



Moshi Moshi

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Moshi Moshi Retail Corporation Public Company Limited

# Management Discussion and Analysis(MD&A)

Q3/2023

# Executive Summary

Operating Highlights	Q3/22	Q2/23	Q3/23	Change		9M/22	9M/23	Change
				+/-	+/-			
Unite : Million THB				%YoY	%QoQ			%YoY
Operating Revenue	458.34	592.17	<b>585.09</b>	27.7%	(1.2%)	1,249.38	<b>1,740.06</b>	39.3%
Gross Profit	233.84	306.32	<b>310.87</b>	32.9%	1.5%	639.07	<b>921.42</b>	44.2%
EBITDA	143.41	<b>192.13</b>	<b>198.61</b>	<b>38.5%</b>	<b>3.4%</b>	<b>406.47</b>	<b>580.38</b>	<b>42.8%</b>
<b>Net Profit</b>	<b>47.02</b>	<b>82.81</b>	<b>81.42</b>	<b>73.1%</b>	<b>(1.7%)</b>	<b>134.63</b>	<b>250.06</b>	<b>85.7%</b>
<b>Gross Profit Margin(%)</b>	<b>51.0%</b>	<b>51.7%</b>	<b>53.1%</b>	<b>2.1%</b>	<b>1.4%</b>	<b>51.2%</b>	<b>53.0%</b>	<b>1.8%</b>
<b>Net Profit Margin (%)</b>	<b>10.2%</b>	<b>13.9%</b>	<b>13.8%</b>	<b>3.6%</b>	<b>(0.1%)</b>	<b>10.7%</b>	<b>14.3%</b>	<b>3.5%</b>

Notes: Values may differ due to rounding

In 9M/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 9M/23, the Company reported the increase in Operating Revenue of Baht 490.68 million or 39.3%, and the increase in net profit of Baht 115.43 million or 85.7% compared to 9M/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 launch of new products and brands and continuous marketing activities to enhance sales. In addition, the Company will continue to focus on branch expansion in strategic areas with high growth potentials, developing new products with high profit margins, along with conducting marketing activities to expand its customer base. This will help increase the Company's value and create opportunities for sustainable growth.

## YoY Q3/23 vs Q3/22

- In Q3/23, Moshi Moshi Retail Corporation Public Company Limited reported Operating Revenue of Baht 585.09 million, increased by Baht 126.75 million or 27.7% from Q3/22. This was mainly due to an increased in retail revenue from same store sales growth (SSSG), the opening of new branches, along with the launch of the new category under pet accessories, the launch of the new 'Garlic' brand, and the revenue growth from wholesale and other distribution channels.
- Gross Profit Margin was 53.1%, increased from 51% in Q3/22, mainly due to the increase in sales proportion of high-margin products, as well as the appreciation of Thai Baht against the Chinese yuan (RMB)
- Net Profit was Baht 81.42 million, increased by Baht 34.40 million or 73.1% in Q3/22. This was mainly due to the increase in sales revenue from all channels, especially from retail sales revenue, as well as the Company's ability to control costs and expenses more efficiently.

## QoQ Q3/23 vs Q2/23

- In Q3/23, Moshi Moshi Retail Corporation Public Company Limited reported Operating Revenue of Baht 585.09 million, slightly decreased by 7.08 million or 1.2% from Q2/23, corresponding to the seasonality factor
- Gross Profit Margin was 53.1%, increased from 51.7% in Q2/23 mainly due to the increase in sales proportion of high-margin products and the introduction of new 'Garlic' brand.
- Net Profit was Baht 81.42 million, slightly decreased by Baht 1.39 million or 1.7% from Q2/23, due to the decrease in volume from seasonality factors. However, the Company plans to ensure a continuous increase in sales by launching the new 'Garlic' brand, which focuses on home decoration and lifestyle products, as well as hosting marketing initiatives to support concerts.

## YoY 9M/23 vs 9M/22

- In 9M/23, Moshi Moshi Retail Corporation Public Company Limited reported Operating Revenue of Baht 1,740.06 million, increased by Baht 490.68 million or 39.3% from 9M/22. This was mainly due to the increase in retail revenue from same store sales growth (SSSG), the opening of new branches, along with the launch of new products and the introduction of new 'Garlic' brand. In addition, the Company have also organized sales boosting activities by sponsoring concerts; while the revenue generated from wholesale stores also increased
- Gross Profit Margin was 53.0%, increased from 51.2% in 9M/22. The gross profit from the retail store and wholesale store have improved corresponding to the increase in sales proportion of higher margin products, as well as the appreciation of Thai Baht against the Chinese Yuan (RMB)
- Net Profit was Baht 250.06 million, increased by Baht 115.43 million or 85.7% in 9M/22. This was mainly due to an increase in revenue from the retail store and wholesale store, as well as the Company's ability to control costs more efficiently.



# Significant Events in Q3/2023



## Launched the New 'Garlic' brand to Capture Teenagers and Working-age Customer Segment

During July 2023, the Company have launched a new brand under the brand "Garlic" to offer affordable lifestyle and home decoration products at friendly prices located in Moshi Moshi Future Park Rangsit Branch. The store focuses on 'Chic and Cool' concept, by emphasizing on home decoration and lifestyle products targeting at teenagers and working-age customer segment between 18-30 years. The store is operated as a "Shop-in-Shop" format, helping to create a fun and exciting shopping experience for customers. However, after receiving positive feedbacks from the first Garlic store, the Company have plans to expand more branches so that customers will have more access to Garlic products. The launch of this new brand will increase the growth opportunities of the Company in the long term.



## Create Brand Promotion Strategies to Create Awareness among Target Customers by Sponsoring Billkin concert

Moshi Moshi joins hands with Lazada to launch a new marketing campaign giving away free concert tickets 'Billkin Tempo Concert Presented by Lazada' by lucky draw to promote sales both offline and online. Moshi Moshi strategically planned for the brand to gain increasing brand awareness, and by engaging with a well-known singer, the Company believes that it will connect the brand to consumers as well as creating awareness among the new generation which is the target segment of the brand. As a result, this event have received positive feedback both from existing Moshi Moshi customer base and Billkin fan clubs.

# Moshi Moshi's Direction in 2023



## 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, up to date, the Company have already opened 12 retail branches and 1 wholesale branch. The additional new branches will focus 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 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.



## 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.

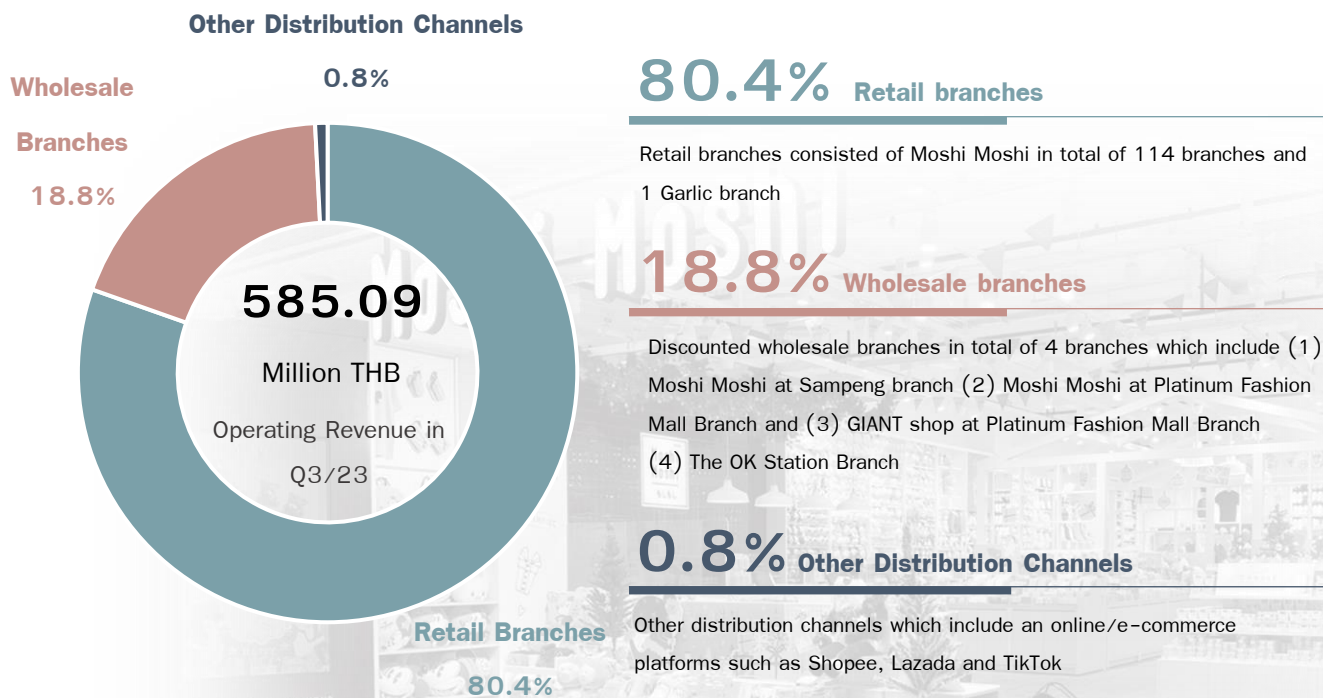


## Operating Performance in Q3/2023

Operating Performance	Q3/22	Q2/23	Q3/23	Change		9M/22	9M/23	Change
				+/-	+/-			
Unit: Million THB				%YoY	%QoQ			%YoY
Operating Revenue	458.34	592.17	<b>585.09</b>	27.7%	(1.2%)	1,249.38	<b>1,740.06</b>	39.3%
Cost of Sales	(224.51)	(285.85)	<b>(274.22)</b>	22.1%	(4.1%)	(610.31)	<b>(818.64)</b>	34.1%
Gross Profit	233.83	306.32	<b>310.87</b>	32.9%	1.5%	639.07	<b>921.42</b>	44.2%
Other income	1.41	3.77	<b>3.62</b>	156.0%	(4.0%)	3.98	<b>9.69</b>	143.5%
Selling expenses	(148.13)	(172.12)	<b>(175.94)</b>	18.8%	2.2%	(403.09)	<b>(515.68)</b>	27.9%
Administrative expenses	(20.18)	(23.61)	<b>(22.94)</b>	13.7%	(2.8%)	(54.33)	<b>(69.31)</b>	27.6%
Other gain(losses)-net	1.83	3.36	<b>3.54</b>	93.8%	5.4%	4.93	<b>9.47</b>	92.1%
Financial costs	(6.80)	(12.32)	<b>(14.60)</b>	114.8%	18.5%	(18.26)	<b>(36.94)</b>	102.3%
Profit before income tax	61.96	105.40	<b>104.55</b>	68.7%	(0.8%)	172.30	<b>318.65</b>	84.9%
Income Tax	(14.94)	(22.59)	<b>(23.13)</b>	54.8%	2.4%	(37.67)	<b>(68.59)</b>	82.1%
<b>Net Profit</b>	<b>47.02</b>	<b>82.81</b>	<b>81.42</b>	<b>73.1%</b>	<b>(1.7%)</b>	<b>134.63</b>	<b>250.06</b>	<b>85.7%</b>

Notes: Values may differ due to rounding

## Q3/2023 Operating Revenue Structure



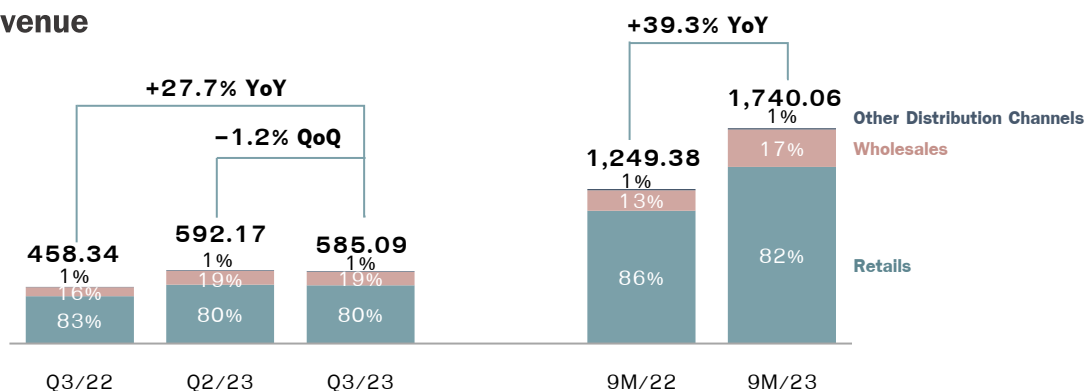
# Operating Revenue Structure

Revenue Structure	Q3/22	Q2/23	Q3/23	Change		9M/22	9M/23	Change
				+/–				+/–
(Unit: Million THB)				%YoY	%QoQ			%YoY
Revenue from retails	382.62	475.62	<b>470.69</b>	23.0%	(1.0%)	1,071.74	<b>1,426.29</b>	33.1%
Revenue from wholesales	72.58	112.69	<b>110.03</b>	51.6%	(2.4%)	165.82	<b>302.29</b>	82.3%
Revenue from other distribution channels	3.15	3.86	<b>4.37</b>	38.9%	13.2%	11.82	<b>11.48</b>	(2.9%)
<b>Total Operating Revenue</b>	<b>458.34</b>	<b>592.17</b>	<b>585.09</b>	<b>27.7%</b>	<b>(1.2%)</b>	<b>1,249.38</b>	<b>1,740.06</b>	<b>39.3%</b>
Other Income	1.41	3.77	<b>3.62</b>	156.0%	(4.00%)	3.98	<b>9.69</b>	143.5%
<b>Total Revenue</b>	<b>459.75</b>	<b>595.94</b>	<b>588.71</b>	<b>28.0%</b>	<b>(1.2%)</b>	<b>1,253.36</b>	<b>1,749.75</b>	<b>39.6%</b>

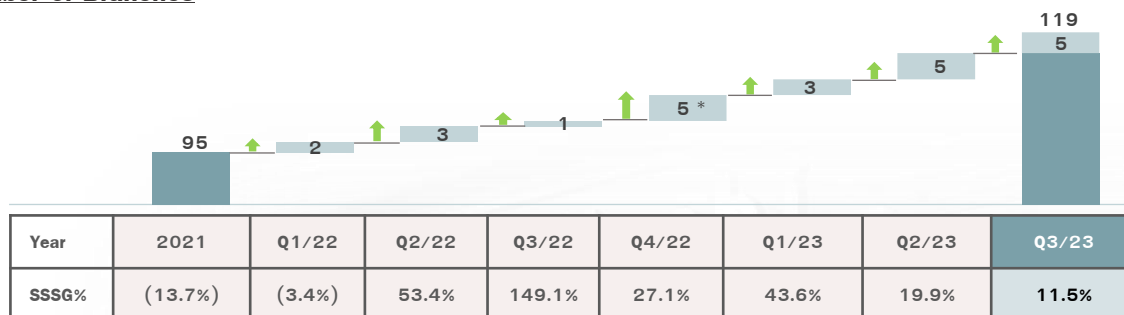
Notes: Values may differ due to rounding

## 1. Operating Revenue

Unit: Million THB, %



## Number of Branches



\*Notes: \*Jungceylon branch at Phuket was back to operational in Q4/22, The Ok Station branch was opened in April 2023, and the Garlic branch was opened at Future Park Rangsit

## YoY Q3/23 vs Q3/22

In Q3/23, the Company reported Operating Revenue of Baht 585.09 million, increased by Baht 126.75 million or 27.7% from Q3/22, mainly due to:

- Revenue from Retail Stores:** increased by Baht 88.07 million or 23.0%, due to 1) The increase in same store sales growth (SSSG) resulting from the relaxation of the COVID-19 restrictions which resulted in the increased number of foreign customers, 2) The opening of 17 new branches, where the Company had 98 branches in Q3/22 and 115 branches in Q3/23, 3) Continuous expansion of customer base by launching the new pet category offering pet accessories to expand customer base to pet owners which displays a positive growth trend, as well as the launch of The Garlic brand which focuses home decoration and lifestyle products to capture teenagers and working-age customer group, 4) Organizing sales-boosting activities by sponsoring the Bilkin concert in order to generate a greater brand awareness
- Revenue from Wholesale Stores:** increased by Baht 34.75 million or 51.6%, mainly due to 1) The relaxation of the COVID-19 restrictions which resulted in the increased number of foreign customers, and 2) The opening of The OK Station branch
- Other Distribution Channels:** increased by Baht 1.22 million or 38.9%, mainly due to an increase in online sales.



**QoQ Q3/23 vs Q2/23**

In Q3/23, the Company reported Operating Revenue of Baht 585.09 million, slightly decreased by Baht 7.08 million or 1.2% from Q2/23, mainly due to:

- **Revenue from Retail Store:** slightly decreased by Baht 4.93 million or 1.0% 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 'Garlic' brand, emphasizing on home decoration and lifestyle products to capture teenagers and working-age customer group, as well as organizing sales boosting activities by sponsoring the Bilkin concert to generate a greater brand awareness
- **Revenue from Wholesale Store:** slightly decreased by Baht 2.66 million or 2.4% mainly from the seasonality factors, especially for the stationery items which have declined corresponding to the school holidays.
- **Other Distribution Channels:** increased by Baht 0.51 million or 13.2% mainly due to an increase in online sales.

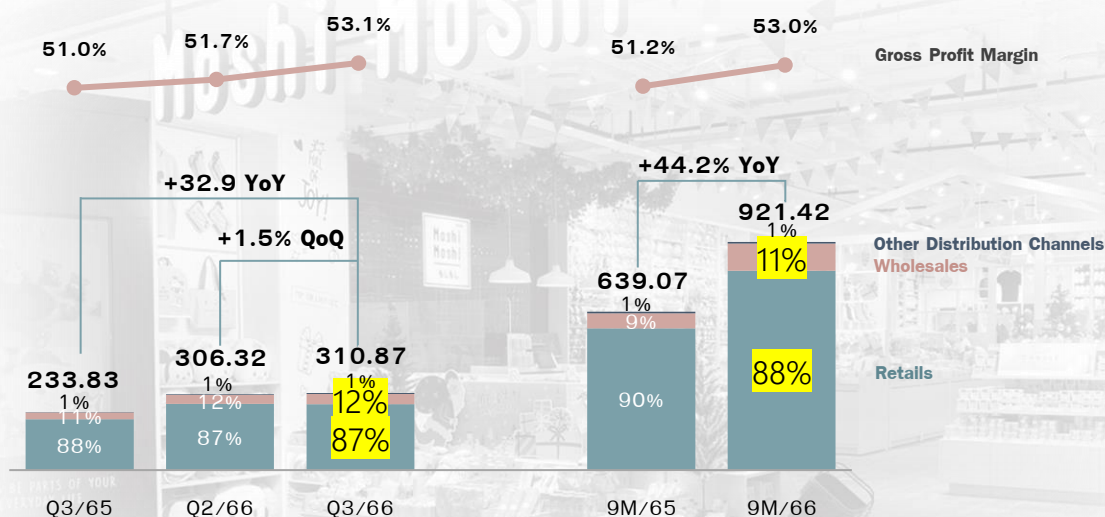
**YoY 9M/23 vs 9M/22**

In 9M/23, the Company reported Operating Revenue of Baht 1,740.06 million, increased by Baht 490.68 million or 39.3% from 9M/22, mainly due to:

- **Revenue from Retail Stores:** increased by Baht 354.55 million or 33.1%, 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 17 new branches, where the Company had 98 branches in 9M/22 and 115 branches in 9M/23, 3) The launch of new collections in collaboration with Top 3 Thai Designers, and the launch of the new pet category offering pet accessories to expand customer base to pet owners which displays a positive growth trend, and introducing the new 'Garlic' brand emphasizing on home decoration and lifestyle products to capture teenagers and working-age customer group, 4) Marketing initiatives for NCT DREAM TOUR concert during Q1/23 and sponsoring Bilkin concerts in order to generate greater brand awareness.
- **Revenue from Wholesale Stores:** increased by Baht 136.47 million or 82.3%, mainly due to 1) The relaxation of the COVID-19 restrictions which resulted in the increased number of foreign customers, along with the reopening of department stores, schools, offices, 2) The expansion of the Sampeng branch in July 2022 from 1 floor to 4 floors, allowing to serve more customers, 3) The revenue recovery from the Platinum Fashion Mall branch, 4) The opening of The OK Station branch.
- **Other Distribution Channels:** slightly decreased by Baht 0.34 million or 2.9% mainly due to the Company currently focusing on branch expansions resulting in the decrease in revenue from pop-up stores in 2023.

**2. Gross Profit and Gross Profit Margin**

Unit: Million THB, %



## YoY Q3/23 vs Q3/22

**Gross Profit:** In Q3/23, the Company reported Gross Profit of Baht 310.87 million, increased by Baht 77.04 million or 32.9% from Q3/22, mainly due to:

- **Gross Profit from Retail Stores:** increased by Baht 64.74 million or 31.4% corresponding to the increase in sales from same store sales growth (SSSG), as well as the opening of new branches, the increasing demand of new customers from the launch of the new pet category, and the opening of new 'Garlic' brand, emphasizing on home decoration and lifestyle products. In addition, the Company have also organized sales boosting activities by sponsoring the Bilkin concert to generate a greater brand awareness.
- **Gross Profit from Wholesale Stores:** increased by Baht 11.48 million or 43.7% corresponding to the increase in sales from the relaxation of COVID-19 prevention measures from the government, and the opening of The OK Station branch.
- **Gross Profit from Other Distribution Channels:** increased by Baht 0.82 million or 48.5% corresponding to the increase in online sales.

**Gross Profit Margin:** Gross Profit Margin was 53.1%, increased from 51.0% in Q3/22 mainly due to the sales growth in every channel from the higher sales proportion of higher margin products. While GPM also increased from the appreciation of Thai Baht against the Chinese Yuan (RMB).

## QoQ Q3/23 vs Q2/23

**Gross Profit:** In Q3/23, the Company reported Gross Profit of Baht 310.87 million, increased slightly by Baht 4.55 million or 1.5% from Q2/23, mainly due to:

- **Gross Profit from Retail Stores:** increased by Baht 3.50 million or 1.3% corresponding to the increase in sales from seasonality factor. However, the Company continues to plan to ensure continuous sales growth by introducing the new 'Garlic' brand, emphasizing on home decoration and lifestyle products to capture teenagers and working-age customer groups, as well as organizing sales boosting activities by sponsoring the Bilkin concert to generate a greater brand awareness.
- **Gross Profit from Wholesale Stores:** slightly increased by Baht 0.70 million or 1.9% due to The ability of OK Station store to source better products according to the product sourcing plan; as well as the increase in number of tourists.
- **Gross Profit from Other Distribution Channels:** slightly increased by Baht 0.35 million or 15.9% corresponding to the increase in online sales.

**Gross Profit Margin:** Gross profit Margin was 53.1%, slightly increased from 51.7% in Q2/23 mainly due to the increase in sales proportion of higher margin products and the introduction of the new 'Garlic' brand.

## YoY 9M/23 vs 9M/22

**Gross Profit:** In 9M/23, the Company reported Gross Profit of Baht 921.42 million, increased by Baht 282.35 million or 44.2% from 9M/22, mainly due to:

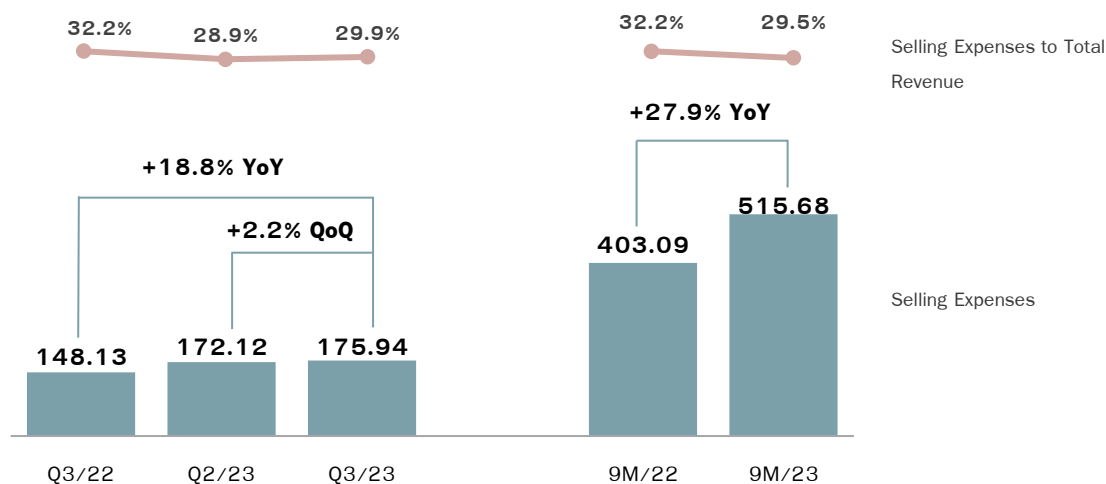
- **Gross Profit from Retail Stores:** increased by Baht 236.76 million or 41.4% corresponding to the increase in sales from same store sales growth (SSSG), as well as the opening of new branches, the increasing demand of new customers from the launch of the new pet category, and the opening of new 'Garlic' brand, emphasizing on home decoration and lifestyle products. In addition, the Company have also organized sales boosting activities by sponsoring NCT DREAM TOUR and Bilkin concert.
- **Gross Profit from Wholesale Stores:** increased by Baht 45.37 million or 75.2% corresponding to the 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 have expanded the Sampeng branch, as well as opening the new The OK Station branch.
- **Gross Profit from Other Distribution Channels:** increased slightly by Baht 0.22 million or 3.5%.

**Gross Profit Margin:** Gross Profit Margin was 53.0%, increased slightly from 51.2% in 9M/22. The gross profit from retail store have 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 Q3/23 vs Q3/22

**Selling Expenses:** In Q3/23, the Company reported Selling Expenses of Baht 175.94 million, increased from Q3/22 by Baht 27.81 million or 18.8%. This was mainly due to the 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, and marketing expenses were incurred for activities to support the Billkin concert.

**Selling Expenses to Total Revenue:** Selling Expenses to Total Revenue was 29.9%, improved from 32.2% in Q3/22, 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, as well as the ability of the Company to manage costs efficiently.

#### QoQ Q3/23 vs Q2/23

**Selling Expenses:** In Q3/23, the Company reported Selling Expenses of Baht 175.94 million, slightly increased from Q2/23 by Baht 3.82 million or 2.2%. This was mainly due to the 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, marketing expenses were incurred during the period for activities to support the Billkin concert and the recognition of the selling expenses from The OK Station for the full quarter.

**Selling Expenses to Total Revenue:** Selling Expenses to Total Revenue was 29.9%, increased from 28.9% in Q2/23. This was mainly due to the decrease in total revenue corresponding to the seasonality factor as well as the increase in marketing expenses to support the Billkin concert.

#### YoY 9M/23 vs 9M/22

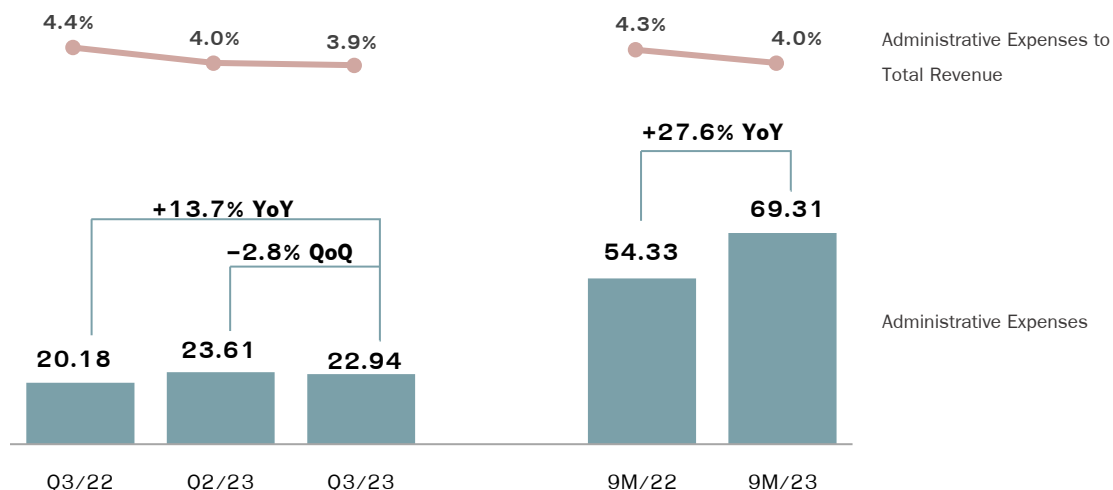
**Selling Expenses:** In 9M/23, the Company reported Selling Expenses of Baht 515.68 million, increased from 9M/22 by Baht 112.59 million or 27.9%. This was mainly due to an increase in employees' expenses from both full-time and part-time employees, corresponding to an increase in sales and new branch 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, and marketing expenses to support the NCT DREAM TOUR and the Billkin concert.

**Selling Expenses to Total Revenue:** Selling Expenses to Total Revenue was 29.5%, improved from 32.2% in 9M/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 Q3/23 vs Q3/22

**Administrative Expenses:** In Q3/23, the Company reported Administrative Expenses of Baht 22.94 million, increased from Q3/22 by Baht 2.76 million or 13.7%. This was mainly due to the increase in employee expenses according to the increase in the number of employees to support business expansion.

**Administrative Expenses to Total Revenue:** Administrative Expenses to total Revenue was 3.9%, slightly improved from 4.4% in Q3/22. This was mainly due to the increase in total revenue in a greater proportion than the increase in administrative expenses, as a result of the Company's ability to manage costs efficiently.

### QoQ Q3/23 vs Q2/23

**Administrative Expenses:** In Q3/23, the Company reported Administrative Expenses of Baht 22.94 million, slightly decreased from Q2/23 by Baht 0.67 million or 2.8%, due to in Q2/23, the Company incurred legal fees for the 2023 Annual General Meeting (AGM) of shareholders.

**Administrative Expenses to Total Revenue:** Administrative Expenses to Total Revenue was 3.9%, slightly improved from 4.0% in Q2/23. This was mainly due to the decrease in legal fees for the 2023 Annual General Meeting of shareholders, as well as the Company's ability to control costs efficiently.

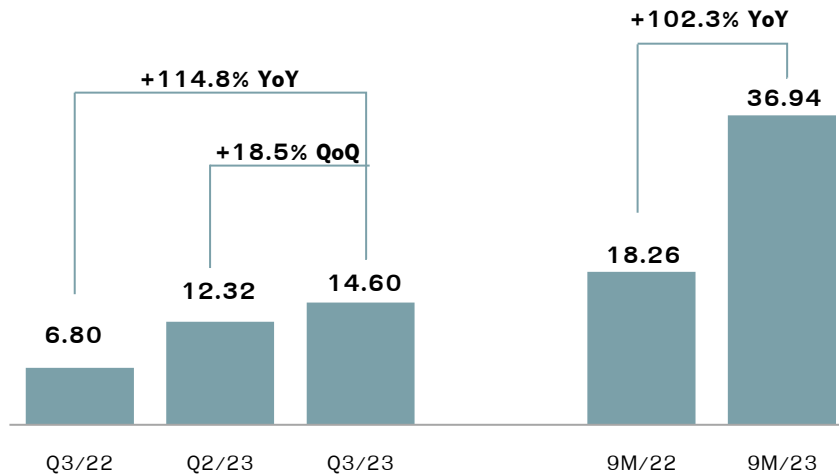
### YoY 9M/23 vs 9M/22

**Administrative Expenses:** In 9M/23, the Company reported Administrative Expenses of Baht 69.31 million, increased from 9M/22 by Baht 14.98 million or 27.6%. This was mainly due to the increase in employee expenses according to the increase in the number of employees to support business expansion, as well as expenses related to post IPO.

**Administrative Expenses to Total Revenue:** Administrative Expenses to Total Revenue was 4.0%, slightly improved from 4.3% in 9M/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 Q3/23 vs Q3/22

In Q3/23, the Company reported financial costs of Baht 14.60 million, increased from Q3/22 by Baht 7.80 million or 114.8%. This was due to the recognition of interest expense from the increase in lease liabilities under the accounting standards corresponding to the increase in the number of branches, as well as the adjustment of the Minimum Loan Rate (MLR) of Leases Policy of commercial banks.

### QoQ Q3/23 vs Q2/23

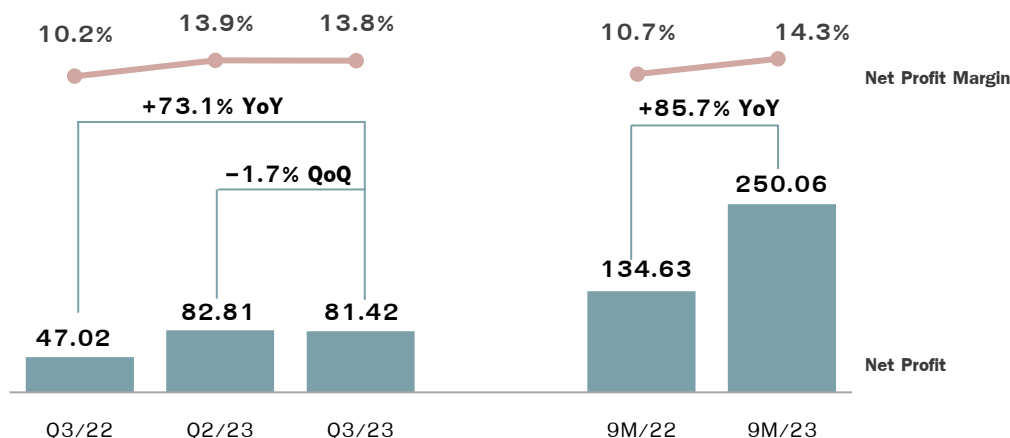
In Q3/23, the Company reported financial costs of Baht 14.60 million, increased from Q2/23 by Baht 2.28 million or 18.5%. This was due to the recognition of interest expense from the increase in lease liabilities under the accounting standards corresponding to the number of new branches opened during the period and the adjustment of lease agreements from existing branches.

### YoY 9M/23 vs 9M/22

In 9M/23, the Company reported financial costs of Baht 36.94 million, increased from 9M/22 by Baht 18.68 million or 102.3%. This was due to the recognition of interest expense from the increase in lease liabilities under the accounting standards, corresponding to the new lease agreements for the new branches opened during the period, the adjustment of lease agreements from existing branches, the expansion of the Sampheng 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 Q3/23 vs Q3/22

**Net Profit:** In Q3/23, the Company reported Net Profit of Baht 81.42 million, increased from Q3/22 by Baht 34.40 million or 73.1%, mainly due to the increase in sales revenue from all channels, especially from retail stores, corresponding to the increase in revenue from same store sales growth (SSSG), the opening of new branches, the launch of the new product category of pet supplies and equipment, the launch of the new 'Garlic' brand, which focuses on home decoration and lifestyle products. In addition, the Company have hosted marketing initiatives to support concerts, and opened the new the OK Station branch resulting in sales growth, while the Company's ability to manage costs and expenses more efficiently have resulted in better profits.

**Net Profit Margin:** Net Profit Margin was 13.8%, increased from 10.2% in Q3/22, mainly due to the increase in sales revenue from all channels, corresponding to the higher demand as a result of economic recovery and the reopening of the country, which resulted in the increase in various economic activities, as well as the launch of new products and brands, the opening of new stores both retail and wholesale, the increase in sales proportion of high-margin products, the appreciation of Thai Baht against the Chinese yuan (RMB), and the Company's ability to control costs efficiently.

### QoQ Q3/23 vs Q2/23

**Net Profit:** In Q3/23, the Company reported Net Profit of Baht 81.42 million, slightly decreased from Q2/23 by Baht 1.39 million or 1.7%, due to the decline in sales corresponding to the seasonality factor. However, the Company continues to plan to ensure continuous sales growth by launching the new 'Garlic' brand, which focuses on selling home decor and lifestyle products, as well as hosting marketing initiatives to support concerts.

**Net Profit Margin:** Net Profit Margin was 13.8%, slightly decreased from 13.9% from Q2/23. This demonstrates the Company's ability to maintain the profit margin.

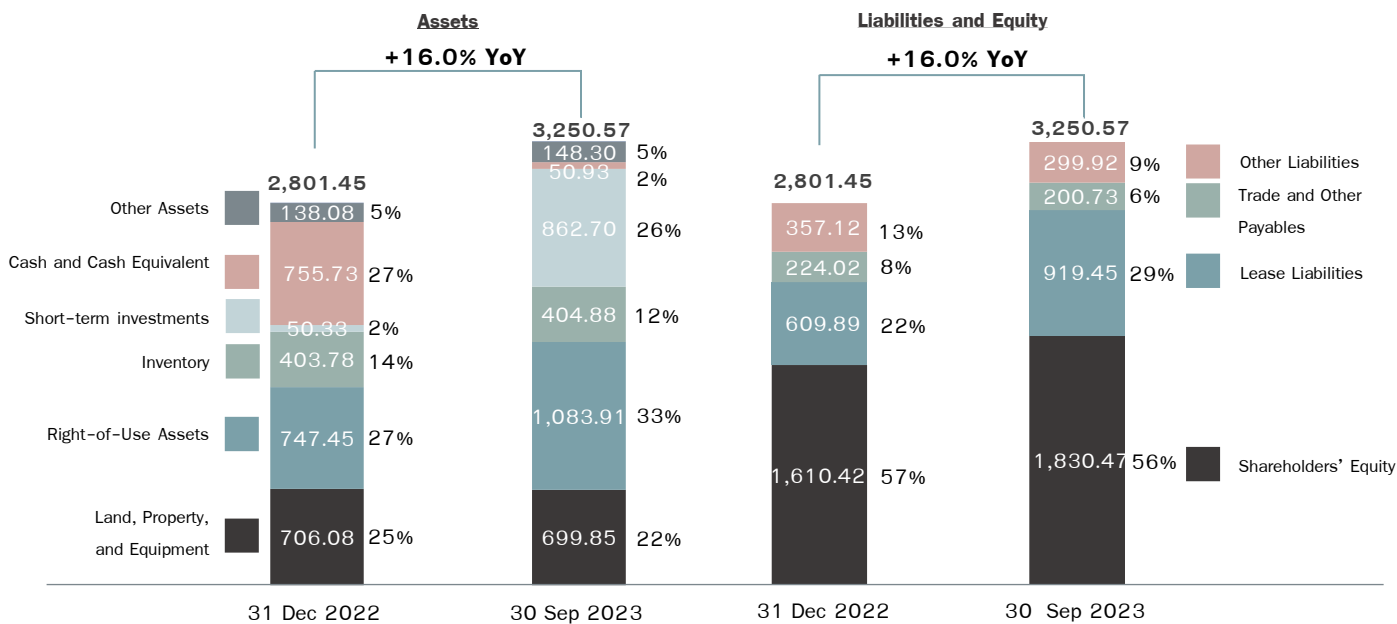
### YoY 9M/23 vs 9M/22

**Net Profit:** In 9M/2023, the Company recorded Net Profit of Baht 250.06 million, increased by Baht 115.43 million or 85.7% from 9M/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 launch of new product category of pet supplies and equipment, the launch of the new 'Garlic' brand, which focuses on home decor and lifestyle products, and hosting marketing initiatives to support concerts. In addition, during 2023, the Company have expanded the Sampeng branch, benefitted from the recovery of the Platinum Fashion Mall Branch and the opening of The OK Station branch. The improved net profit also came from the Company's ability to control costs and expenses efficiently.

**Net Profit Margin:** Net Profit Margin was 14.3%, increased from 10.7% in 9M/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, which resulted in an increase in various economic activities, as well as the launch of new products and brands, the opening of new stores both retail and wholesale, the increase in sales proportion of high-margin products, the appreciation of Thai Baht against the Chinese yuan (RMB), and the Company's ability to control costs efficiently.

## Statements of Financial Position

Unit: Million THB, %



### Total Assets

As of 30 September 2023, The Total Assets of the Company were Baht 3,250.57 million, increased by Baht 449.12 million or 16.0% from 31 December 2022 mainly due to:

- **Cash and Cash Equivalent:** decreased by Baht 704.80 million due to the Company using cash to invest in short-term fixed income funds, bonds, and bills of exchange.
- **Right-of-Use Assets:** increased by Baht 336.46 million due to the renewal of the existing branch's rental agreement and the expansion of new branches.
- **Short-term investments:** increased by Baht 812.37 million due to the Company's effective cash management, which involves investing in short-term fixed income funds, bonds, and bills of exchange to maximize returns.
- **Other Assets:** increased by Baht 10.22 million due to the collateral of the new branch expansion.

### Total Liabilities

As of 30 September 2023, The Total Liabilities of the Company were Baht 1,420.10 million, increased by Baht 229.07 million or 19.2% from 31 December 2022 mainly due to:

- **Trade and Other Payables:** decreased by Baht 23.29 million due to the decrease in inventories corresponding to the off-peak season of the business.
- **Lease Liabilities:** increased by Baht 309.56 million due to the renewal of the existing branch's rental agreement and the expansion of new branches.
- **Other Liabilities:** decreased by 57.20 million due to the payment of withholding tax for the dividend payment in December 2022.

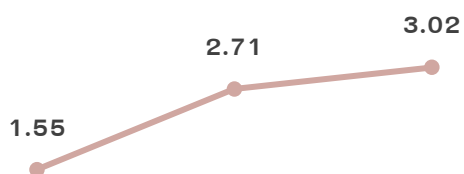
### Total Shareholders' Equity

As of 30 September 2023, The Total Shareholders' Equity were Baht 1,830.47 million, increased by Baht 220.05 million or 13.7% from 31 December 2022 corresponding to the Company's performance.

## Key Financial Ratios

### Current Ratio

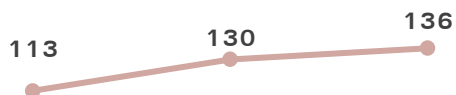
Unit: Times



Q3/22      Q2/23      Q3/23

### Inventory Turnover

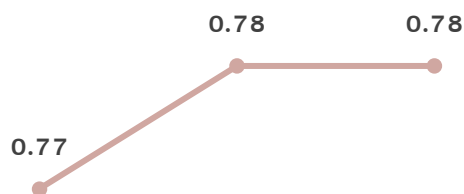
Unit: Days



Q3/22      Q2/23      Q3/23

### Debt-to-Equity (D/E) Ratio

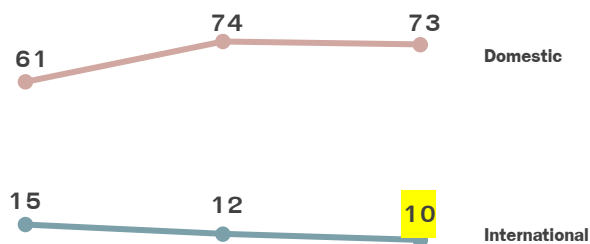
Unit: Times



Q3/22      Q2/23      Q3/23

### AP Turnover

Unit: Days



Q3/22      Q2/23      Q3/23

### Return on Equity (ROE)

Unit: %



Q3/22      Q2/23      Q3/23

### Return on Assets (ROA)

Unit: %



Q3/22      Q2/23      Q3/23