

No. CS003/2567

November 13, 2024

Subject Management Discussion and Analysis for the 3<sup>rd</sup> quarter of 2024 and 9-months period of 2024

Attention President

The Stock Exchange of Thailand

Maguro Group Public Company Limited (“the Company”) provides Management Discussion and Analysis for the 3<sup>rd</sup> quarter of 2024 and 9-months period ending September 2024 (or 9-months period of 2024) as follows:

### Summary of the Operating Result

Statement of Comprehensive Income (Million Baht)	3 <sup>rd</sup> Quarter (Jul-Sep)				9 months (Jan-Sep)			
	2023	2024	Change		2023	2024	Change	
Revenue from sales and services	267.1	355.7	88.6	33.2%	767.7	973.7	205.9	26.8%
Cost of sales and services	(145.6)	(186.7)	(41.1)	28.2%	(419.1)	(533.5)	(114.4)	27.3%
Gross profit	121.6	169.0	47.5	39.1%	348.6	440.1	91.6	26.3%
Gross profit margin (%)	45.5%	47.5%			45.4%	45.2%		
Other income	0.4	0.5	0.1	37.7%	1.0	1.9	0.9	86.3%
Other Gain (loss),net	0.0	0.3	0.3		0.0	0.3	0.3	
Selling expenses	(66.3)	(92.4)	(26.1)	39.3%	(192.0)	(250.5)	(58.5)	30.5%
Administrative expenses	(26.8)	(32.1)	(5.3)	20.0%	(70.6)	(90.5)	(19.9)	28.1%
Profit before finance costs and income tax expense	28.9	45.4	16.5	57.3%	86.9	101.3	14.4	16.5%
Finance cost	(4.6)	(8.9)	(4.3)	93.5%	(13.0)	(23.6)	(10.5)	80.7%
Profit before income tax expense	24.3	36.5	12.2	50.4%	73.9	77.7	3.8	5.2%
Income tax expense	(5.2)	(7.1)	(1.9)	36.4%	(15.2)	(15.4)	(0.2)	1.3%
Net profit for the year	19.0	29.3	10.3	54.2%	58.7	62.4	3.6	6.2%
Net profit margin (%)	7.1%	8.2%			7.6%	6.4%		

Note : The Company’s net profit for the nine months of 2024 includes one-time expenses of 7.1 million baht related to the Company’s listing on the Stock Exchange. Excluding these expenses, the Company’s net profit for the nine months of 2024 would be 68.0 million baht, with a net profit margin of 7.0% (based on an assumed corporate income tax rate of 20%).

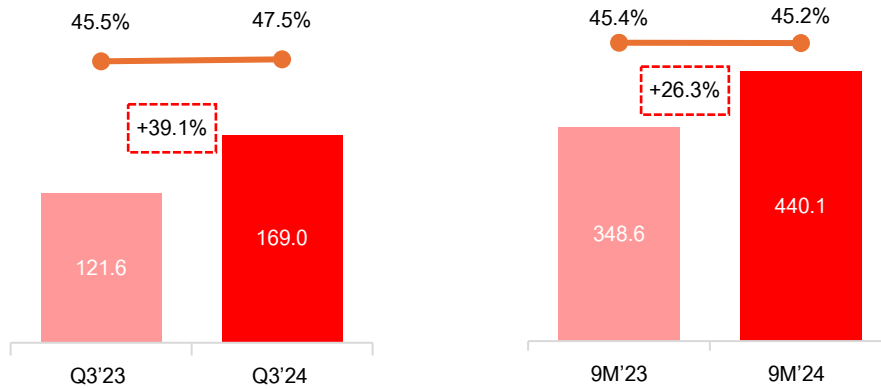
## Revenue from sales and services

Item	3 <sup>rd</sup> Quarter (Apr-Jun)				9 months (Jan-Sep)			
	2023		2024		2023		2024	
	M.	Ratio	M.	Ratio	M.	Ratio	M.	Ratio
Revenue from sales and services								
1) Revenue from restaurant business	266.8	99.9%	355.1	99.8%	766.2	99.8%	972.5	99.9%
• Maguro	159.8	59.8%	197.8	55.6%	482.5	62.8%	548.8	56.4%
• Ssamthing Together	47.8	17.9%	52.3	14.7%	151.4	19.7%	156.6	16.1%
• Hitori Shabu	59.2	22.2%	105.0	29.5%	132.4	17.2%	267.1	27.4%
2) Revenue from catering and delivery	0.3	0.1%	0.6	0.2%	1.4	0.2%	1.2	0.1%
<b>Total revenue from sales and services</b>	<b>267.1</b>	<b>100.0%</b>	<b>355.7</b>	<b>100.0%</b>	<b>767.7</b>	<b>100.0%</b>	<b>973.7</b>	<b>100.0%</b>

The Company generated revenue from sales and services amounting to 355.7 million baht in Q3 2024 and 973.7 million baht for the nine months of 2024, reflecting increases of 33.2% and 26.8%, respectively, compared to the same periods last year. This growth was driven by the opening of seven new branches during the first nine months of 2024, including three Maguro branches and four Hitori Shabu branches. Additionally, in Q3 2024, same-store sales growth (SSSG) showed a positive increase of 0.5%.

Branch Expansion and SSSG	3 <sup>rd</sup> Quarter		9 months	
	2566	2567	2566	2567
<b>Number of branches</b>				
Net number of new branches opened	1	4	5	7
Number of branches at the end of the period	21	32	21	32
<b>Performance and Growth rate</b>				
Revenue from sales and services (THB million)	267.1	355.7	767.7	973.7
Revenue growth (percent)	49.6	33.2	70	26.8
Same-store sales growth (percent)	(0.3)	0.5	7.1	(1.8)

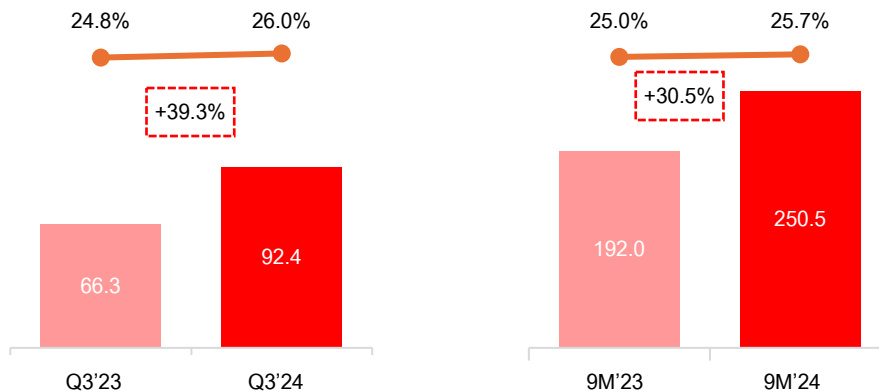
Gross profit and gross profit margin



In Q3 2024, the Company's gross profit increased 47.5 million baht, a rise of 39.1%. For the first nine months of 2024, gross profit rose to 91.6 million baht, reflecting an increase of 26.3% compared to the same period last year, aligning with the increase in revenue from sales and services.

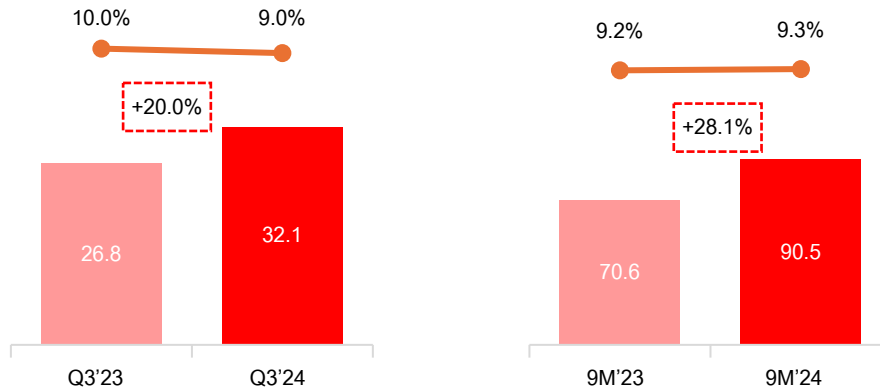
The Company's gross profit margin in Q3 increased by 2.0% compared to the same period last year, primarily due to a reduction in raw material costs, a higher revenue contribution from new brands, and menu development to increase ingredient variety. For the first nine months of 2024, the gross profit margin slightly decreased by 0.2% compared to the same period last year, due to an increase in raw ingredients costs during the first half of 2024.

Selling Expenses



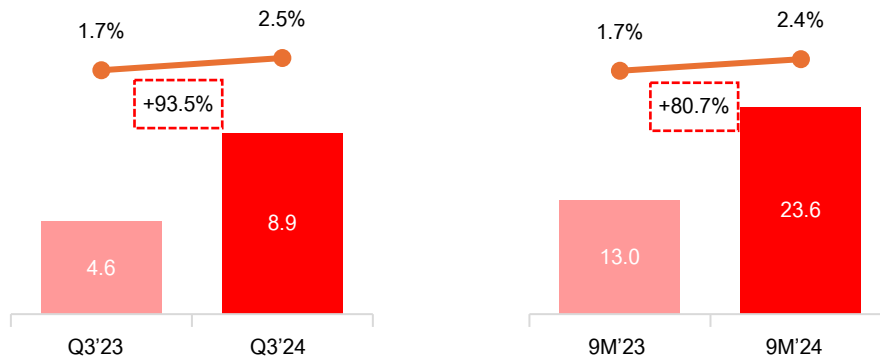
In Q3 2024, the Company's selling expenses increased to 26.1 million baht, representing a rise of 39.3%. For the first nine months of 2024, selling expenses grew to 58.5 million baht, reflecting an increase of 30.5% compared to the same period last year. This rise was mainly due to higher costs for rent and utilities, as well as increased salaries and employee benefits at branch locations, driven by the expansion of the Company's branches. However, when considering the ratio of selling expenses to revenue, the proportion of selling expenses remained similar to the same period last year.

Administrative Expenses



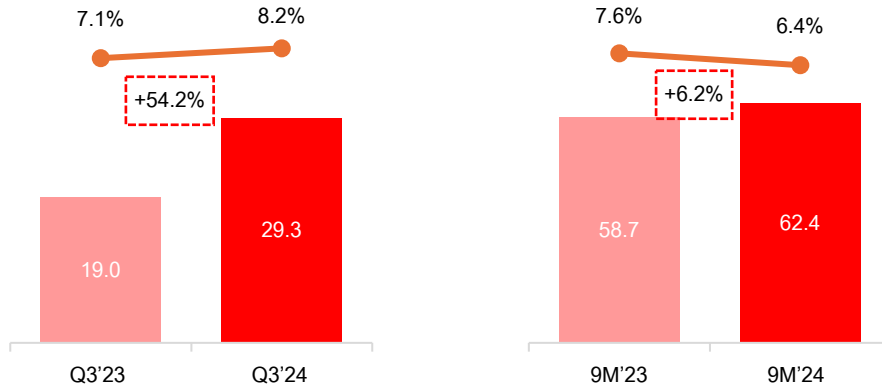
In Q3 2024, the Company's administrative expenses increased to 5.3 million baht, a rise of 20.0%. For the first nine months of 2024, administrative expenses grew to 19.9 million baht, reflecting a 28.1% increase compared to the same period last year. The main reasons for this increase were higher salaries, additional staff, office employee benefits, royalties, and system-related expenses, all necessary to support the Company's growth. However, in Q3 2024, the Company continued to achieve revenue growth and efficiently managed expenses, reducing administrative expenses as a percentage of sales and service revenue from 10.0% in 2023 to 9.0% in 2024.

Finance Cost



In Q3 2024, the Company's financial costs increased to 4.3 million baht, reflecting a rise of 93.5%. For the first nine months of 2024, financial costs grew to 10.5 million baht, an increase of 80.7% compared to the same period 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.

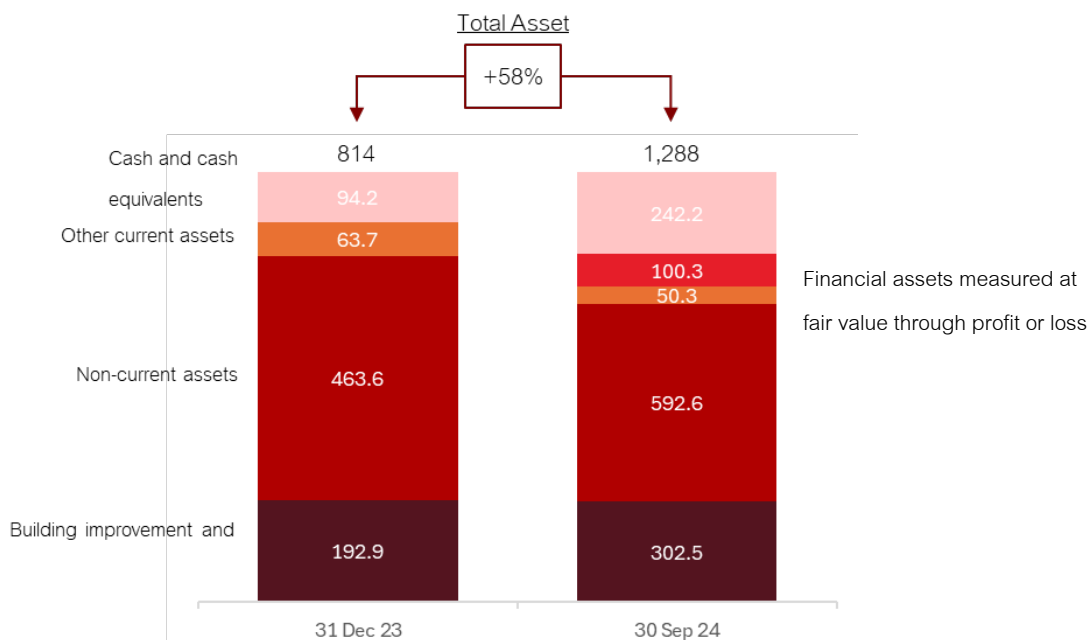
Net Profit and net profit margin



The Company's net profit in Q3 2024 was 29.3 million baht, an increase of 10.3 million baht or 54.2%. For the first nine months of 2024, the Company's net profit was 62.4 million baht, an increase of 3.6 million baht or 6.2% compared to the same period last year. This growth was mainly due to increased revenue, along with effective control and management of gross profit and selling and administrative expenses. As a result, the net profit margin in Q3 2024 improved from 7.1% in 2023 to 8.2% in 2024. However, due to rising raw material costs and expenses related to the Company's listing on the Stock Exchange in the first half of 2024, the net profit margin for the first nine months of 2024 decreased from 7.6% in 2023 to 6.4% in 2024.

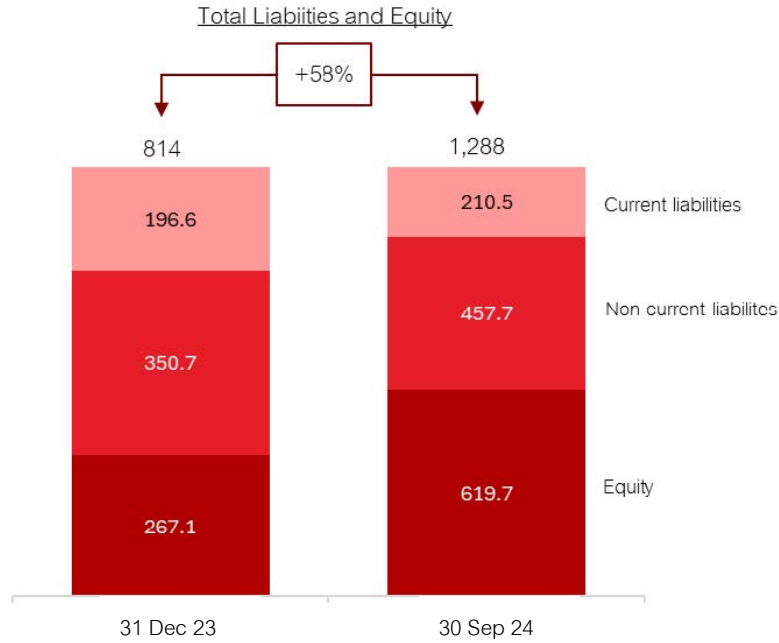
Financial Position

Assets



As of September 30, 2024, the Company had total assets of 1,287.9 million baht, an increase of 473.5 million baht, or 58.1 percent, from December 31, 2023. The details of the increase are as follows:

- **Cash and cash equivalents:** increased by 148.0 million baht, in line with higher operating income and cash received from the issuance of common shares.
- **Financial assets measured at fair value through profit or loss:** increased by 100.3 million baht, as cash generated from operations was invested with financial institutions.
- **Non-current assets:** increased by 129.0 million baht due to the opening of new branches, which led to an increase in right-of-use assets.
- **Building improvements and equipment:** increased by 109.6 million baht due to the opening of 7 new branches.



**Liabilities**

As of September 30, 2024, the Company had total liabilities of 668.2 million baht, an increase of 120.9 million baht, or 22.1 percent, from December 31, 2023. The details of the increase are as follows:

- **Current liabilities:** increased by 13.8 million baht, primarily due to lease liabilities due within one year.
- **Non-current liabilities:** increased by 107.1 million baht, mainly due to lease liabilities and employee benefit obligations.

**Equity**

As of September 30, 2024, the Company had total shareholders' equity of 619.7 million baht, an increase of 352.6 million baht, or 132.0 percent, 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.