

ที่ KK ELCID 2567/003

February 23, 2024

Subject: Management Discussion and Analysis for the year ended December 31, 2023

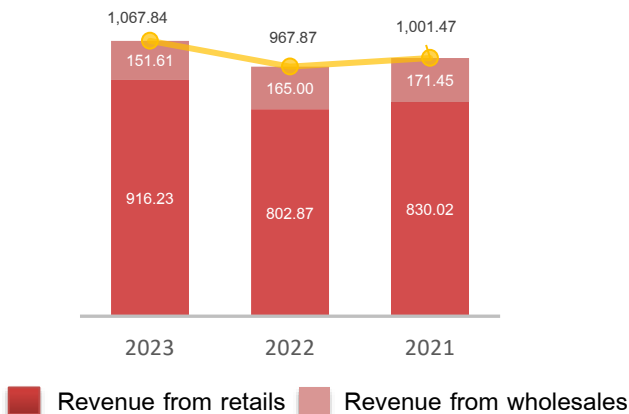
To: Director and Manager  
The Stock Exchange of Thailand

K&K Superstore Southern Public Company Limited ("the Company") would like to submit the Management Discussion and Analysis for the year ended December 31, 2023 as follows:

Operating performance overview for the year ended December 31, 2023.

Statement of comprehensive income	2023		2022		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenue from sales</b>	<b>1,067.84</b>	<b>100.00%</b>	<b>967.87</b>	<b>100.00%</b>	<b>99.97</b>	<b>10.33%</b>
- Retail	916.23	85.80%	802.87	82.95%	113.36	14.12%
- wholesales	151.61	14.20%	165.00	17.05%	(13.39)	(8.12%)
Cost of sales	937.53	87.80%	847.70	87.58%	89.83	10.60%
<b>Gross profit</b>	<b>130.31</b>	<b>12.20%</b>	<b>120.17</b>	<b>12.42%</b>	<b>10.14</b>	<b>8.44%</b>
Other income	5.04	0.47%	4.84	0.50%	0.20	4.13%
Sales and administrative expenses	133.44	12.50%	109.95	11.36%	23.49	21.36%
Financial cost	6.35	0.59%	3.95	0.41%	2.40	60.76%
<b>Net profit before tax</b>	<b>(4.44)</b>	<b>(0.42%)</b>	<b>11.11</b>	<b>1.15%</b>	<b>(15.55)</b>	<b>(139.96%)</b>
Income tax expense	0.03	0.00%	2.18	0.23%	(2.15)	(98.62%)
<b>Net profit</b>	<b>(4.47)</b>	<b>(0.42%)</b>	<b>8.93</b>	<b>0.92%</b>	<b>(13.40)</b>	<b>(150.06%)</b>
Gross profit margin	12.20%		12.42%			
Net profit margin	(0.42%)		0.92%			
Number of branches	36		32			

#### Overall of revenue from sales



Million Baht	2023	2022	2021
Retail	916.23	802.87	830.02
% SSSG	7.27%	(6.59%)	0.87%
<b>Number of branch</b>			
B/F	32	30	28
+ Addition	4	2	2
C/F	36	32	30

### **Revenue from Sales**

In 2023, the Company generated revenue from sales of Baht 1,067.84 million, increasing by Baht 99.97 million or 10.33 percent compared to the previous year due to the Company has a growth rate of same store sales growth for the year 2023 compared with the year 2022, increasing by 7.27% and the Company expanded four new stores in 2023, 1) Koh Mi Branch 2) Na Kluea Branch 3) Pho Sadet Branch 4) Phatthanakan Branch. Currently, there was total 36 branches.

### **Cost of sales and Gross profit**

In 2023, the Company has cost of sales equivalent to Baht 937.53 million increasing by Baht 89.83 million or 10.60 percent increase from the previous year according to the increasing in revenue from sales, Then, the Company has gross profit Baht 130.31 million increasing by Baht 10.14 million or 8.44 percent compared to same period of the previous year as the gross profit margin was 12.20%.

### **Other income**

In 2023, the Company has other income equivalent to Baht 5.04 million increased from the previous year amounted to Baht 0.20 million or 4.13 percent mainly due to in 2023 the company had gain on sale of assets in the amount of Baht 0.19 million.

### **Sales and administrative expenses**

In 2023, the Company has sales and administrative expenses equivalent to Baht 133.44 million increased from the previous year amounted to Baht 23.49 million or 21.36 percent mainly due to staff expenses, depreciation expenses and utility expenses from increasing the number of branches.

### **Financial cost**

In 2023, the Company has financial cost expenses equivalent Baht to 6.35 million increased from the previous year amounted to Baht 2.40 million or 60.76 percent mainly due to an increase in interest from financial institutions and interest expenses on lease contracts.

### **Net profit**

In 2023, the Company has net loss equivalent to Baht 4.47 million decreased from the previous year amounted to Baht 13.40 million or 150.06 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	As at	Increase (Decrease)	
	December 31,2023	December 31,2022	Million Baht	%
Total assets	466.51	402.44	64.07	15.92%
Total liabilities	298.37	223.79	74.58	33.33%
Total shareholders' equity	168.14	178.65	(10.51)	(5.88%)

### **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 December 31, 2023, the Company has total assets equivalent to Baht 466.51 million, increasing by Baht 64.07 million or 15.92 percent compared to the previous year, mainly due to the increase of cash and cash equivalents amounted to Baht 24.14 million and the increase of property plant and equipment amounted to Baht 18.66 million and the increase of right-of-use assets amounted to Baht 20.93 million mainly due to additional four new 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 December 31, 2023, the Company has total liabilities equivalent to Baht 298.37 million, increasing by Baht 74.58 million or 33.33 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 20.20 million from increasing the number of branches in line with the increase of asset according to TFRS 16 Leases.

### **Shareholders' equity**

As at December 31, 2023, the Company has shareholders' equity equivalent to Baht 168.14 million, decreasing by Baht 10.51 million or 5.88 percent compared to the previous year, mainly due to dividend payment amounted to Baht 6.04 million and the loss for the year 2023 amounted to Baht 4.47 million.

Please be informed accordingly

Yours Sincerely,

- Mr. Kawispong Sirithananonsakul-

(Mr. Kawispong Sirithananonsakul)

Managing Director

K&K Superstore Southern Public Company Limited