



S&P Syndicate Public Company Limited
Management Discussion & Analysis

MD & A

1Q24





Executive Summary

Unit : Million Baht

Highlight	1Q23	1Q24	Better or (Worse)
Revenue	1,436	1,438	2
Cost of Sales <i>Cost of Sales (%)</i>	(625) 43.6%	(629) 43.8%	(4) (0.2%)
Gross Profit <i>Gross Profit Margin (%)</i>	811 56.4%	809 56.2%	(2) (0.2%)
Selling Expenses and Administrative expenses <i>Selling Expenses and Administrative expenses (%)</i>	(699) 48.7%	(709) 49.3%	(10) (0.6%)
Net Profit – Owners of the parent <i>Net Profit Margin (%)</i>	105 7.3%	93 6.5%	(12) (0.8%)

- ▶ **1Q24 Revenue was 1,438mb, +2mb or +0.1% YoY** Total Revenue was about on par with LY. Domestic Stores Revenue was declined by -22mb, or -2% YoY mainly due to permanent S&P/Japanese stores closure in LY (net with new stores opened), offset with the increase in Food Service Revenue from Airline customer.
- ▶ **1Q24 %Gross Profit was -0.2% slightly worse than LY** mainly due to the %GP mix between Restaurant (higher %GP) and Retail & Food Service business (lower %GP). 1Q24 %GP by business segment was slightly better LY, driven by 1) key ingredients stock-up, 2) alternative sourcing and ingredients, 3) lean Six Sigma production, 4) menus redesign & segmentation, and 5) raw materials and packaging costs control.
- ▶ **1Q24 Net Profit was 93mb, -12mb or -11% YoY** mainly driven by the increased rental expenses which were totally back to the contract rates and assets write-off from 7 stores closed in 1Q24 (mostly due to contracts expired).





1Q24 KEY ACHIEVEMENTS

- 1 Dine-in revenue increased +11.2% despite of the decline in both take-away (-2.6%) and delivery (-6.9%) channels
- 2 Strong growth in Retail and Food Service Business Segment (+17%) especially for Food Service (from Airline account)
- 3 Successfully launched “Khoa-Chae” on 1 Mar 2024, +13% YoY (end of 1Q24)
- 4 Continuously improvement on Lean Six Sigma production and factories productivity increase, including energy costs saving
- 5 Continuously manage and successfully control raw materials and packaging costs



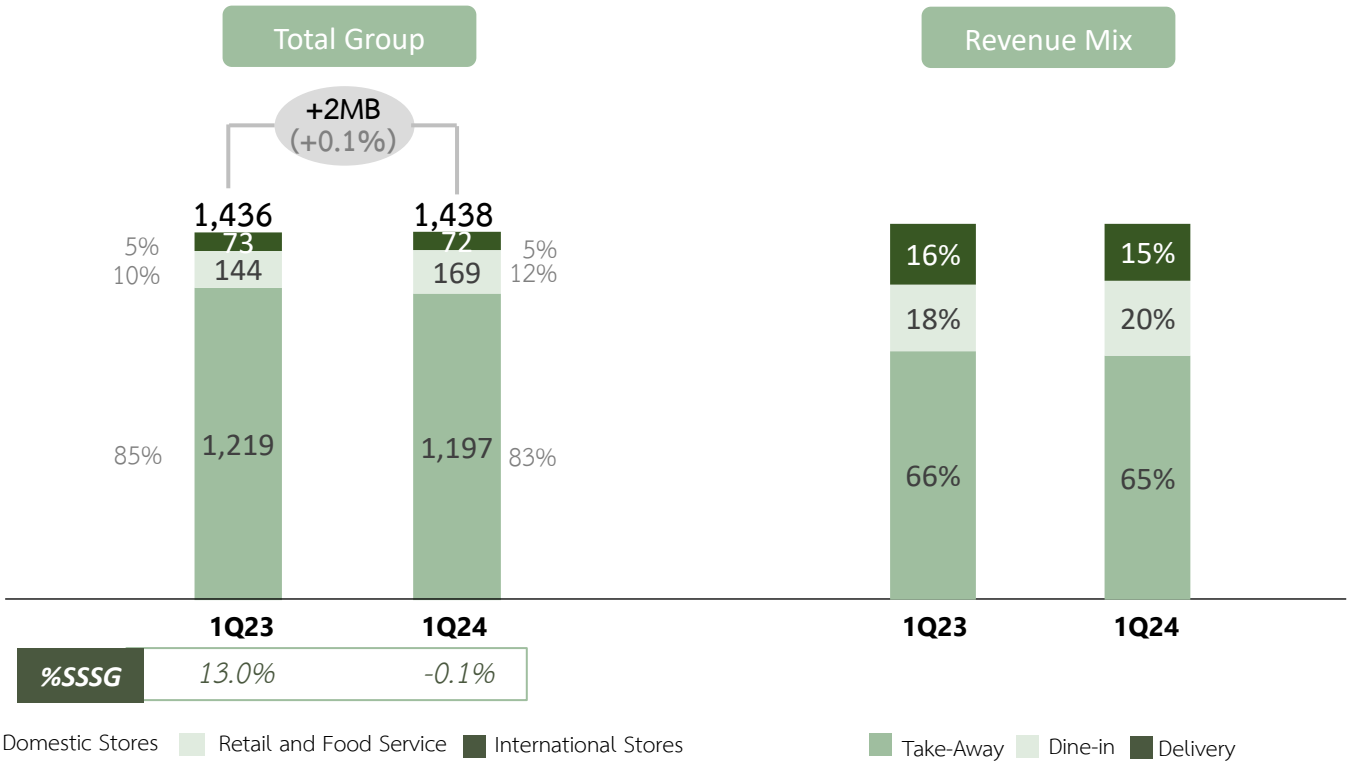
NUMBER OF STORES

BRAND (AS OF 31 MAR 2024)	TOTAL STORE	THAILAND		INTERNATIONAL
		Equity	Franchise	
S&P Restaurant	129	124	-	5
S&P Bakery Shop	279	278	1	-
S&P Delta	31	31	-	-
S&P Food&Bakery	2	2	-	-
Grand Seaside	1	1	-	-
Patio	1	1	-	-
Patara	7	1	-	6
Nais & SNP Cake Studio	1	1	-	-
Maisen	11	11	-	-
Umenohana	1	1	-	-
TOTAL	463	451	1	11





REVENUE Unit : Million Baht



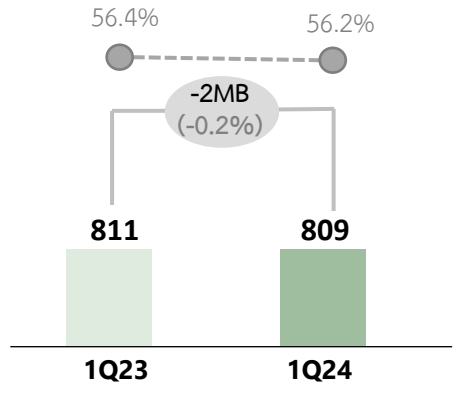
1Q24 Revenue was 1,438mb, +2mb or +0.1% YoY Domestic Stores Revenue declined -2% YoY while Retail and Food Service increased +17% YoY

- Domestic Stores** : -22MB or -2% YoY mainly driven by the drop in take-away and delivery sales from stores in Shopping Mall, Hypermarket, and Standalone stores, offset with the revenue growth from stores in Hospital and Airports.
 - Dine-in Revenue** : +11.2% YoY mainly came from menu segmentation, menu redesign especially for single dishes menu and the launch of 2024 Khao-Chae
 - Take-away Revenue** : -2.6% YoY mainly came from stores in Shopping Mall and Hypermarket. In spite of less traffic and less number of orders, the averaged spending per bill was increased by 5% via upselling and combo sets
 - Delivery Revenue** : -6.9% YoY despite the increase in number of orders. This was mainly due to the decline in Corporate big orders while number of orders from food aggregators still increased.
- Retail and Food Service** : +25MB or +17% YoY mainly came Food Service Revenue from Airline accounts and frozen cake promotion in Retail channel
- International Stores** : -1MB or -1% YoY Revenue from stores in Cambodia, UK, and Austria were quite on par YoY





GROSS PROFIT Unit : Million Baht

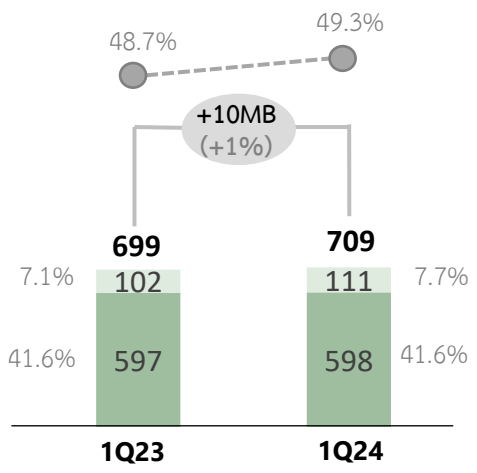


1Q24 %Gross Profit was -0.2% worse than LY mainly due to the %GP mix between Restaurant (higher %GP) and Retail & Food Service business (lower %GP).

1Q24 %GP by business segment was slightly better LY, driven by

- 1) key ingredients stock-up
- 2) alternative sourcing and ingredients
- 3) lean Six Sigma production
- 4) menus redesign & segmentation, and
- 5) raw materials and packaging costs control and management

Selling expenses and Administrative expenses Unit : Million Baht

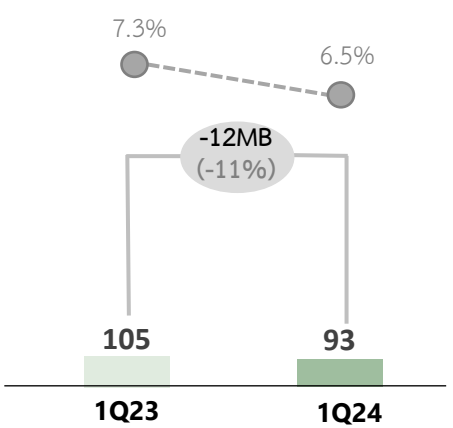


1Q24 %Total SG&A was 0.6% worse than LY

- 1Q24 Selling expenses were quite on par with LY despite the lower revenue on Domestic Stores Revenue. This was mainly driven by 1) the higher rental expenses of which the rates were totally back to the contract rates, and 2) the higher depreciation from new stores and renovation, offset with the higher revenue mix from Retail and Food Service Business Segment which incurred lower selling expenses.
- 1Q24 Administrative expenses increased 9mb YoY mainly due to the one-time assets write-off from 7 stores permanent closure in 1Q24.

■ Selling expenses ■ Administrative expenses

NET PROFIT Unit : Million Baht



1Q24 Net Profit was 93mb, -12mb or -11% YoY mainly driven by the increased rental expenses which were totally back to the contract rates and assets write-off from 7 stores closed in 1Q24 (mostly due to contracts expired), offset with the Lean Six Sigma Production, continuous improvement on productivity, cost saving, raw materials and packaging costs control, and internal collaboration with strong culture to drive profit and better customer experience.





Assets / Liabilities and Equity

Unit : Million Baht

Statements of Financial Position				
Key Metrics (MB)	As at Mar24		As at Dec23	
	MB	%	MB	%
Cash and cash equivalents	741	15%	718	14%
Financial assets at fair value	369	8%	367	7%
Other current assets	529	11%	580	12%
Total Current assets	1,639	33%	1,665	33%
Investment in associate	122	2%	111	2%
Investment in joint ventures	182	4%	186	4%
Property, plant and equipment	1,622	33%	1,642	33%
Right-of-use asset	1,255	26%	1,353	27%
Other non-current assets	88	2%	88	2%
Total non-current assets	3,269	67%	3,380	67%
TOTAL ASSETS	4,908	100%	5,045	100%
Short-term borrowings from financial institutions	1	0%	1	0%
Current portion of long-term borrowings	11	0%	11	0%
Current portion of lease liabilities	392	8%	395	8%
Trade and other payables	651	13%	804	16%
Other current liabilities	120	2%	104	2%
Total Current Liabilities	1,175	24%	1,315	26%
Long-term borrowings from financial institutions	13	0%	16	0%
Non-current provision for employee benefits	159	3%	154	3%
Lease liabilities	637	13%	731	14%
Other non-current liabilities	69	1%	69	1%
Total non-current liabilities	878	18%	969	19%
TOTAL LIABILITIES	2,054	42%	2,285	45%
Paid-up Capital	515	10%	515	10%
Premium on ordinary shares	690	14%	690	14%
Surplus on gain from transfer of business to JV	80	2%	80	2%
Legal reserve	52	1%	52	1%
Unappropriated	1,461	30%	1,368	27%
Other components of shareholders' equity	19	0%	18	0%
Non-controlling interests	38	1%	37	1%
TOTAL EQUITY	2,855	58%	2,760	55%
TOTAL LIABILITIES & EQUITY	4,908	100%	5,045	100%
<i>Authorised share capital</i>	<i>515</i>		<i>515</i>	
<i>Par Value (Baht/Sh.)</i>	<i>1.00</i>		<i>1.00</i>	
<i>No. of share (millions)</i>	<i>515</i>		<i>515</i>	

Cash & Cash equivalent of 741 mb, +23mb vs. Dec23, was primarily attributable from

1. The efficiency of working capital management eg. Increase of debtor collection and inventory management (less stock up)
2. Decreasing of financial cost

Right-of-use asset and lease liabilities : Decreased -98mb due to the depreciation on right of use asset and maturity of lease liabilities

Trade and other Payables: Decreased of -153mb mainly from trade payable settlement on raw material , stores expansion and DC management fee and employee bonus





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