



Moshi Moshi

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Moshi Moshi Retail Corporation Public Company Limited

Management Discussion and Analysis(MD&A)

Q1/24

Significant events in Q1/2024

1.Store Expansion: The company has been expanding stores actively as the Thai economy continued to recover. In Q1/24, the company opened 9 new stores under Moshi brand, resulting in the total of 135 Moshi stores at the end of Q1/24.

2.New Product Development: The company understand the importance of changing customer need and expectation and continued to adapt to meet new customer expectations. In Q1/24, the company has developed new products more than 3,000 SKUs with various style and design. The variety of products are to boost up sales in each category such as festival products like Children Day and Valentine products and Home furnishing, Stationery and IT products. Moreover, there are marketing activities that meet interest of customers in K-pop industry such as concert sponsorship and discount promotion every month.

3.New store format: The company has continuously developed new store format to meet various lifestyle of customer. In Q1/24, the company opened the first stand alone store under Moshi brand which is Mae Fah Luang Branch in Chiang Rai .



ต้อนรับบัตรแฟนคอนเสิร์ต
 '2024 TEN FIRST FAN-CON [1001] IN BANGKOK'

เพียงซื้อบัตรที่ร้าน Moshi Moshi*
ครบชุดฯ 399 บาท

รับ 1 สิทธิจับบัตรแฟนคอนเสิร์ต
 '2024 TEN FIRST FAN-CON [1001] IN BANGKOK'
 รวมบัตรของวันที่ 3 มีนาคม 2567

มูลค่า 6,500 บาท
 จำนวน 30 รางวัล รางวัลละ 1 ใบ

รายละเอียดเพิ่มเติม ดูฉบับที่ 5 - 18 หน้า 67



Moshi Moshi x **ISTJ**

ISTJ MD FINAL COLLABORATION LINE UP

NEW IN!

MARK CHENLE JENO
 JAEMIN JISUNG RENJUN HAECHEAN

Acrylic Standee
 129 THB.-

*Maximum purchase per item is limited to 2 pcs./member/branch

AVAILABLE ONLINE ONLY 2024.02.26 12:00
 © Moshi Moshi Shoppe Official Store

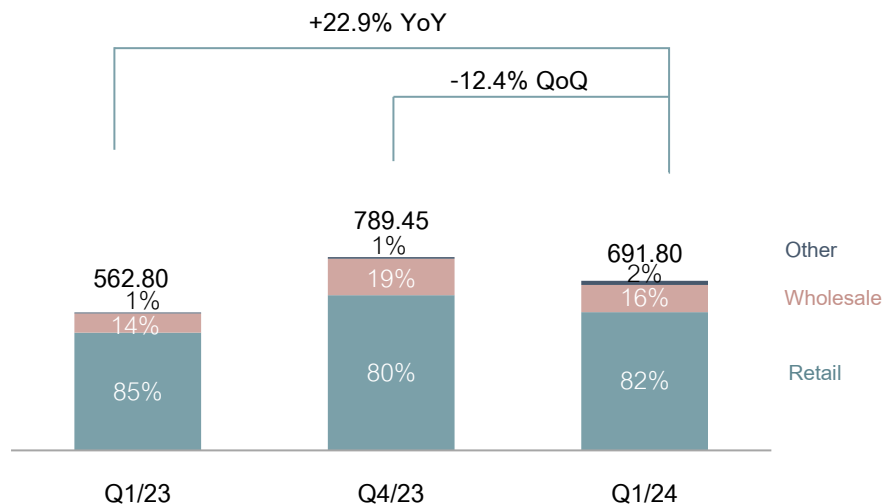
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Operating Result in Q1/2024

Operating Performance	Q1/23	Q4/23	Q1/24	Change +/-	
Unit: Million THB				%YoY	%QoQ
Operating Revenue	562.80	789.45	691.80	22.9%	(12.4%)
Cost of Sales	(258.57)	(360.90)	(312.41)	20.8%	(13.4%)
Gross Profit	304.23	428.55	379.39	24.7%	(11.5%)
Other income	2.29	4.05	3.95	72.5%	(2.5%)
Selling expenses	(167.62)	(195.76)	(193.29)	15.3%	(1.3%)
Administrative expenses	(22.76)	(34.59)	(23.47)	3.1%	(32.2%)
Other gain(losses)-net	2.56	5.38	5.84	128.1%	8.6%
Financial costs	(10.03)	(16.44)	(17.42)	73.7%	6.0%
Profit before income tax	108.67	191.19	155.00	42.6%	(18.9%)
Income Tax	(21.93)*	(37.20)*	(29.62)	35.1%	(20.4%)
Net Profit	86.74*	153.99*	125.38	44.5%	(18.6%)

* Changes in accounting policy from amendments to TAS 12 -Income taxes

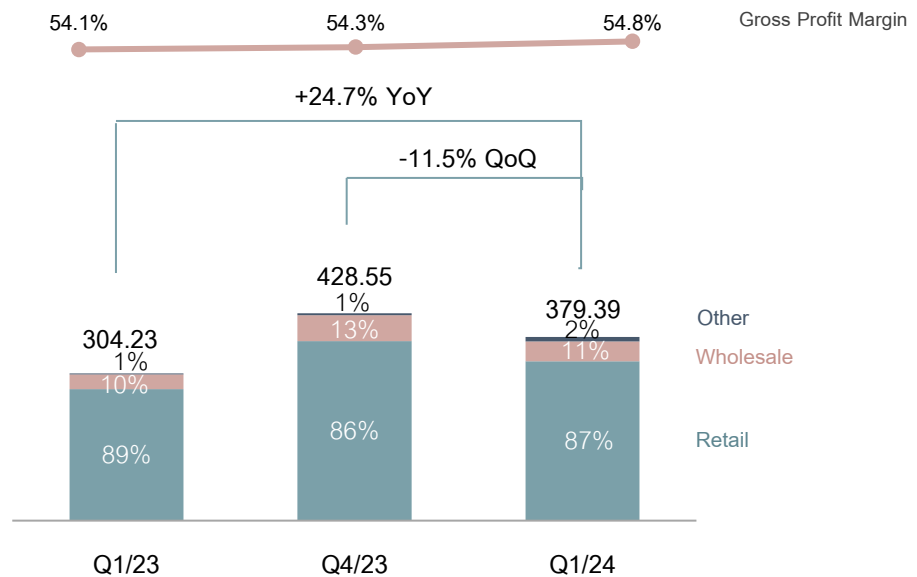
1. Operating Revenue



In Q1/24, the company reported Operating Revenue of Baht 691.8 million, increased by Baht 129.0 million or 22.9% YoY , mainly due to

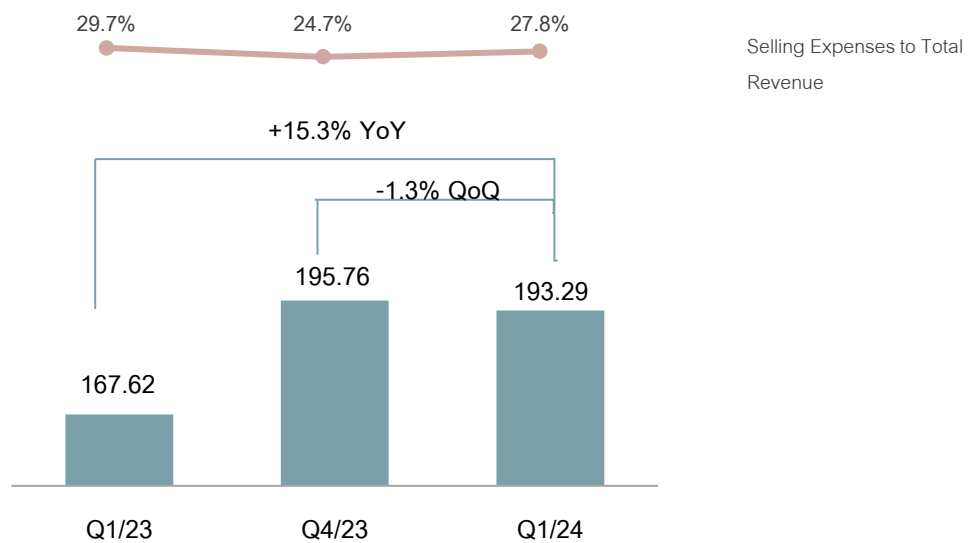
- higher retail sale which increased by Baht 83.9 million or 17.5% YoY from 33 new stores expansion, growth from new stores ,recovery in tourist sector and new products that meet customers need. Q1/24 SSSG is 0.4% due to high base sales in Q1/23 as a result of NCT DREAM TOUR 'THE DREAM SHOW2: In A DREAM concert sponsorship.
- higher sale growth in wholesale sale which increased by Baht 32.2 million or 40.5% YoY mainly from revenue recognition of The Ok Station which was acquired in Q2/23 and improvement in number of tourist arrival.
- Higher sales from other channel which increased by Baht 12.9 million or 397.5% YoY mainly from sales of NCT dream merchandise

2. Gross Profit and Gross Profit Margin



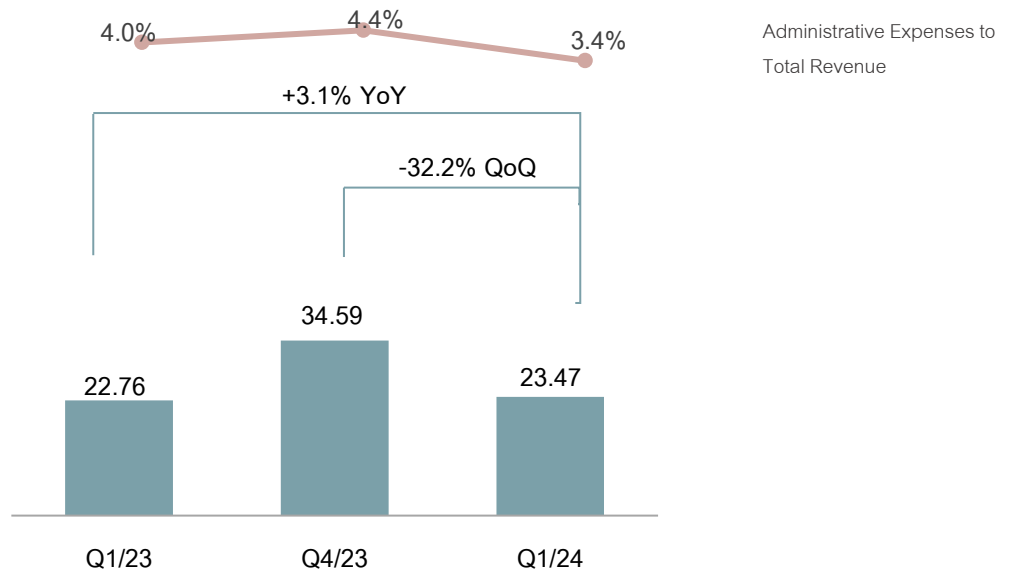
In Q1/24, the Company reported Gross Profit of Baht 379.4 million, increased by Baht 75.2 million or 24.7%YoY, mainly due to higher sale in both retail and wholesale channels. Gross profit margin increased from Q1/23 although the company has opened new wholesale store, The Ok Station as the company increase sale of higher margin products such as Pet accessories , Plush Toys , Toy, and Keychain . Specifically, gross profit margin was at 54.8% in Q1/24 increased from 54.1% in Q1/23.

3. Selling Expenses



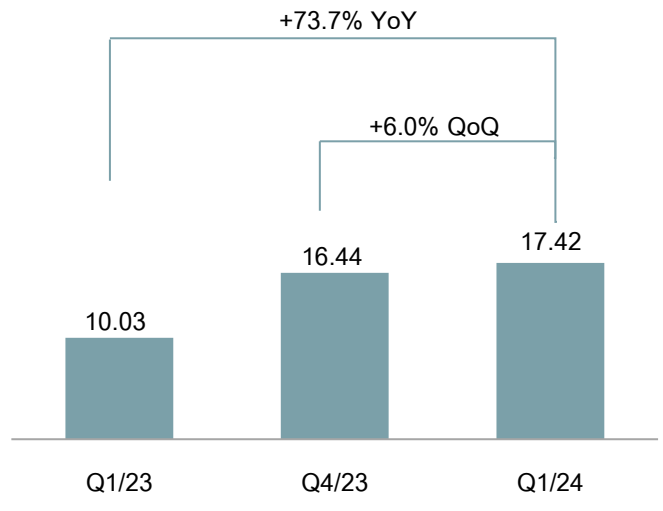
In Q1/24, the Company reported selling expense of Baht 193.3 million, increased from Q1/23 by Baht 25.7 million or 15.3%. This was due to the increase in employees' compensation costs and rent expense, corresponding to the increase in sales due to new branches expansion and annual salary increase. Selling Expenses to Total Revenue was at 27.8%, improved from 29.7% in Q1/23. This was due to the increased in total revenue at a higher proportion than the increased in selling expense. Some of the selling expenses are fixed costs, resulting in economy of scale as well as the Company's ability to control costs more efficiently.

4. Administrative Expenses



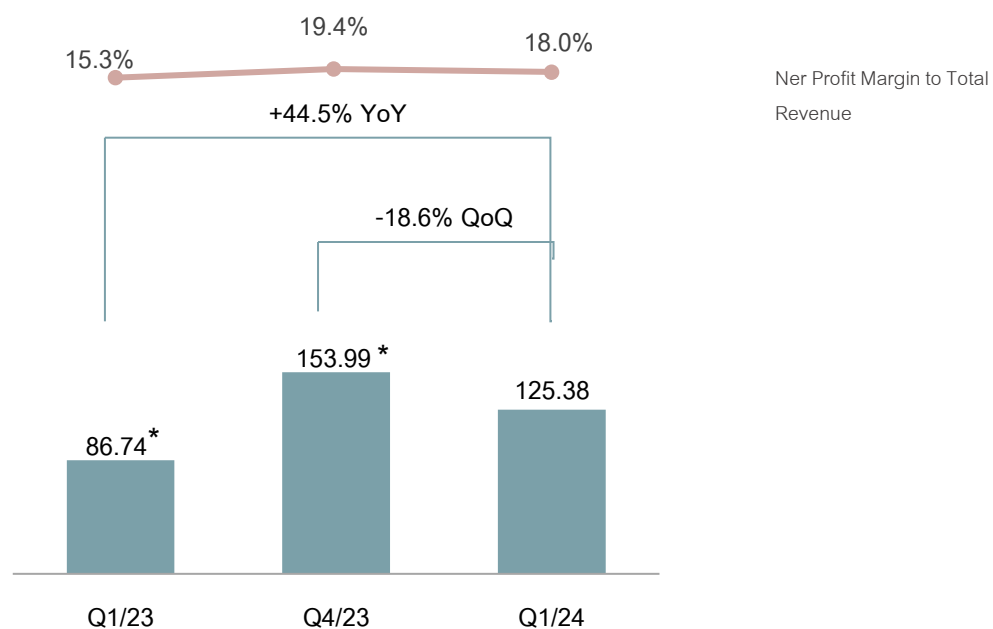
In Q1/24, the Company reported Administrative Expenses of Baht 23.5 million, slightly increased from Q1/23 by Baht 0.7 million or 3.1%. This was mainly due to the increase in employee expenses according to the increase in the number of employees to support business expansion and annual salary increase. Administrative Expenses to Total Revenue was 3.4%, decreased from 4.0% in Q1/23. This was due to the increased in total revenue at a higher proportion than the increased in administrative Expenses. Some of the administrative expenses being fixed costs, resulting in economy of scale as well as the Company's ability to control costs more efficiently.

5. Financial Cost



In Q1/24, the Company reported financial costs of Baht 17.4 million, increased from Baht 7.4 million or 73.7% in Q1/23. This was due to a recognition of interest expense from the increased in lease liabilities due to the increase in lease contracts corresponds to the increase in number of branches, as well as the adjustment of the Minimum Loan Rate (MLR) of Leases Policy of commercial banks.

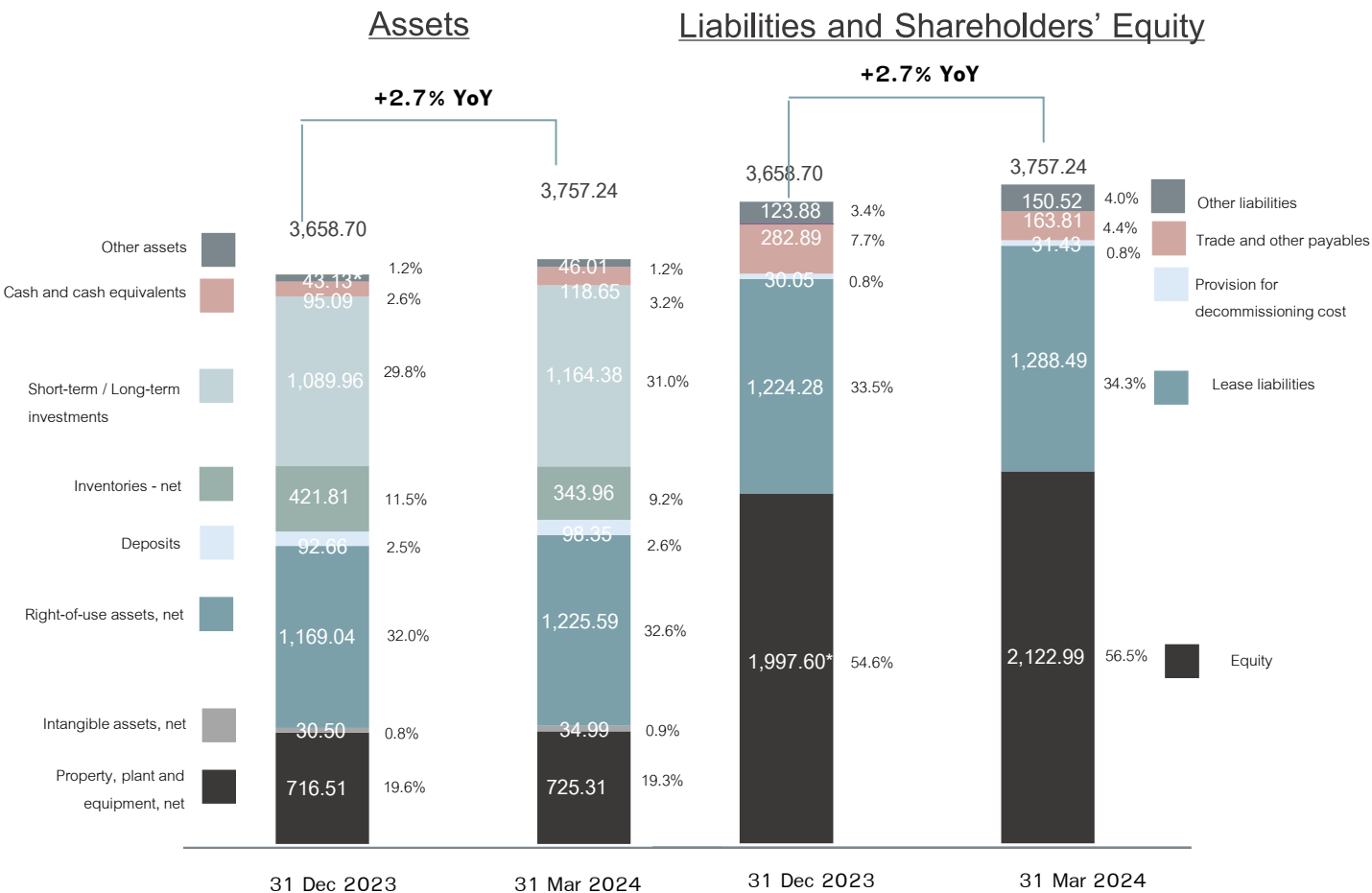
6. Net Profit and Net Profit Margin



* Changes in accounting policy from amendments to TAS 12 -Income taxes

In Q1/24, the Company reported net profit of Baht 125.4 million, increased from Q1/23 by Baht 38.6 million or 44.5%. This was due to the increase in sale from all channels. Net Profit Margin was 18.0%, increased from 15.3% in Q1/23, mainly due to the increase in sales proportion of high-margin products, economy of scale from store expansion and the Company's ability to control costs efficiently.

Statements of Financial Position



* Changes in accounting policy from amendments to TAS 12 -Income taxes

1. Total Assets

As of 31 March 2024, the total assets of the Company were Baht 3,757.2 million, increased by Baht 98.5 million or 2.7% from 31 December 2023 mainly due to 1). Right-of-Use Assets increased by Baht 56.6 million due to the renewal of the existing branch's rental agreement and the expansion of new branches 2). short-term / long-term investments increased by Baht 74.4 million corresponding to the Company's performance.

2. Total Liabilities

As of 31 March 2024, the total liabilities of the Company were Baht 1,634.3 million, decreased by Baht 26.8 million or 1.6% from 31 December 2023 mainly due to 1). Trade and Other Payables decreased by Baht 119.1 million corresponding to the decrease in purchasing volume which is a seasonal factor 2). lower accrued expenses from the annual bonus payment in Q1/24 3). Increase in lease liabilities corresponding to the increase in right-of use assets

3. Total Shareholders' Equity

As of 31 March 2024, the total shareholders' equity were Baht 2,123.0 million, increased by Baht 125.4 million or 6.3% from 31 December 2023 corresponding to the Company's performance.

Statements of Cash Flows

Statement of Cash Flows	Q1/23	Q1/24	Change +/-
Unit: Million THB			%YoY
Net cash generated from operating activities	47.63	195.74	310.9%
Net cash used in investing activities	(478.78)	(104.36)	-78.2%
Net cash used in financing activities	(52.69)	(67.82)	28.7%
Net increase (decreased) in cash and cash equivalents	(483.84)	23.56	104.9%
Cash and cash equivalents at the beginning of the period	755.73	95.09	-87.4%
Cash and cash equivalents at the end of the period	271.89	118.65	-56.4%

1.Cash Flows From (Used in) Operating Activities

Cash flows from (used in) operating activities of Baht 195.7 million, increased by Baht 148.1 million, was mainly due to an increase of profit after adjusted to cash of Baht 66.9 million and improvement from effective inventory management of Baht 61.4 million.

2.Cash Flows From (Used in) Investing Activities

Cash flows from (used in) investing activities of Baht (104.4) million, cash flow used decreased 374.4 million, was mainly due to decreased in investments of Baht 394.3 million, which was the result of IPO cash management and cash from performance in the previous year and increased in property, plant and equipment and intangible asset of Baht 19.8 million, corresponding to the store expansion.

3.Cash Flows From (Used in) Financing Activities

Cash flows from (used in) financing activities of Baht (67.8) million, increased by Baht 15.1 million, was mainly due to lease liabilities and interest payment, corresponding to the increase in lease agreement from expansion of new branches.

Business Outlook 2024

1. Store expansion

The company plans to expand stores continuously following the growth of the communities, tourist locations, and other high potential areas in order to facilitate and reach customers as much as possible. Specially, the company targets to open at least new 34 stores in 2024, comprising of 30 Moshi stores and 4 Garlic stores

2. Sale growth

Revenue growth expected to be driven mainly by contribution from new stores and positive SSSG, which in-line with projected Thai economic growth. However, it is subjected to various factors such as number of foreign tourists, inflation, and domestic consumption.

3. Gross profit margin

Gross profit margin expected to improve from the previous year from expansion of retail stores and new development of higher margin products.

4. CAPEX

CAPEX is estimated to be approximately Baht 240 million with the following detail: (unit: million)

- Stores expansion 120
- Store renovation 20
- DC improvement 30
- IT System 60
- Other 10