.78	6.85	-14.63	-213.74%
Gross profit margin	11.83%	12.37%	12.41%					11.82%	12.50%		
Net profit (loss) margin	-0.71%	-1.33%	1.05%					-0.99%	0.96%		
Number of branches	36	35	32					36	32		

Overall of revenue from sales



Million Baht	9M/2023	2022	2021
Retail	667.38	802.87	830.02
% SSSG	6.84%	-6.59%	0.87%
Number of branch			
B/F	32	30	28
+ Addition	4	2	2
C/F	36	32	30

Revenue from Sales

For 3-month period of third quarter 2023, the Company generated revenue from sales of Baht 270.47 million, increasing by Baht 23.29 million or 9.42 percent compared to same period of the previous year. For 9-month period 2023, the Company generated revenue from sales of Baht 779.78 million, increasing by Baht 66.28 million or 9.29 percent compared to same period of the previous year due to the Company has a growth rate of same store sales growth for the first 9 months of 2023 compared with the first 9 months of 2022, increasing by 6.84% and the Company expanded four new stores in 2023.

Cost of sales and Gross profit

For 3-month period of third quarter 2023, the Company has cost of sales equivalent to Baht 238.48 million increasing by Baht 21.98 million or 10.16 percent and For 9-month period 2023, the Company has cost of sales equivalent to Baht 687.60 million increasing by Baht 63.29 million or 10.14 percent increase from the same period of the previous year according to the increasing in revenue from sales, Then, the Company has gross profit 92.18 million Baht increasing by Baht 2.99 million or 3.35 percent compared to same period of the previous year as the gross profit margin was 11.82%.

Other income

For 3-month period of third quarter 2023, the Company has other income equivalent to 1.01 million Baht decreasing by Baht 0.30 million or 22.67 percent and For 9-month period 2023, the Company has other income equivalent to 3.70 million Baht which no change from the same period of the previous year.

Sales and administrative expenses

For 3-month period of third quarter 2023, the Company has sales and administrative expenses equivalent to 33.64 million Baht increasing by Baht 5.96 million or 21.50 percent and For 9-month period 2023, the Company has sales and administrative expenses equivalent to 100.26 million Baht increasing by Baht 18.76 million or 23.02 percent mainly due to staff expenses, depreciation expenses and utility expenses from increasing the number of branches.

Financial cost

For 3-month period of third quarter 2023, the Company has financial cost equivalent to 1.65 million Baht increasing by Baht 0.59 million or 55.91 percent and For 9-month period 2023, the Company has financial cost equivalent to 4.66 million Baht increasing by Baht 1.76 million or 60.71 percent mainly due to an increase in interest on short-term loans from financial institutions and interest expenses on lease contracts.

Net profit (loss)

For 3-month period of third quarter 2023, the Company has net loss equivalent to 1.93 million Baht decreasing by Baht 4.53 million or 173.99 percent and For 9-month period 2023, the Company has net loss equivalent to 7.78 million Baht decreasing by Baht 14.63 million or 213.74 percent mainly 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)	
	September 30,2023	December 31,2022	Million Baht	%
Total assets	461.05	402.44	58.61	14.56%
Total liabilities	296.22	223.79	72.43	32.36%
Total shareholders' equity	164.83	178.65	-13.82	-7.74%

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 September 30, 2023, the Company has total assets equivalent to 461.05 million Baht, increasing by Baht 58.61 million or 14.56 percent compared to the previous year, mainly due to the increase of plant and equipment amounted to Baht 21.46 million the increase of right-of-use assets amounted to Baht 20.14 million and the increase of inventory amounted to Baht 12.93 million from increasing the number of 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 September 30, 2023, the Company has total liabilities equivalent to 296.22 million Baht, increasing by Baht 72.43 million or 32.36 percent compared to the previous year, mainly due to the increase of bank overdrafts and short-term borrowings from financial institutions amounted to Baht 49.94 million and the increase of lease liabilities amounted to Baht 20.74 million from increasing the number of branches in line with the increase of asset according to TFRS 16.

Shareholders' equity

As at September 30, 2023, the Company has shareholders' equity equivalent to 164.83 million Baht, decreasing by Baht 13.82 million or 7.74 percent compared to the previous year, mainly due to dividend payment amounted to Baht 6.04 million and the loss for the first 9 months 2023 amounted to Baht 7.78 million.

Please be informed accordingly

Yours Sincerely,

- Mr. Kawispong Sirithananonsakul-

(Mr. Kawispong Sirithananonsakul)

Managing Director

K&K Superstore Southern Public Company Limited