



# MANAGEMENT DISCUSSION & ANALYSIS

THE OPERATING RESULTS OF  
PLUK PHAK PRAW RAK MAE PUBLIC COMPANY LIMITED

For the period ended 30 September 2024





# 1 Executive Summary

In the third quarter of 2024, **Phuk Phak Praw Rak Mae Public Company Limited** (the Company) achieved significant business development and demonstrated strong operational growth. This success resulted from the Company's business expansion strategy, including increasing the number of branches and implementing effective management practices, all of which align with the Company's long-term goals aimed at sustainable growth. The Company summarizes the key operational results for the third quarter of 2024 as follows:

Table 1: Key Operating Highlights	Q3/23	Q3/24	Change %YoY	9M/23	9M/24	Change %YoY
Operating Revenue	437.8	633.3	44.6%	1,214.3	1,730.3	42.5%
Gross Profit	192.2	286.2	48.9%	550.7	774.7	40.7%
EBITDA	78.9	123.4	56.4%	243.1	343.3	41.2%
Net Profit	29.9	60.1	100.8%	103.9	162.4	56.4%
Gross Profit Margin (%)	43.9%	45.2%	1.3%	45.3%	44.8%	-0.7%
EBITDA Margin (%)*	17.9%	19.4%	1.4%	20.0%	19.7%	-0.3%
Net Profit Margin (%)*	6.8%	9.4%	2.6%	8.5%	9.3%	0.8%
Number of Ohkajhu branches as of September 30, 2024	32	37	16%	32	37	16%
Number of Ohkajhu Wrap and Roll branch and Oh! Juice branches as of September 30, 2024	-	8	N/A	-	8	N/A

\*EBITDA Margin and Net Profit Margin calculated as a percentage of Total revenues.

- ✔ The Company's operating revenue in Q3/24 was THB 633.3 million, increased by 44.6% from Q3/23.
- ✔ The Company's operating revenue in 9M/24 was THB 1,730.3 million, increased by 42.5% from 9M/23
- ✔ The Company's operating revenue significantly growth in Q3/24 compared to Q3/23 and 2Q/24, driven by the addition of 3 new Ohkajhu branches and 5 new Oh! Juice branches.
- ✔ Despite branch expansion in Q3/24, same-store sales growth (SSSG) remained robust, achieving a growth rate of 16.8%.
- ✔ The Company's gross profit in Q3/24 was THB 286.2 million, increased by 48.9% from Q3/23, the gross profit margin of 45.2% in Q3/24 up from 43.9% in Q3/23 .
- ✔ The Company's gross profit in 9M/24 was THB 774.7 million, increased by 40.7% from 9M/23, and a gross profit margin of Q3/24 was 44.8%.
- ✔ The Company's net profit of Q3/24 and 9M/24 was THB 60.1 million and THB 162.4 million, respectively, with net profit margin of 9.4% and 9.3%, respectively.



## 1.1 Developments and Significant Events in Q3/24

Developments / Events	Details
<p><b>Expansion of Ohkajhu Branches</b></p> <p>Opening of 2 new branches in Bangkok and 1 branch in a major city.</p>	<p>🍃 The Company expanded 3 new Ohkajhu branches: Nirvana, Bangkok (August 2024); Sinphaet, Nakhon Pathom (August 2024); and Central Rama 9, Bangkok (September 2024), bringing the total number of Ohkajhu branches to 37 as of September 30, 2024.</p>
<p><b>Expansion of Oh! Juice Branches</b></p> <p>Opening of 5 new branches, which 2 of 5 are delivery model.</p>	<p>🍃 The Company expanded distribution channels through delivery services, with opening of additional 5 branches in Q3/24, bringing the total number of Oh! Juice branches to 7 as of September 30, 2024.</p>
<p><b>Response to Flooding in Chiang Mai Province</b></p> <p>This event had <b>no impact</b> on the Company's operations or financial position.</p>	<p>🍃 In late September and the first week of October 2024, several provinces in northern Thailand, including Chiang Mai, experienced severe flooding, marking one of the most intense flood events in the region's history. The Company took part in relief efforts for affected individuals by organizing food distributions. Alongside the team, the Company provided meals and shared food with those impacted in various flood-affected areas in Nan, Chiang Rai, and Chiang Mai, aiming to offer support and help everyone navigate through this crisis together.</p>





## 1.2 The Company's Business Goals and future Growth Direction

The Company's business goals and future growth direction align with the vision "We strive to develop the organic agriculture respectful of the environment, people and society" Driven by the commitment of the Company's founders and management, the Company's aims to build an organic agricultural community under the mission of "**Building an Organic Legacy for All**" The Company has outlined the following key strategies and driving factors for the business as follows:



- 1. Growth through continuous branch expansion** - The Company focuses on expanding branches with plans to continuously increase the number of branches nationwide. This expansion will cover areas including Bangkok, its vicinity, and major provinces in each region. It is expected to help increase the numbers of customer base in all regions. The investment in branch expansion must occur alongside the expansion of central kitchens, and the development of agricultural innovation as a key factor in supporting the Company's growth.
- 2. Strengthening Through Diverse Product and Service Offerings to Reach a Broader Customer Base** – The Company is enhancing customer accessibility by launching new store formats, not only introducing new menu items at "Ohkajhu" but also unveiling a new brand, "Ohkajhu Wrap and Roll," to provide healthy and quick-service food options. Additionally, "Oh! Juice" has been introduced to offer smoothies made from high-quality vegetables and fruits, catering to all genders and age groups. Furthermore, the Company has expanded its distribution channels through business partners like Café Amazon. This strategy facilitates quick customer access and meets their demand for convenience while also enhancing brand awareness. The Company remains committed to exploring opportunities to create a New S-Curve by continually launching new brands and improving the image of its restaurants as healthy, delicious, and diverse options through regular development of new menus and products.
- 3. Commitment to Balanced Growth Alongside Core Mission** – The Company is dedicated to expanding its business while remaining true to its core mission of promoting consumer health by offering delicious and healthy food. This includes delivering organic salad greens from the Company's farms that are free from chemicals and nutritional drinks intended to enhance the well-being of customers, as if caring for family members. The Company continuously supports and promotes farmers who share a commitment to organic practices. This core mission will enable the Company to grow alongside Thai society in the long term.



## 2. The Company's Operating Results and Explanation

### 2.1 Analysis of the Company's Operating Results

Statement of comprehensive income: three-month and nine-month period ended 2024 (Unit: Million Baht)

Table 2: Operating results	Q3/23	Q3/24	Change %YoY	9M/23	9M/24	Change %YoY
<b>Operating revenue</b>	<b>437.8</b>	<b>633.3</b>	<b>44.6%</b>	<b>1,214.3</b>	<b>1,730.3</b>	<b>42.5%</b>
Cost of sales	245.6	347.0	41.3%	233.7	955.6	44.0%
<b>Gross profit</b>	<b>192.2</b>	<b>286.2</b>	<b>48.9%</b>	<b>550.7</b>	<b>774.7</b>	<b>40.7%</b>
Other income	1.8	3.0	61.9%	3.2	16.7	414.9%
Selling expenses	126.3	173.2	37.1%	333.5	423.9	40.0%
Administrative expenses	26.4	36.2	37.3%	79.9	107.7	34.8%
Finance costs	4.9	5.2	5.5%	13.2	15.7	18.8%
Profit before income tax expenses	36.4	74.5	104.7%	127.2	201.1	58.0%
Income tax expenses	6.5	14.5	123.0%	23.4	38.6	65.2%
<b>Net Profit</b>	<b>29.9</b>	<b>60.1</b>	<b>100.8%</b>	<b>103.9</b>	<b>162.4</b>	<b>56.4%</b>

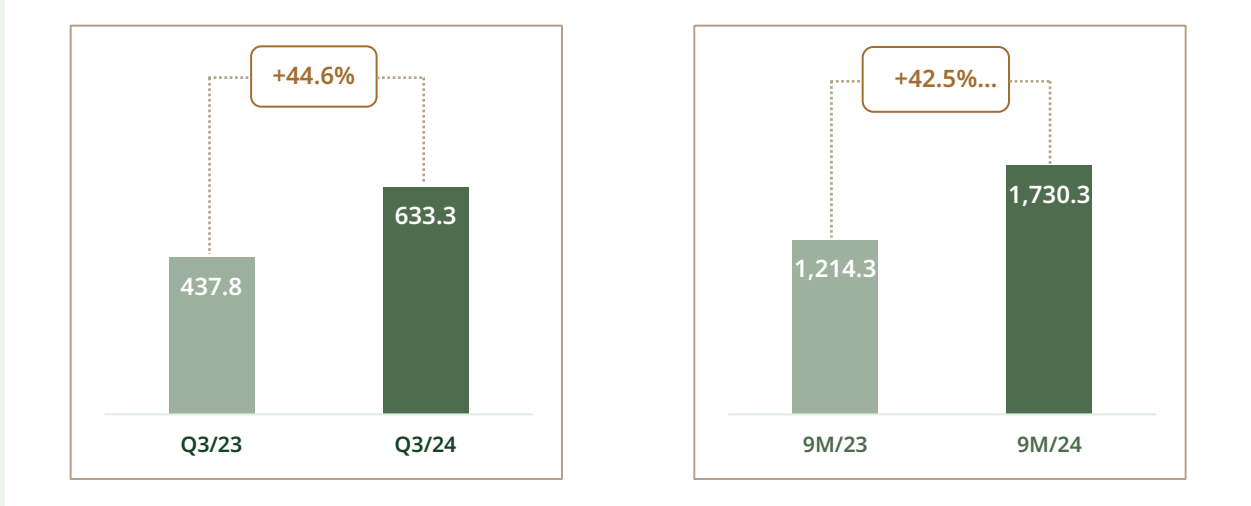
### 1. Operating Revenue

Table 3: Revenue breakdown by Brand	Q3/23		Q3/24		9M/23		9M/24	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Operating Revenue								
<b>Ohkajhu Brand</b>								
🍃 Full-Service Restaurant	412.8	93.9%	557.3	87.6%	1,144.6	94.0%	1,582.0	90.6%
🍃 Delivery & Kisok	16.6	3.8%	19.6	3.1%	49.5	4.1%	57.4	3.3%
🍃 Café Amazon	6.2	1.4%	14.4	2.3%	12.9	1.1%	35.6	2.0%
🍃 Supermarkets	2.2	0.5%	3.0	0.5%	7.2	0.6%	8.3	0.5%
Total revenues from Ohkajhu Brand	437.8	99.6%	594.2	93.4%	1,214.3	99.7%	1,683.3	96.4%
<b>Other Brands</b>								
🍃 Ohkajhu Wrap and Roll	-	-	1.9	0.3%	-	-	3.5	0.2%
🍃 Oh! Juice	-	-	37.2	5.8%	-	-	43.5	2.5%
Total revenues from Other Brands	-	-	39.1	6.1%	-	-	47.0	2.7%
<b>Total operating revenue</b>	<b>437.8</b>	<b>99.6%</b>	<b>633.3</b>	<b>99.5%</b>	<b>1,214.3</b>	<b>99.7%</b>	<b>1,730.3</b>	<b>99.0%</b>
Other income	1.8	0.4%	3.0	0.5%	3.2	0.3%	16.7	1.0%
<b>Total revenues</b>	<b>439.7</b>	<b>100.0%</b>	<b>636.3</b>	<b>100.0%</b>	<b>1,217.6</b>	<b>100.0%</b>	<b>1,747.0</b>	<b>100.0%</b>

**Table 4**

**Revenue Growth**

(Unit: Million Baht)



**YoY Q3 and YoY 9M**

- ✔ **Revenue in Q3:** The Company's operating revenue increased from THB 437.8 million in 2023 to THB 633.3 million in 2024, representing a growth of 44.6%.
- ✔ **Revenue in 9M:** The Company's operating revenue increased from THB 1,214.3 million in 2023 to THB 1,730.3 million in 2024, representing a growth of 42.5%.





## Key Drivers of the Company's Revenue Growth

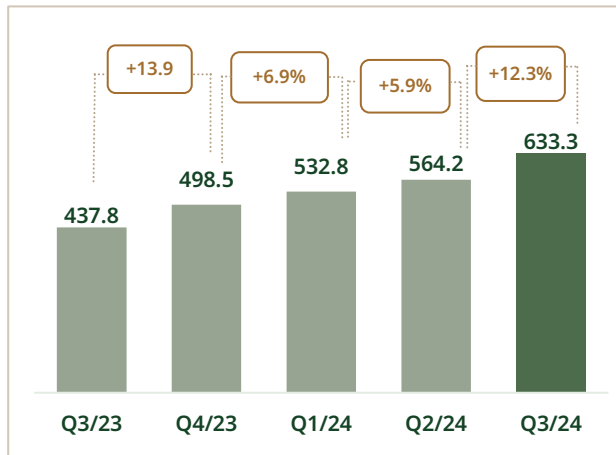
- ✔ **Expansion of Branches, Sales Channels, and New Brand Launches** - Sales in Q3 and cumulative sales for the first 9 months of 2024 have increased compared to the same period last year. The main factor driving this growth is the expansion of branches, which has made it easier for customers to access and enjoy the convenience of ordering and dining closer to home. Since Q3/23, the Company has increased the number of "Ohkajhu" branches by 7. In addition, the Company has started generating revenue from the launch of new brands, including the "Ohkajhu Wrap and Roll" store, which opened its first branch in April 2024, and "Oh! Juice," which opened its first branch in May 2024, expanding to 7 locations within 5 months. Furthermore, sales of ready-to-eat products in Café Amazon stores have grown significantly, with cumulative sales for the first 9 months increasing by 175.1% compared to last year. The Company expects to continue growing products sales in Café Amazon by the relocation of its production to a new central kitchen.
- ✔ **Proactive Marketing Strategy and Menu Innovation Attracting More Customers** - The Company has consistently developed strategies to create new menu items across various categories, including main dishes, desserts, beverages, and ready-to-eat products, which meet customer demands well. These new menu items remain highly popular and often rank in the top 20 best-selling items. The launch of new products is accompanied by marketing strategies that engage customers through online media, providing them a clear view of the high-quality ingredients carefully selected.

The above strategies have resulted in remarkable same-store sales growth. The same-store sales growth rate in Q3 reached 16.8%, with a cumulative 9-month growth rate averaging 10.8%. The Company's business strategy has allowed it to expand its customer base across all age groups, as well as increase the frequency of visits from existing customers. This has resulted in consistent growth in same-store sales from Q1 through Q3, with 90% of the growth driven by an increase in the number of customers and 10% from a higher average spending per customer. The latter is mainly due to additional purchases such as bakery items, tempeh, and Ohkad products for take-home consumption.

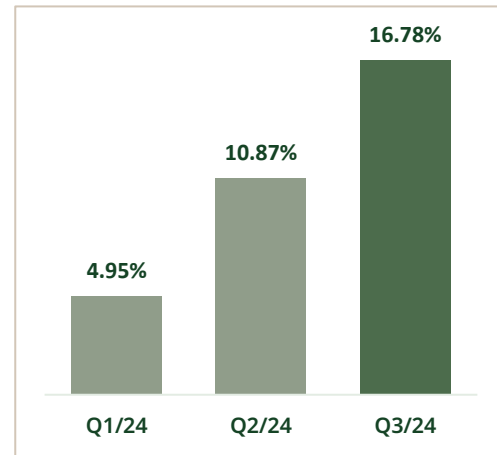




**Table 5** Ohkajhu Brand Revenue Growth Quarterly Comparison (QoQ) (Unit: Million Baht)



**Table 6** Same Store Sales Growth of Ohkajhu Brand (SSSG)



Other income for 9M/23 and 9M/24, the Company's other income was THB 3.2 million and THB 16.7 million, respectively. The increase in other income in the nine-month period of 2024 was primarily due to compensation received for damages from a landlord who failed to comply with lease terms, as well as compensation for property damage from an incident at one of the Company's restaurant locations caused by the landlord's contractor. This incident resulted in the temporary closure of the affected branches.

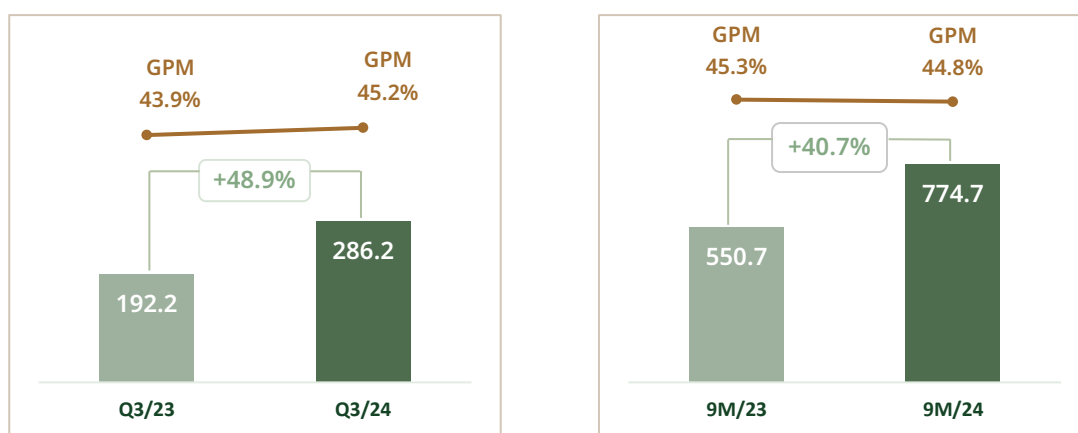




## 2. Gross Profit (GP) and Gross Profit Margin (GPM)

**Table 7** Gross Profit (GP) and Gross Profit Margin (GPM)

(Unit: Million Baht)



Note: Gross profit = Operating revenue minus the cost of sales.

The Company's cost of sales comprise raw material costs, manufacturing overhead, labor, depreciation, and amortization, among others. Raw material costs include the cost of seeds and costs incurred during the cultivation process, among others. Labor costs encompass wages from the cultivation and production processes through to food preparation at branch locations.

### YoY Q3

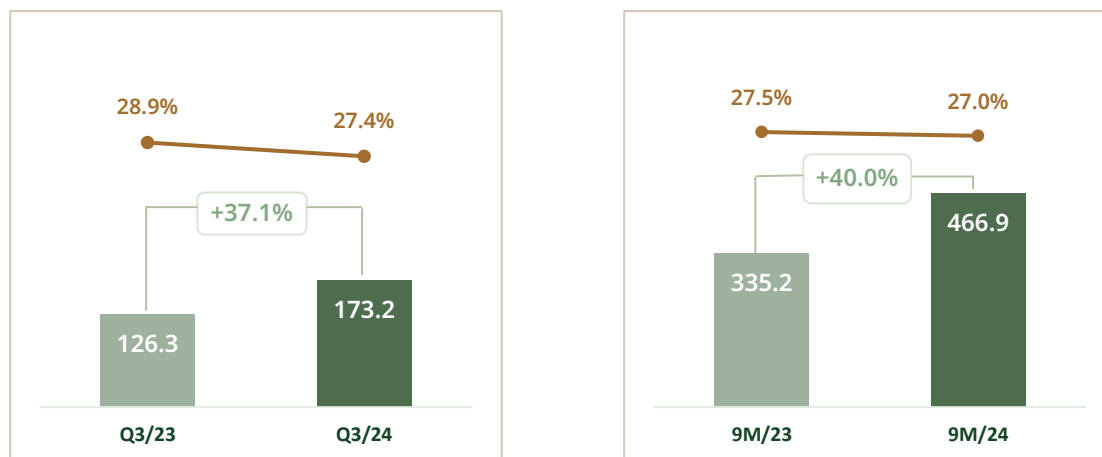
- ✔ In Q3, the Company's gross profit grew by 48.9%, from THB 192.2 million in 2023 to THB 286.2 million in 2024, with the gross profit growth rate exceeding the sales growth rate of 44.6%.
- ✔ In Q3/23 and Q3/24, the Company's gross profit margin were 43.9% and 45.2%, respectively. The improvement in gross profit margin was due to more efficient inventory management, the expansion of branches providing a volume advantage in negotiating purchase costs, and the productivity in cultivation and production processes.

### YoY 9M


- ✔ For 9M, the Company's gross profit grew by 40.7%, from THB 550.7 million in 2023 to THB 774.7 million in 2024. However, the gross profit margin slightly decreased by 0.5%, from 45.3% in 2023 to 44.8% in 2024. This decline was primarily due to an increase in the costs of certain products in Q1/24 and the nationwide closure of branches for one day to hold an employee event, which represented an investment in the Company's people who is a crucial part to the organization.

### 3. Selling Expenses



**Table 8** Selling Expenses and Selling Expenses to Operating Revenue  
(Unit: Million Baht)



#### YoY Q3

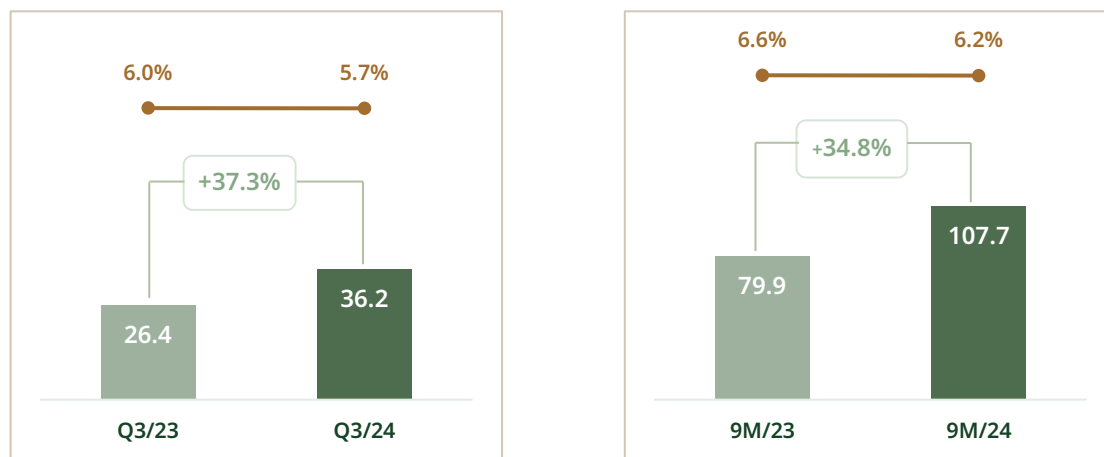
-  The Company's selling expenses increased from THB 126.3 million in Q3/23 to THB 173.2 million in Q3/24, representing an increase of 37.1%. However, the ratio of selling expenses to operating revenue was decreased from 28.9% in Q3/23 to 27.4% in Q3/24. This was primarily due to revenue growth outpacing the rate of increase in branch rental costs and employee expenses, both at the storefront and within support units, as well as expenses related to branch openings and marketing activities.

#### YoY 9M

-  The Company's selling expenses increased from THB 333.5 million in 9M/23 to THB 423.9 million in 9M/24, an increase of 40.0%, representing 27.5% in 9M/23 and 27.0% in 9M/24 comparing to operating revenue. This increase in expenses was driven by branch expansion, including 4 new Ohkajhu branches and new brand's branches totaling of 8 new branches, these resulting in additional costs for employee expenses, rental costs, utilities, advertising and promotions, and delivery costs.
-  Despite the Company's continued increase in marketing budget to encourage both new and existing customers to experience new menu and products, the ratio of selling expenses to operating revenue in 9M/24 was 27.0%, reflecting a slight decrease compared to 27.5% in 9M/23.

## 4. Administrative Expenses

**Table 9** Administrative Expenses and Administrative Expenses to Operating Revenue (Unit: Million Baht)



### YoY Q3 and YoY 9M

- In Q3/24 and 9M/24, administrative expenses increased in the same direction compared with the previous year. Administrative expenses for 9M/23 and 9M/24 amounted to THB 79.9 million and THB 107.7 million, respectively, representing 6.6% and 6.2% of operating revenue in 9M/23 and 9M/24, respectively.
- The reason of increase in administrative expenses from the previous year was mainly due to higher employee expenses resulting from salary adjustments and an increase in headcount to support the Company's growth, as well as additional fees and consulting costs associated with the Company's preparations for listing on the Stock Exchange of Thailand. Nevertheless, the Company managed to reduce the ratio of administrative expenses to operating revenue from 6.6% in 9M/23 to 6.2% in 9M/24 through efficient expense management.

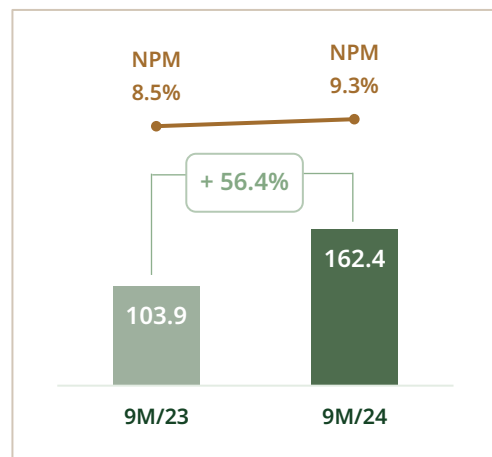
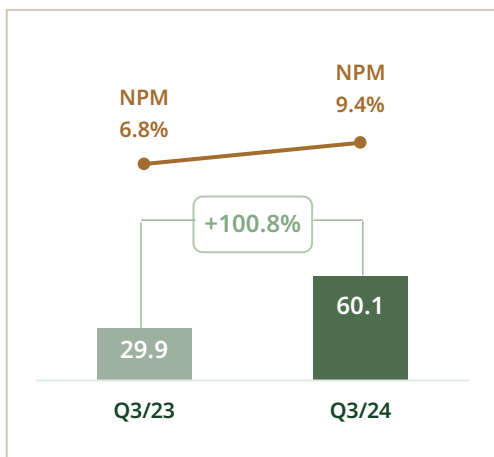
## 5. Financial Costs

- In 9M/23 and 9M/24, the Company incurred financial costs of THB 13.2 million and THB 15.7 million, respectively, representing 1.1% and 0.9% of operating revenue, respectively. The increase in financial costs was due to long-term borrowing for branch expansion and improvement, as well as an increase in lease liabilities resulting from new branch openings.
- During the 9M/23 and 9M/24, the Company opened a total of 10 and 12 new branches, respectively. In 9M/24, there were the opening of 4 new Ohkajhu branches and totaling 8 new branches for 2 new brands.



## 6. Net Profit (NP) and Net Profit Margin (NPM)

**Table 10** Net Profit (NP) and Net Profit Margin (NPM)  
(Unit: Million Baht)



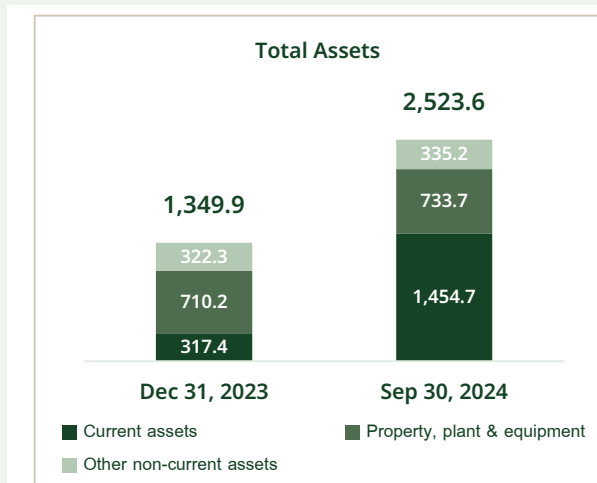
### YoY Q3 and YoY 9M

- ✔ The Company's net profit increased from THB 29.9 million in Q3/23 to THB 60.1 million in Q3/24, representing a growth rate of 100.8%. The net profit margin improved from 6.8% in Q3/23 to 9.4% in Q3/24.
- ✔ The Company's net profit increased from THB 103.9 million in 9M/23 to THB 162.4 million in 9M/24, representing a growth rate of 56.4%. The net profit margin improved from 8.5% in 9M/23 to 9.3% in 9M/24.
- ✔ The main reasons for the significant growth in net profit and net profit margin compared to the previous year were revenue growth driven by branch expansion, new brand launch, cost management, and effective control over selling and administrative expenses.

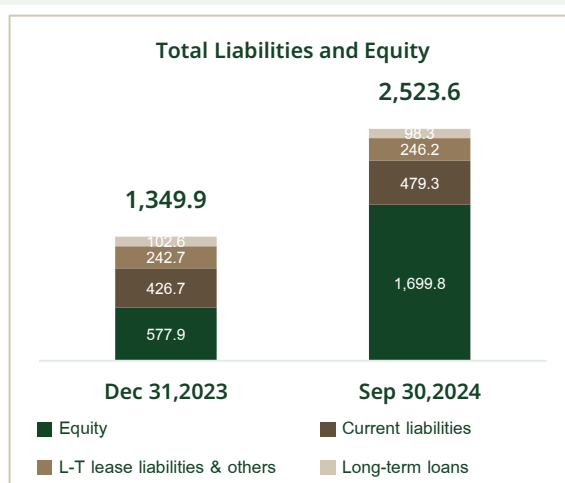


## 2.2 Analysis of the Company's Financial Position

**Table 11 Total Assets**  
(Unit: Million Baht)



**Table 12 Total Liabilities and Equity**  
(Unit: Million Baht)



### Total Assets as of September 30, 2024

Total assets as of September 30, 2024, increased from THB 1,349.9 million as of December 31, 2023, to THB 2,523.6 million as of September 30, 2024, representing a growth rate of 86.9%. This major increase was due to an increase in cash and cash equivalents of THB 1,087.9 million, resulting from capital raised for listing on the Stock Exchange of Thailand (SET), and an increase in inventory in line with the Company's branch expansion.

### Total Liabilities as of September 30, 2024

Total liabilities as of September 30, 2024, increased from THB 772.0 million as of December 31, 2023, to THB 823.9 million as of September 30, 2024, representing a growth rate of 6.7%. This major increase was due to an increase in trade and other payables, aligned with the increase in inventory and payment terms for branch expansion construction costs totaling THB 76.6 million. Additionally, there was a decrease in accrued corporate income tax due to payments for the 2023 annual tax and the first-half 2024 tax as scheduled.

### Total Equity as of September 30, 2024

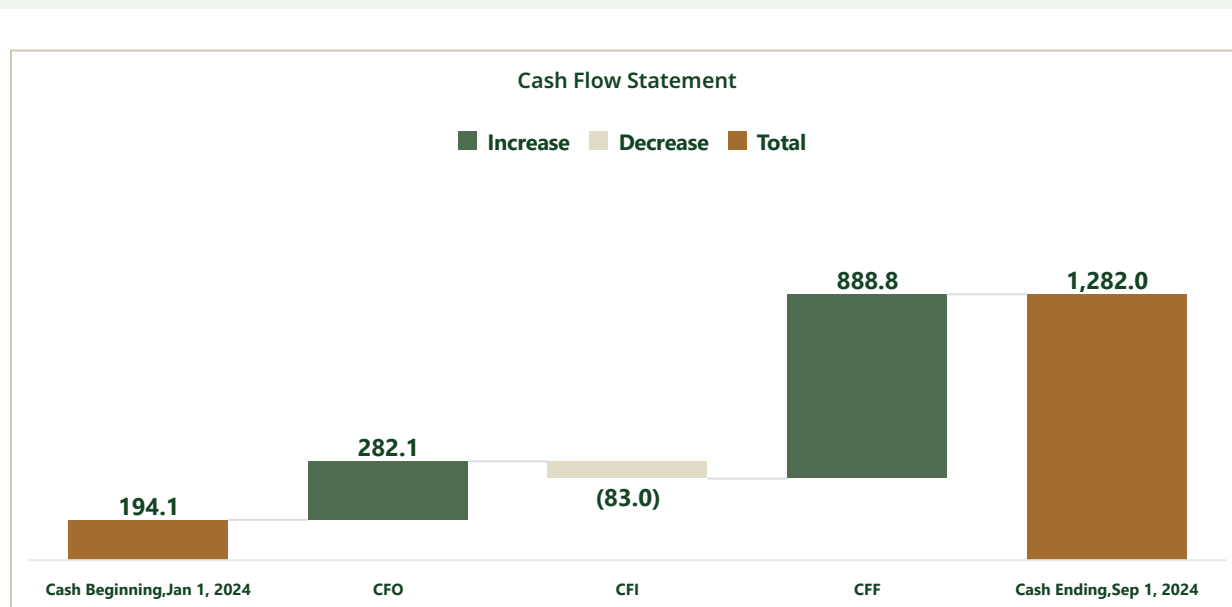
Shareholders' equity as of September 30, 2024, increased from THB 577.9 million as of December 31, 2023, to THB 1,699.8 million as of September 30, 2024, representing a growth rate of 194.1%. This major increase was due to an increase in registered capital and share premium resulting from the Company's capital increase and listing on the Stock Exchange of Thailand, totaling THB 1,038.2 million, along with an increase in profit for 9M/24 amounting to THB 162.4 million. However, in the Q2/24, the Company paid dividends of THB 78.8 million in April 2024, which were based on the financial performance for the year 2023.



## 2.3 Analysis of the Company's Cash Flow Statement

**Table 13** Cash Flow Statement

(Unit: Million Baht)



The beginning cash balance as of January 1, 2024, was THB 194.1 million. The Company generated a net cash flow from operating activities of THB 330.9 million and paid income taxes amounting to THB 48.8 million, resulting in a net cash flow from operating activities totaling THB 282.1 million. The Company had net cash used in investing activities of THB 83.0 million, with the main items being cash spent on investments in land, buildings, and equipment to support the Company's branch expansion strategy. Additionally, the Company had net cash provided by financing activities of THB 888.8 million, mainly due to cash received from fundraising upon listing on the stock exchange. Consequently, the Company's net cash increased by THB 1,087.9 million, resulting in an ending cash balance of THB 1,282.0 million as of September 30, 2024.