



บริษัท ริช สปอร์ต จำกัด (มหาชน)
RICH SPORT PUBLIC COMPANY LIMITED

116/20 ถนน ณ ระนอง แขวงคลองเตย เขตคลองเตย กรุงเทพฯ 10110 โทร. 0-2249-8709 โทรสาร. 0-2249-8711
116/20 Na Ranong Road, Klong Toey, Bangkok 10110 Thailand Tel. 0-2249-8709 Fax. 0-2249-8711
เลขประจำตัวผู้เสียภาษีอากร 0107560000257

27 February 2024

Subject: Management's Discussion and Analysis
for the three-month period ended 31 December 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 31 December 2023 as follows:-

Summary of consolidated income statement for the three-month period and the year ended 31 December 2023

Unit : Million Baht

	Q4			For the year ended 31 December		
	2023	2022	Change	2023	2022	Change
Revenue from sales	398.9	397.1	0.5%	1,451.4	1,268.2	14.4%
Other income	3.9	7.3	-46.6%	70.0	26.3	166.2%
Total revenues	402.8	404.4	-0.4%	1,521.4	1,294.5	17.5%
Cost of sales	167.5	160.1	4.6%	619.0	560.2	10.5%
Selling and administrative expenses	188.0	183.2	2.6%	707.2	577.6	22.5%
Loss (Gain) on disposal and change in value of other current financial assets	43.6	(7.6)	-673.7%	57.3	5.5	941.8%
Profit (loss) before finance costs and income tax expense	3.7	68.7	-94.6%	137.9	151.2	-8.8%
Finance costs	3.9	2.2	77.3%	11.9	7.6	56.6%
Tax expense (income)	4.1	13.8	-70.3%	31.3	29.8	5.0%
Profit (loss) for the period	(4.3)	52.7	-108.2%	94.7	113.8	-16.8%

Operating result for the three-month period ended 31 December 2023

In 4Q2023, Thai economy expanded by 1.7% and decreased by 0.6% after seasonally adjusted from 3Q2023. In this quarter, the Company has started to distribute 2 new brands in November which Acme De La Vie (ADLV), a street fashion brand from South Korea and O&B, ladies' footwear and leather goods brand.

The Company had total revenue from sales in 4Q23 of Baht 398.9 million, 0.5% increased from the same period of last year. Total other income is Baht 3.9 million, decreased 46.6% from the same period of last year.

The Company's consolidated gross profit is Baht 231.4 million, 2.0% decreased from the same period last year. The gross profit margin in 4Q23 is at 58.0%. The gross profit margin was down from the same period last year as in 4Q22, the Company had reversed the write-down of cost of inventory by Baht 13 Million, which made the cost of goods sold rate lower than usual.

Selling and administrative (SG&A) expenses equaled to Baht 188.0 million, 2.6% increase from the same period last year. An increase in SG&A expenses was mainly resulted from personnel, marketing, depreciation and expenses related to the new brand acquisition. 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 43.6 million due to decrease in price of securities.

The Company's total net loss is Baht 4.3 million with net loss margin of 1.1%.

Operating result for the year ended 31 December 2023

In the year 2023, all countries in the world including Thailand faced a significant rising in inflation which was affected from Russia and Ukraine war. Central banks in various countries had raised policy interest rate, especially in the United State where the Federal Reserve had continuously raised policy interest rate to a maximum of 5.5%, which caused global economic slowdown.

Meanwhile, Thai economy expanded by 1.9% in 2023 which was lower than prediction. Export sector was negatively expanded while tourism sector was growing lower than expectation. Moreover, the delay in government formation resulted in delay of fiscal budget. These factors had caused uncertainty in private investments and negatively impacted the purchasing power of consumers.

The Company's revenue from sales for the nine-month period of year 2023 is Baht 1,451.4 million, increased 14.4% from the same period last year.

Other income is Baht 70.0 million, increased 166.2% 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 due to increase in dividend received and increase in interest received.

The Company's consolidated gross profit is Baht 832.4 million, increase of Baht 124.4 million compared to the same period last year. The percentage of gross profit margin increased from 55.8% to 57.3%, which was resulted from better management of cost and sales promotion by the Company.

Selling and administrative (SG&A) expenses equaled to Baht 707.2 million, increased 22.4% from the same period last year. The proportion of SG&A expenses to total revenue from sales is 48.7%. The increase of SG&A expenses is mainly resulted from personnel, marketing, depreciation and expenses related to the new brand acquisition. 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 57.3 million due to decrease in price of securities.

The Company's total net profit is Baht 94.7 million and the net profit margin is 6.5%.

Summary of consolidated statement of financial position as at 31 December 2023

Unit : Million Baht

	31 December 2023	31 December 2022	Change
Cash and cash equivalents	301.4	366.5	-17.8%
Other current financial assets	486.2	748.3	-35.0%
Trade and other receivables	168.1	155.9	7.8%
Inventories	464.6	347.2	33.8%
Other current assets	134.6	123.8	8.7%
Other non-current financial assets	1.4	37.0	-96.2%
Property, plant and equipments	197.6	164.3	20.3%
Right-of-use assets	398.8	207.8	91.9%
Other non-current assets	145.8	76.2	91.3%
Total assets	2,298.5	2,227.0	3.2%
Trade and other payables	113.6	168.1	-32.4%
Accrued income tax	14.8	13.9	6.5%
Other current liabilities	3.1	2.8	10.7%
Lease liabilities	416.3	216.4	92.4%
Other non-current liabilities	46.0	39.5	16.5%
Total liabilities	593.8	440.7	34.7%
Total shareholders' equity	1,704.7	1,786.3	-4.6%
Total liabilities and shareholders' equity	2,298.5	2,227.0	3.2%

The Company's total assets is Baht 2,298.5 million, increased 3.2% from the end of 2022. This is mainly from increase in inventories, property, plant and equipment, right of use assets and other non-current assets and decrease in cash and cash equivalents, other current financial assets and other non-current financial assets.

Total liabilities is Baht 593.8 million, increased 34.7% from the end of 2022. This was mainly from increase in other current liabilities, lease liabilities, other non-current liabilities and decrease in trade and other payables.

Total shareholders' equity is Baht 1,704.7 million, slightly decreased 4.6% from the end of 2022, due to dividend paid.

Cash flow for the year ended 31 December 2023

Net cash flows receiving from operating activities is Baht 64.1 million, resulted mainly from the Company's operating results. Net cash flows receiving from investing activities is Baht 92.8 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 221.6 million, this is mainly from dividend paid and paid for lease liabilities principles and interest.

Please be informed accordingly.

Sincerely yours,



Papitch Wongpaitoonpiya
Chief Executive Officer

