

No. CS002/2567

August 8, 2024

Subject Management Discussion and Analysis for the 2nd quarter of 2024 and 1st half of 2024Attention President
The Stock Exchange of Thailand

Maguro Group Public Company Limited (“the Company”) provides Management Discussion and Analysis for the 2nd quarter of 2024 and 1st half of 2024 as follows:

Summary of the Operating Result

| Statement of Comprehensive Income (Million Baht) | 2 nd Quarter (Apr-Jun) | | | | 1 st Half (Jan-Jun) | | | |
|---|-----------------------------------|--------------|--------------|----------------|--------------------------------|--------------|--------------|----------------|
| | 2023 | 2024 | Change | | 2023 | 2024 | Change | |
| Revenue from sales and services | 264.7 | 321.1 | 56.4 | 21.3% | 500.6 | 618.0 | 117.4 | 23.4% |
| Cost of sales and services | (146.6) | (184.3) | (37.8) | 25.8% | (273.6) | (346.9) | (73.3) | 26.8% |
| Gross profit | 118.1 | 136.7 | 18.7 | 15.8% | 227.0 | 271.1 | 44.1 | 19.4% |
| Other income | 0.4 | 1.0 | 0.5 | 124.0% | 0.6 | 1.3 | 0.7 | 117.8% |
| Selling expenses | (65.7) | (81.7) | (16.0) | 24.4% | (125.7) | (158.1) | (32.5) | 25.8% |
| Administrative expenses | (22.9) | (32.3) | (9.3) | 40.7% | (43.9) | (58.4) | (14.5) | 33.1% |
| Profit before finance costs and income tax expense | 29.9 | 23.7 | (6.2) | (20.7%) | 58.1 | 55.9 | (2.2) | (3.7%) |
| Finance cost | (4.5) | (7.6) | (3.1) | 67.2% | (8.4) | (14.6) | (6.2) | 73.7% |
| Profit before income tax expense | 25.3 | 16.1 | (9.3) | (36.5%) | 49.7 | 41.3 | (8.4) | (16.9%) |
| Income tax expense | (5.1) | (3.2) | 1.9 | (37.2%) | (9.9) | (8.2) | 1.7 | (17.2%) |
| Net profit for the year | 20.3 | 12.9 | (7.4) | (36.3%) | 39.7 | 33.0 | (6.7) | (16.8%) |

Note : The Company’s net profit in Q2 2024 included one-time expenses of 6.6 million baht, and for the first half of 2024, 7.1 million baht, associated with the Company’s listing on the Stock Exchange. Excluding these one-time expenses, the Company’s net profit for Q2 2024 and the first half of 2024 would have been 18.2 million baht and 38.7 million baht, respectively (based on the assumption of a corporate income tax rate of 20%).

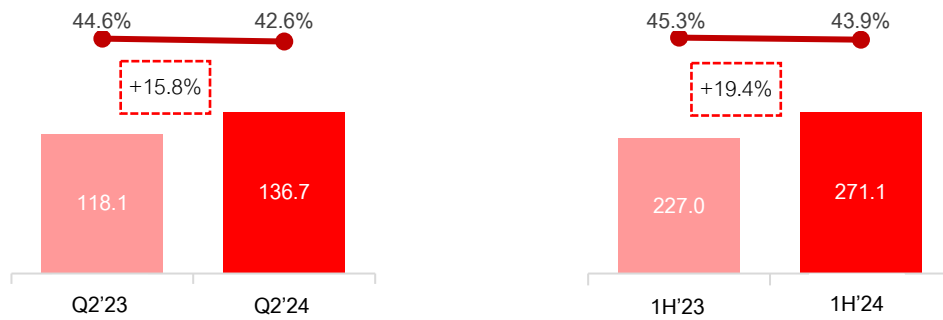
Revenue from sales and services

| Item (Million Baht) | 2 nd Quarter (Apr-Jun) | | | | 1 st Half (Jan-Jun) | | | |
|--|-----------------------------------|---------------|--------------|---------------|--------------------------------|---------------|--------------|---------------|
| | 2023 | % | 2024 | % | 2023 | % | 2024 | % |
| Revenue from sales and services | | | | | | | | |
| 1) Revenue from restaurant business | 264.0 | 99.7% | 320.8 | 99.9% | 499.5 | 99.8% | 617.4 | 99.9% |
| • <i>Maguro</i> | 166.0 | 62.7% | 180.4 | 56.2% | 322.7 | 64.5% | 351.0 | 56.8% |
| • <i>Ssamthing Together</i> | 54.2 | 20.5% | 53.1 | 16.5% | 103.6 | 20.7% | 104.3 | 16.9% |
| • <i>Hitori Shabu</i> | 43.7 | 16.5% | 87.3 | 27.2% | 73.2 | 14.6% | 162.1 | 26.2% |
| 2) Revenue from catering and delivery | 0.7 | 0.3% | 0.2 | 0.1% | 1.1 | 0.2% | 0.5 | 0.1% |
| Total revenue from sales and services | 264.7 | 100.0% | 321.1 | 100.0% | 500.6 | 100.0% | 618.0 | 100.0% |

The Company generated revenue of 321.1 million baht from sales and services in Q2 2024 and 618.0 million baht for the first half of 2024, reflecting increases of 21.3% and 23.4%, respectively, compared to the same periods last year. This growth was primarily driven by the expansion of new branches, with 3 branches opened in the first half of 2024. These additions include two Maguro branches and one Hitori Shabu branch. However, same-store sales growth (SSSG) had a slight decline due to prevailing economic conditions, which particularly impacted the sales performance of the 'Ssamthing Together' brand.

| Branch Expansion and SSSG | 2 nd Quarter | | 1 st Half | |
|---|-------------------------|-------|----------------------|-------|
| | 2566 | 2567 | 2566 | 2567 |
| Number of branches | | | | |
| Net number of new branches opened | 1 | 2 | 4 | 3 |
| Number of branches at the end of the period | 20 | 28 | 20 | 28 |
| Performance and Growth rate | | | | |
| Revenue from sales and services (THB million) | 264.7 | 321.1 | 500.6 | 618.0 |
| Revenue growth (percent) | 80.6 | 21.3 | 83.3 | 23.4 |
| Same-store sales growth (percent) | 5.3 | (3.6) | 11.1 | (2.9) |

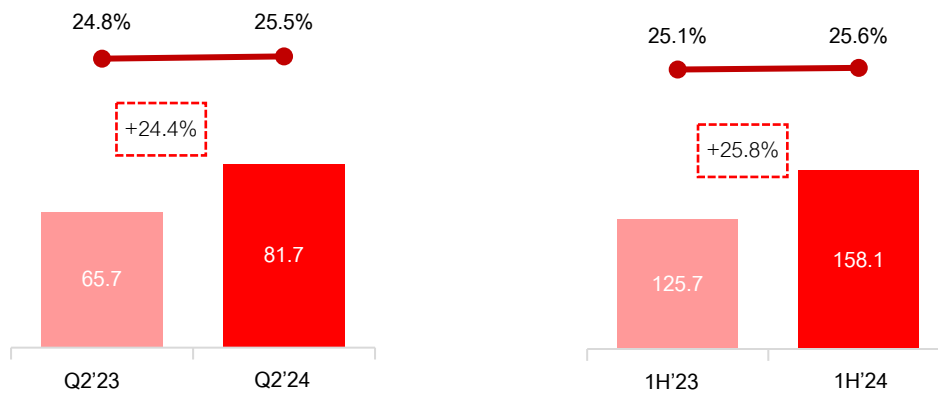
Gross profit and gross profit margin



In Q2 2024, the Company's gross profit increased to 18.7 million baht, reflecting a rise of 15.8%, while gross profit for the first half of 2024 increased to 44.1 million baht, a rise of 19.4% compared to the same periods last year. This growth aligns with the increase in revenue from sales and services.

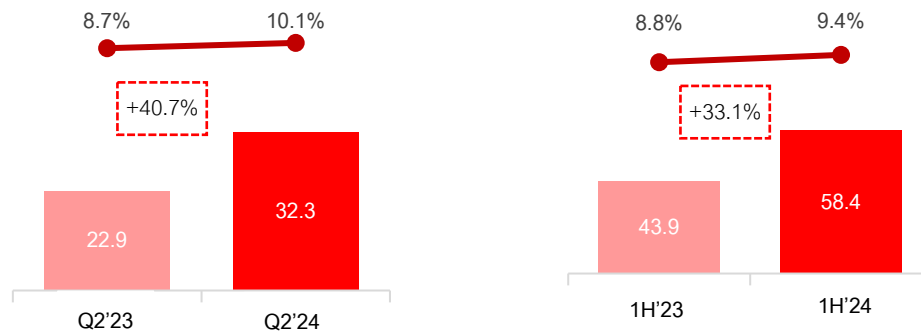
However, the Company's gross profit margin decreased by 2.0% in Q2 2024 and by 1.5% in the first half of 2024, compared to the same periods last year. This decline was primarily due to an increase in the cost of raw materials, driven by climate factors that affected production volumes from exporters in the first half of 2024. However, raw material costs have shown a downward trend since June.

Selling Expenses



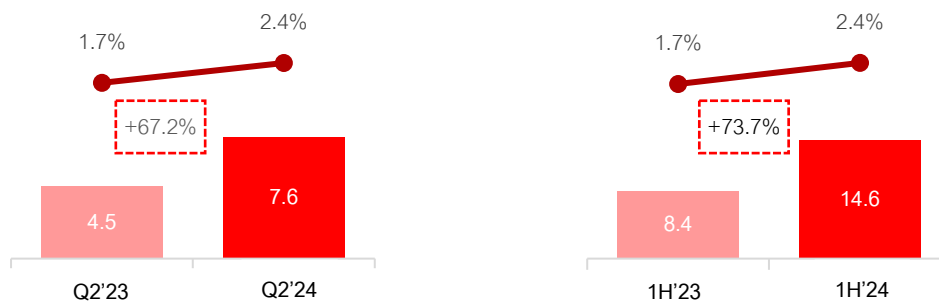
In Q2 2024, the Company's selling expenses increased to 16.0 million baht, representing a rise of 24.4%. For the first half of 2024, selling expenses grew to 32.5 million baht, reflecting an increase of 25.8% compared to the same periods last year. This rise was primarily driven by higher costs for rent and utilities, as well as increased salaries and employee benefits at branch locations due to the expansion of the Company's branch. However, when considering the ratio of selling expenses to revenue, the proportion of selling expenses remained consistent with the same period last year.

Administrative Expenses



In Q2 2024, the Company's administrative expenses increased to 9.3 million baht, a rise of 40.7%. For the first half of 2024, administrative expenses reached 14.5 million baht, up 33.1% from the same periods last year. This increase was primarily driven by higher salaries and employee benefits, depreciation, royalties, and system expenses, all related to branch expansion. Additionally, the Company incurred one-time expenses in Q2 and the first half of 2024, associated with its listing on the Stock Exchange, including financial advisory fees and public relations (PR) costs, totaling 6.6 million baht and 7.1 million baht¹, respectively. These expenses are non-recurring and will no longer occur after the Company becomes a listed company. Excluding these one-time expenses, the Company's administrative expenses as a percentage of revenue would have decreased from 10.1% to 8.0% in Q2 2024 and from 9.4% to 8.3% in the first half of 2024, representing an improvement compared to the same periods last year.

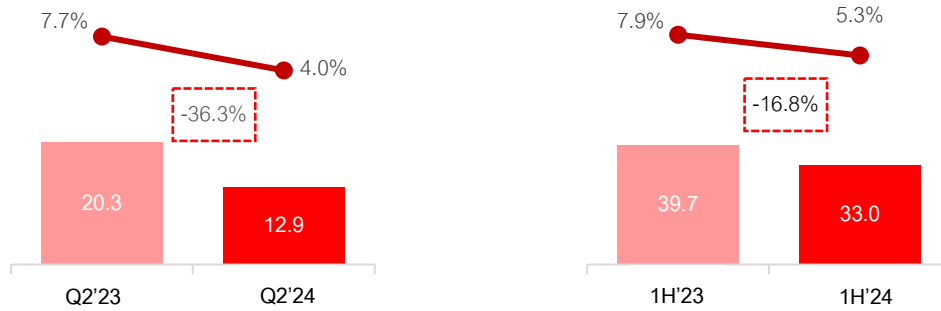
Finance Cost



In Q2 2024, the Company's financial costs increased to 3.1 million baht, reflecting a rise of 67.2%. For the first half of 2024, financial costs grew to 6.2 million baht, an increase of 73.7% compared to the same periods last year. This increase was primarily due to higher lease liabilities and estimated demolition costs associated with new lease agreements to support the expansion of the Company's branch.

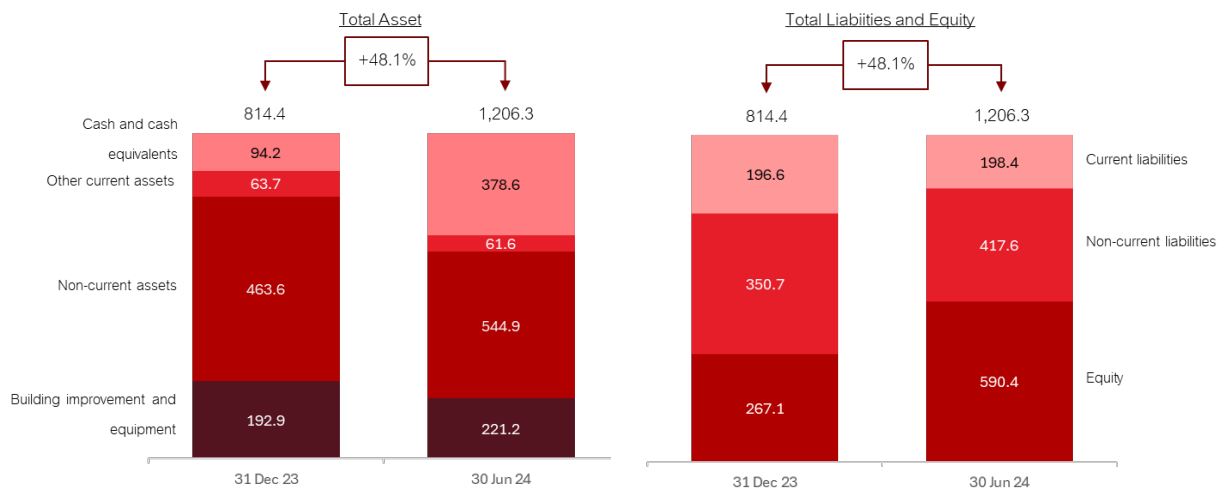
¹ One-time expenses for the first half of 2024, totaling 7.1 million baht, were recorded as follows: 0.1 million baht under the cost of goods sold, 0.1 million baht under selling expenses, and 6.9 million baht under administrative expenses.

Net Profit



In Q2 2024, the Company's net profit was 12.9 million baht, a decrease of 7.4 million baht or 36.3%. For the first half of 2024, net profit amounted to 33.0 million baht, a decrease of 6.7 million baht or 16.8% compared to the same periods last year. This decline was primarily due to increased raw material costs and one-time expenses related to the Company's listing on the Stock Exchange. These factors impacted on the Company's performance and net profit compared to the previous year. However, the Company has focused on effective cost control and management to mitigate the risks of cost volatility and raw material shortages by closely monitoring market conditions and fluctuations in raw material prices, and by planning ahead for raw material purchases, particularly for items expected to see price increases.

Financial Position



Assets

As of June 30, 2024, the Company had total assets of 1,206.3 million baht, an increase of 391.9 million baht, or 48.1 percent, from December 31, 2023. The details of the increase are as follows:

- **Cash and cash equivalents:** increased by 284.4 million baht, reflecting higher operating income and cash received from the issuance of common shares.
- **Non-current assets:** increased by 81.3 million baht, driven by the opening of new branches, which led to an increase in intangible assets.
- **Building improvements and equipment:** increased by 28.4 million baht due to the opening of 3 new branches.

Liabilities

As of June 30, 2024, the Company had total liabilities of 615.9 million baht, an increase of 68.6 million baht, or 12.5 percent, from December 31, 2023. The details of the increase are as follows:

- **Current liabilities:** increased by 1.7 million baht, primarily due to lease liabilities due within one year.
- **Non-current liabilities:** increased by 66.9 million baht, primarily due to lease liabilities and employee benefit obligations.

Equity

As of June 30, 2024, the Company had total shareholders' equity of 590.4 million baht, an increase of 323.3 million baht or 121.1% from December 31, 2023. The details of the increase (decrease) are as follows: a capital increase of 331.8 million baht, dividend payments of 41.5 million baht, and an increase from the Company's net profit during the period.

Please be informed accordingly,

Sincerely yours

- Mr. Eakkaluk Sangsareedumrong -

(Mr. Eakkaluk Sangsareedumrong)
Chief Executive Officer