"Timeless Family Warmth"

Management Discussion & Analysis

MD&A

4Q25&FY25

Kneading The Future

1. Overview of business operations, economic conditions, and industry factors affecting operations

Overview of the Food Industry

In 2025, the food service industry expanded by approximately 3.3%. Toward the end of 2025, the sector benefited from government economic situation programs such as Khon La Khrueng Plus and Tiew Dee Mee Kuen, which helped improve the overall atmosphere for restaurant businesses. However, in 2026, growth may slow slightly compared to 2025 due to economic uncertainty and a relatively high risk of an economic slowdown, which may cause consumers to reduce certain types of discretionary spending. In addition, the recovery in foreign tourist arrivals has been relatively slow, leading some consumers—particularly vulnerable groups—to dine out less frequently. This has negatively impacted full-service restaurants, as reflected in the continued negative Same-Store Sales Growth (SSSG) in recent periods.

Meanwhile, the limited-service segment has seen slowed branch expansion, and the café/bar segment is beginning to face oversupply issues. Despite numerous challenges, the food service industry in 2026 is still expected to grow at around 3.2%. Sales growth may be driven primarily by pricing factors. Small businesses face pressure from intense competition and high costs, while large operators have increasingly entered the value-for-money segment, intensifying competition further.

Source : SCBEIC

Business Strategy for Growth

Amid ongoing economic challenges, intense competition from both existing major players and new entrants, and rapidly changing consumer behavior, the Company has established its key strategic priorities for 2026 to strengthen the business and drive sustainable long-term growth. The strategy focuses on four key pillars as follows:

1) Development of New Store Formats

The Company has refreshed its S&P stores with new models such as “S&P 1973” and “Bake & Cake”, which target specific customer segments more clearly, while enhancing the customer experience. This initiative aims to elevate the brand image, improve operational efficiency, and expand to a younger customer base supporting sustainable long-term growth.

2) New Product Development in Line with Market Trends

The Company focuses on developing products that align with evolving consumer trends, building on the success of the Shio Pan Japanese-style salted baked bun, which achieved sales of more than 3 million pieces. The Company plans to continuously launch new products to stimulate sales, increase store visit frequency, and strengthen competitiveness.

3) Expansion into New Businesses

The Company is expanding its portfolio (New S-Curve) with the introductio of the “Wingstop” fired chicken brand from the USA, which has received strong positive feedback, particularly from Gen Z consumers. This enhances brand awareness among younger customers and creates further growth opportunities for the future.

4) Strengthening the Retail and Food Service

The Company is accelerating new product development (NPD), including new products, seasonal items, and exclusive products for retail channels. It is also expanding its OEM business to serve restaurant chains and airlines, helping to generate stable income and diversify business risks.

2. Summary of 2025 Key Events and Developments

New Products

The Fresh Bake business has expanded its market share through innovation, new product launches, and branch expansion. Key new products such as the Company's Egg Tart, Shio Pan, and Pork Floss Cake have generated excitement among customers and encouraged repeat purchases. The Company also launched the 0.5-pound POP Cake, featuring cute cartoon designs at an affordable price point, targeting teenage consumers and value-seeking customers. Shio Pan in particular has exceeded sales targets with sales of more than 3 million pieces to date.

New Store Openings

S&P has developed new store formats to better respond to target customer segments and elevate its brand image, encouraging customers to enjoy a refreshed and enhanced in-store experience. In addition, the Company has introduced Wingstop, a world-renowned fried chicken brand from the United States, to capture the Gen Z market of consumers and further diversify its business portfolio.

S&P1973 : A new café and bakery concept by S&P, located at MBK Center, 2nd Floor, Zone A. The store features a Neo-Vintage Classic concept that blends timeless vintage charm with a premium touch. A signature "giant rabbit" mascot sculpture serves as a unique photo corner and enhances the in-store experience. The café offers high-quality cookies and baked goods, along with a variety of coffees and beverages, creating a warm and inviting atmosphere suitable for relaxation and social check-ins.

Wingstop : A QSR (Quick Service Restaurant) fried chicken brand from the United States, founded in 1994 in Garland, Texas. The MBK branch is its first location in Thailand, operated by S&P Wing. The brand's highlight is its fried chicken coated in signature sauces available in nine flavors under the slogan "Bring the Flavor" Popular menu items include Boneless Wings, Voodoo Fries, and the signature dipping Ranch Sauce. Open until 2 a.m., Wingstop targets Gen Z and urban lifestyle consumers. Bringing this brand into the Company's portfolio represents a New S-Curve strategy and expansion into the QSR market, with a target to open 7–10 branches in 2026.

Brand		2025			2024		
		Total	Thailand	International	Total	Thailand	International
	S&P Restaurant	130	126	4	133	128	5
	S&P Bakery Shop	302	302	-	304	304	-
patara	Patara	6	1	5	7	1	6
Platapian	Platapian	1	-	1	-	-	-
PATIO	Patio	1	1	-	1	1	-
nais	Nais & SNP Cake Studio	1	1	-	1	1	-
บ้านสุริยน	Baan Suriyon	1	1	-	1	1	-
	Maisen	5	5	-	9	9	-
	Umenohana	1	1	-	1	1	-
kizuki.	Kizuki	1	1	-	-	-	-
S&P 1973.	S&P1973	1	1	-	-	-	-
WINGSTOP	Wingstop	1	1	-	-	-	-
Total		451	441	10	457	446	11

3. Summary of Operating Results

(Unit : million Baht)

Highlight	3 Months (3M)		Change +/(-)	Full Year (FY)		Change +/(-)
	4Q24	4Q25		FY24	FY25	
Revenue	**1,627**	**1,519**	(108)	**6,139**	**5,642**	(497)
Cost of Sales	**(705)**	**(665)**	40	**(2,684)**	**(2,499)**	185
Gross Profit *Gross Profit Margin (%)*	**922** *56.7%*	**854** *56.2%*	(68) *(0.5%)*	**3,455** *56.3%*	**3,143** *55.7%*	(312) *(0.6%)*
Selling and Admin. Expenses *Selling and Admin. Expenses (%)*	**(792)** *48.7%*	**(753)** *49.6%*	39 *(0.9%)*	**(3,006)** *49.01%*	**(2,888)** *51.2%*	118 *(2.2%)*
Net Profit – share of the owners *Net Profit Margin (%)*	**127** *7.3%*	**107** *7.0%*	(20) *(0.3%)*	**427** *7.0%*	**271** *4.8%*	(156) *(2.2%)*

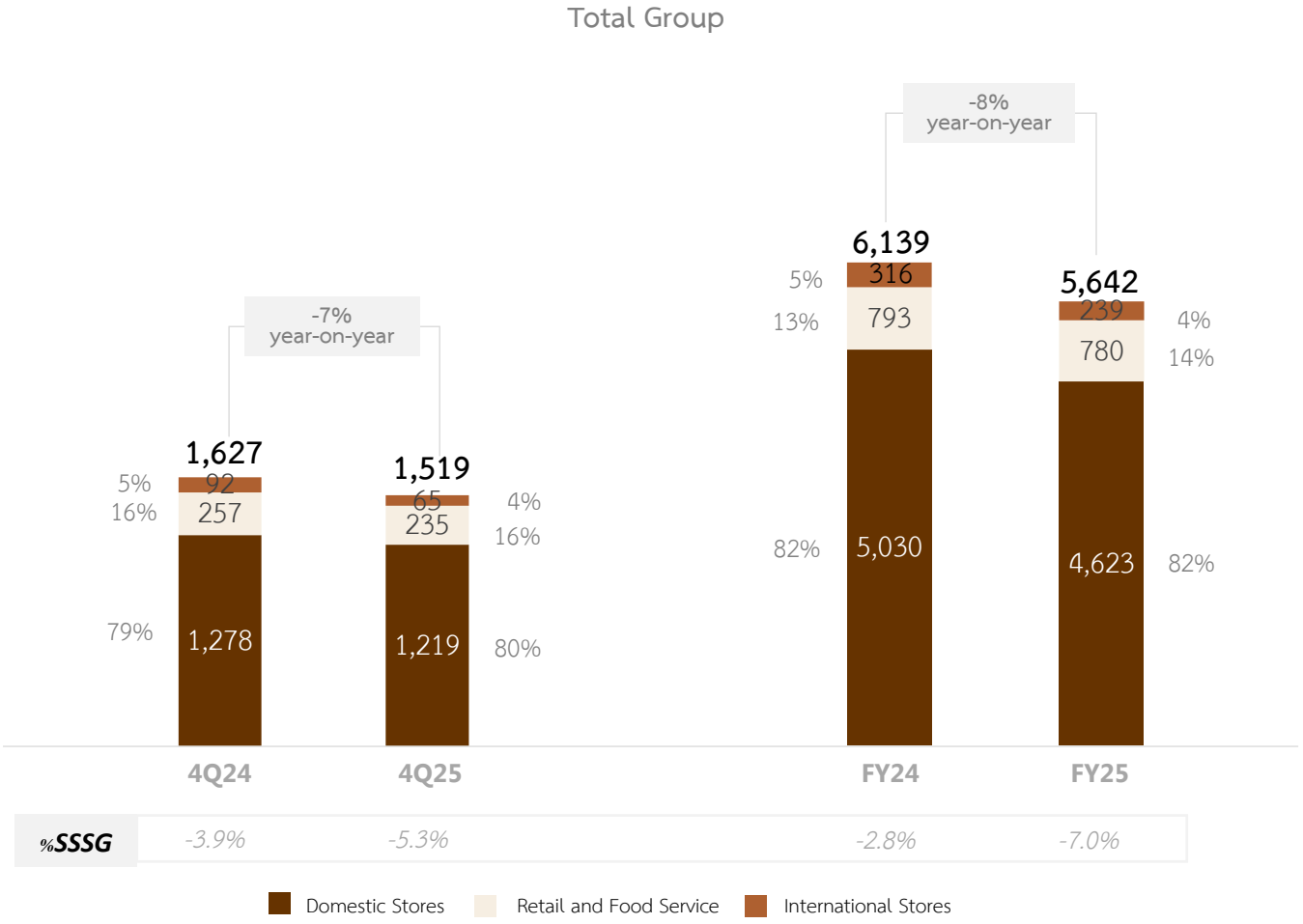
Revenue: The Company reported revenue of 1,519 million Baht in 4Q25 and total revenue of 5,642 million Baht for FY25, representing a decline of 8% from last year. The decrease was primarily attributable to lower sales from the domestic restaurant segment due to the economic slowdown. Revenue was also impacted by the closure of four Maisen Japanese restaurant branches and the closure of S&P stores in Cambodia due to the military conflict with Thailand.

Gross Profit Margin (%): Gross profit margin in 4Q25 was 56.2%, a decrease of 0.5 percentage points, while FY25 gross profit margin was 55.7%, down 0.6 percentage points. This was mainly due to cost volatility. Nevertheless, the Company effectively managed the impact through LEAN production initiatives to reduce factory costs and improved procurement efficiency, which helped mitigate the pressure on margins.

Net Profit: Net profit in 4Q25 amounted to 107 million Baht, representing a 15% decrease. For FY25, net profit was 271 million Baht, declining by 37% year-on-year. The primary reasons were higher cost of goods sold and fixed expenses, while overall revenue decreased.

REVENUE

(Units : million Baht)



3M

Revenue: In 4Q25, revenue amounted to 1,519 million Baht, representing a 7% decrease year-on-year. The main contributing factors were as follows:

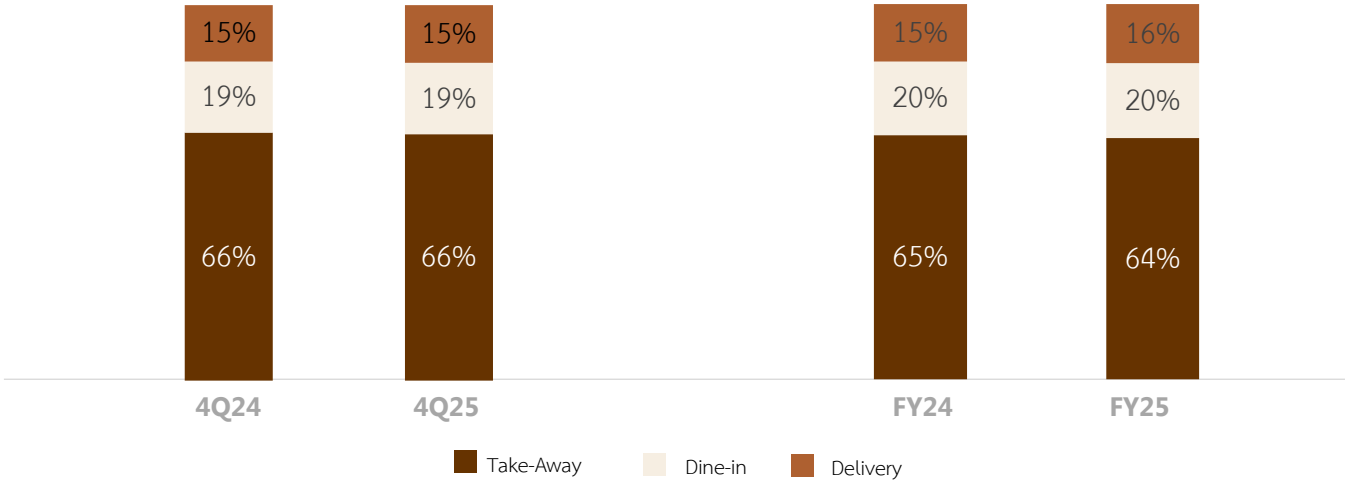
- **Domestic Restaurants:** Revenue decreased by 58 million Baht compared to the previous year, primarily due to lower takeaway sales, particularly from branches located in shopping malls and hypermarkets. This was a result of the economic slowdown and intense competition in the food and bakery industry.
- **Retail and Food Service:** Revenue decreased by 22 million Baht compared to the previous year, primarily due to lower sales in retail channels, particularly from reduced cookie sales.
- **Overseas Restaurants:** Revenue decreased by 27 million Baht compared to the previous year, primarily due to the impact of restaurant operations in Cambodia amid trans-border conflicts.

FY

Revenue: In FY2025, total revenue amounted to 5,642 million Baht, representing an 8% decrease year-on-year. The key contributing factors were as follows:

- **Domestic Restaurants:** Revenue decreased by 407 million Baht compared to the previous year. The decline was mainly caused by lower takeaway sales (-9%), dine-in sales (-6%), and food delivery services (-5%). This was impacted by the economic slowdown and weakened purchasing power, a decline in tourist arrivals, intense competition in the food industry, and the closure of four Maisen branches due to the expiration of their lease contracts.
- **Retail and OEM Business:** Revenue decreased by 13 million Baht compared to the previous year, primarily due to lower sales in retail channels, particularly from mooncake products, as well as lower sales in the food service channel, specifically from the airline meals business segment.
- **Overseas Restaurants:** Revenue decreased by 77 million Baht compared to the previous year, primarily due to the closure of one branch in the United Kingdom and lower sales in Cambodia resulting from ongoing border clashes between Thailand and Cambodia.

Domestic Revenue Mix
(S&P stores only)



3M

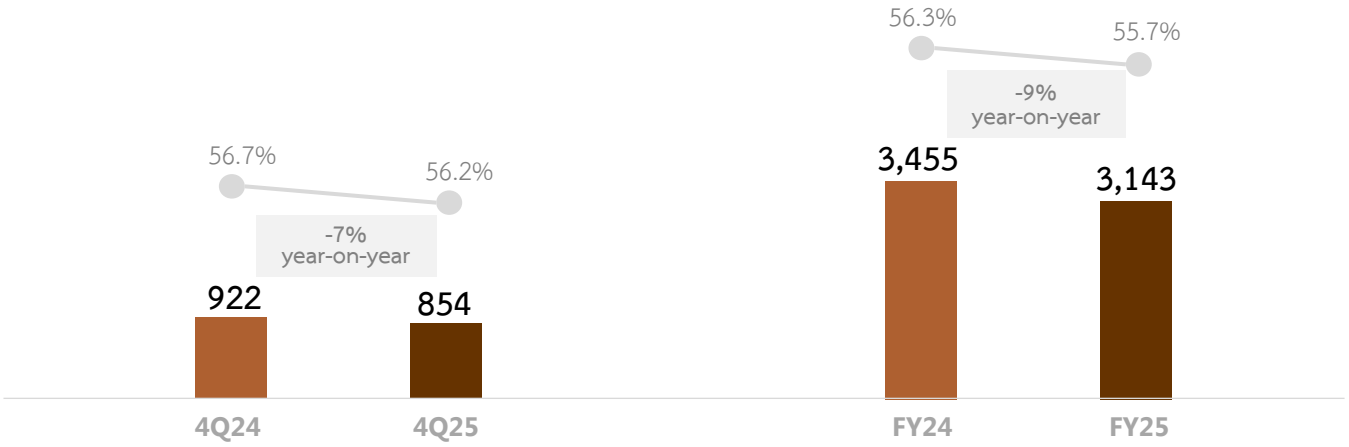
- **Take-away:** Decreased by 6% year-on-year, primarily due to lower customer traffic at branches located in department stores and hypermarkets.
- **Dine-in:** Decreased by 5% year-on-year, primarily due to lower customer traffic at branches in department stores and hospitals.
- **Delivery:** Decreased by 4% year-on-year, primarily due to slower consumer spending in line with the economic slowdown.

FY

- **Take-away:** Decreased by 9% year-on-year, primarily due to lower customer traffic at branches located in department stores and hypermarkets.
- **Dine-in:** Decreased by 6% year-on-year, primarily due to lower customer traffic at branches in department stores and airports.
- **Delivery:** Decreased by 5% year-on-year, primarily due to a decline in the number of large-order transactions through the 1344 call center ordering platform, while the number of orders from food aggregators (with smaller average order values) increased.

GROSS PROFIT

(Units : million Baht)



3M

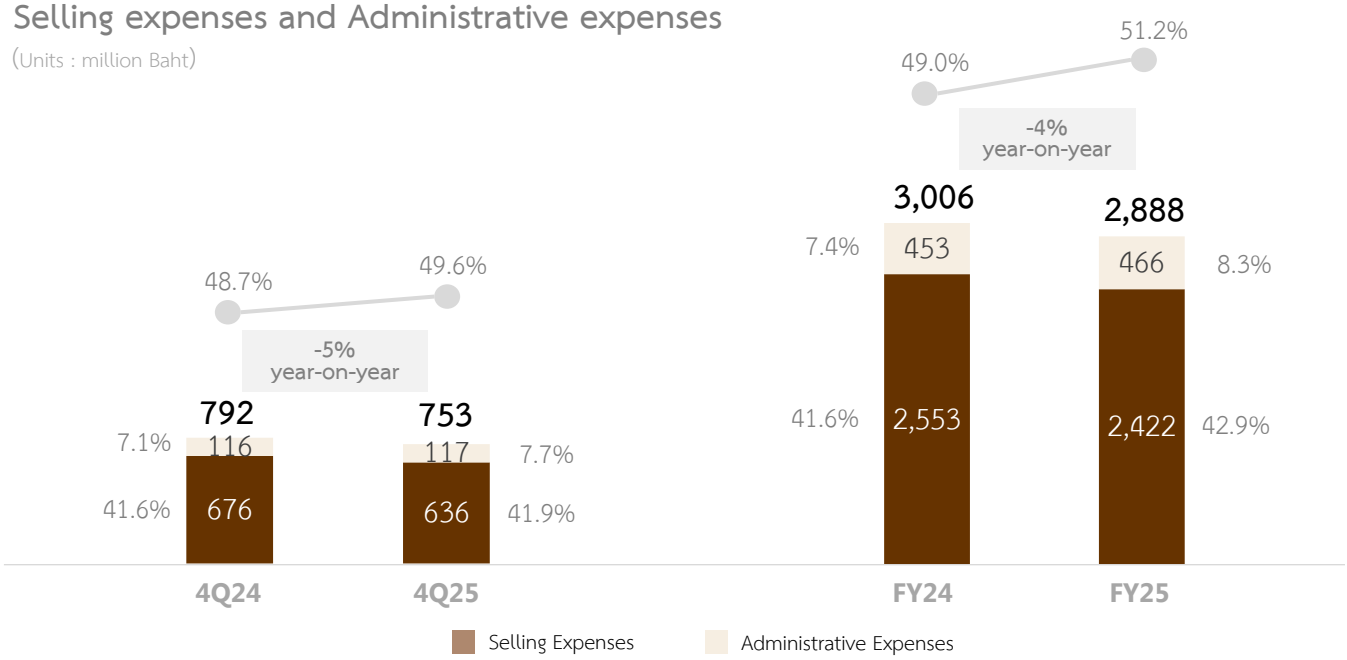
%Gross Profit Margin: In 4Q25, this was 56.2%, a decrease of 0.5% from the previous year. The main reason was due to higher raw material costs compared to last year. However, improved cost management at the store level helped partially mitigate the impact of rising costs.

FY

%Gross Profit Margin: In FY25, this was 55.7%, a decrease of 0.6% from the previous year. The decline was primarily due to higher raw material costs. Nevertheless, the Company continued to implement LEAN production practices, reduce factory costs, and enhance procurement efficiency to maintain stable raw material costs.

Selling expenses and Administrative expenses

(Units : million Baht)

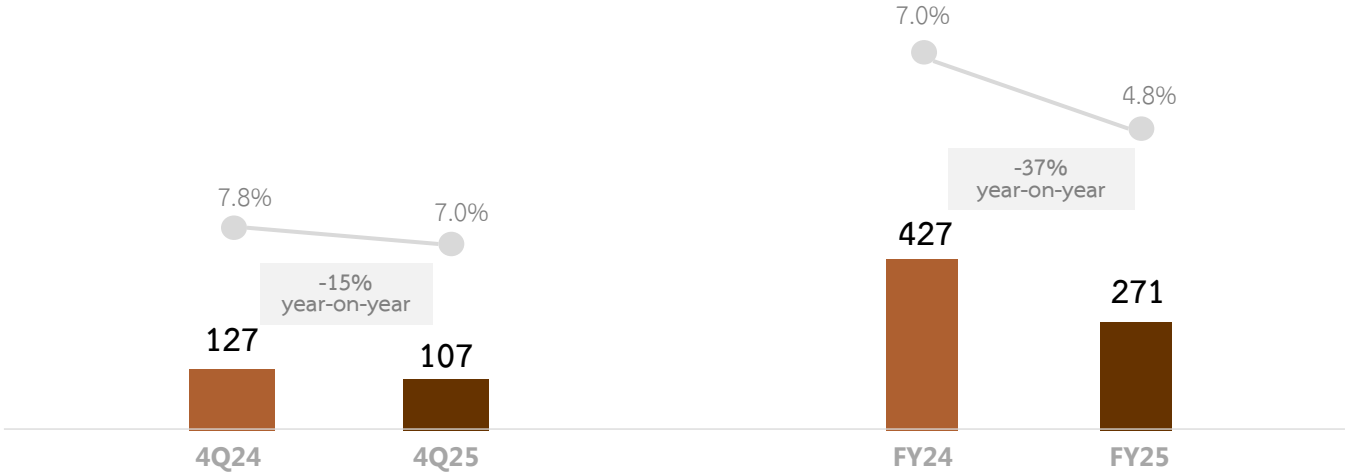


3M **Selling expenses and Administrative expenses:** In 4Q25, these totaled 753 million Baht, a decrease of 5% year-on-year. However, the ratio of selling expenses and administrative expenses to total revenue was 49.6%, an increase of 0.9% compared to the previous year. This was mainly due to lower revenue, while most expenses remained fixed at the same level.

FY **Selling expenses and Administrative expenses:** In 2025, these totaled 2,888 million Baht, a decrease of 4% year-on-year, primarily driven by lower variable expenses that were in line with reduced revenue. However, the ratio of selling expenses and administrative expenses to total revenue was 51.2%, an increase of 2.2% from the previous year. The primary reason was lower revenue, while most expenses remained fixed, including significant costs such as higher rental expenses and increased staff costs.

NET PROFIT

(Units : million Baht)



3M **Net profit:** In 4Q25, this was 107 million Baht, a decrease of 15% year-on-year, primarily due to lower revenue.

FY **Net profit:** In FY25, this was 271 million Baht, a decrease of 37% year-on-year. The decline was mainly attributable to lower revenue and an increase in expenses with a proportion that was higher than the growth in revenue.

4. Summary of Financial Position

Statements of Financial Position				
Key Metrics (MB)	As at Dec24		As at Dec25	
	MB	%	MB	%
Cash and cash equivalents	879	19%	564	13%
Financial assets at fair value	162	3%	166	4%
Other current assets	633	13%	641	15%
Total Current assets	**1,674**	**35%**	**1,371**	**33%**
Investment in associate	140	3%	-	0%
Investment in joint ventures	158	3%	274	7%
Long-term loan to related parties	-	0%	39	1%
Property, plant and equipment	1,621	34%	1,587	38%
Right-of-use asset	1,078	23%	821	20%
Other non-current assets	75	2%	91	2%
Total non-current assets	**3,072**	**65%**	**2,812**	**67%**
TOTAL ASSETS	**4,746**	**100%**	**4,182**	**100%**
Short-term borrowings from financial institutions	11	0%	-	0%
Current portion of long-term borrowings	11	0%	5	0%
Current portion of lease liabilities	407	9%	354	8%
Trade and other payables	824	17%	727	17%
Other current liabilities	84	2%	83	2%
Total Current Liabilities	**1,337**	**28%**	**1,168**	**28%**
Long-term borrowings from financial institutions	5	0%	-	0%
Lease liabilities	455	10%	214	5%
Non-current provision for employee benefits	142	3%	150	4%
Other non-current liabilities	71	1%	69	2%
Total non-current liabilities	**673**	**14%**	**434**	**10%**
TOTAL LIABILITIES	**2,010**	**42%**	**1,602**	**38%**
Paid-up Capital	515	11%	515	12%
Premium on ordinary shares	690	15%	690	16%
Surplus on gain from transfer of business to JV	80	2%	80	2%
Treasury Stock	-5	0%	-44	-1%
Legal reserve	52	1%	52	1%
Unappropriated	1,357	29%	1,243	30%
Other components of shareholders' equity	12	0%	9	0%
Non-controlling interests	35	1%	35	1%
TOTAL EQUITY	**2,736**	**58%**	**2,580**	**62%**
TOTAL LIABILITIES & EQUITY	**4,746**	**100%**	**4,182**	**100%**
Authorised share capital	*515*		*515*	
Par Value (Baht/Sh.)	*1.00*		*1.00*	
No. of share (millions)	*515*		*515*	

Cash and Cash Equivalents totaled 564 million Baht, a decrease of 315 million Baht compared to December 2024. The primary reasons were dividend payments of 384 million Baht, cash used for treasury stock purchases of 39 million Baht, partially offset by dividend income received of 70 million Baht.

Long-term Loans to Related Parties amounted to 39 million Baht, an increase of 39 million Baht compared to December 2024. This was due to a loan extended to Patara Fine Thai Cuisine (PFTC) for its Fulham restaurant branch in London, the United Kingdom.

Property, Plant and Equipment totaled 1,587 million Baht, a decrease of 34 million Baht compared to December 2024, mainly due to depreciation expenses.

Right-of-Use Assets and Lease Liabilities decreased by 257 million Baht, primarily due to depreciation of right-of-use assets and lease liability repayments upon maturity.

Trade and Other Payables decreased by 97 million Baht, mainly due to payments made to suppliers.

5. Factors That May Affect Operations or Future Growth

In 2026, Thailand's restaurant and bakery industry will face a critical test amid slower economic growth, high household debt, and weakened consumer purchasing power. As a result, consumer spending on dining out and premium bakery products will be more carefully considered. At the same time, operators continue to face cost pressures, including rising rental expenses, higher delivery platform fees, volatility in imported raw material prices, as well as increasing utility, labor, and transportation costs — all of which directly impact profit margins. In addition, market competition has intensified as new players are able to enter the market more easily. These include small independent shops, large brands, online operators, and street food vendors expanding into shopping malls. This has given consumers more choices and shortened the business life cycle of restaurants, leading to a rising number of business closures.

Nevertheless, amid these challenges, opportunities remain through strategic adaptation. These include adopting more flexible business models, downsizing store formats or adjusting store models to better suit specific locations, The Company will offer value-focused products and set menus alongside differentiated customer experiences, and developing new brands or business models such as Wingstop to expand the customer base, particularly among Gen Z consumers— a new target segment for the Company — thereby creating a New S-Curve. Expanding into the e-commerce segment to capture online customers will also broaden the Company's business portfolio and help reduce high rental costs by allowing it to focus on standalone stores and community malls.

In summary, success in 2026 will depend on the Company's ability to effectively control costs; capture new customer segments; create new consumption occasions; establish clear differentiation; deliver tangible value; and leverage technology to enhance operations and customer access. In an environment of constrained purchasing power, consumers will choose to spend only at businesses that are truly "value-for-money" and meet their needs.

6. Sustainability Development

S&P Syndicate Public Company Limited conducts its food and bakery business with stability under strong corporate governance principles, while simultaneously caring for society and the environment. The Company has adopted the seven United Nations Sustainable Development Goals (SDGs) as a strategic framework, guided by the three pillars of the 3P concept: P–Planet: Contributing to ecological balance, P–People: Empowering people and communities and P–Prosperity: Supporting organizational resilience and sustainable growth

E (Environment)

1. The Company controlled surplus bakery production to not exceed 5.5% of total sales and redistributed surplus products for social benefit through the S&P Food Rescue program.
2. Collected greenhouse gas emissions data produced by its offices, factories, distribution centers, and retail stores under the Carbon Footprint for Organization (CFO) project, along with implementing systematic plans to reduce energy consumption and greenhouse gas emissions.
3. Promoted a low-carbon society by renewing the Carbon Footprint Product (CFP) label certification for five products.
4. Improved environmentally-friendly production and logistics processes by installing solar rooftops at the Company's factories and distribution centers, and piloting the use of solar-powered electric delivery vehicles.

S (Social)

1. Enhanced customer experiences through product and service developments, which led to an 86% average satisfaction score from 29,078 respondents in 2025.
2. Fostered a sustainable organizational culture through environmental training and Lean Manufacturing & Lean Six Sigma programs. A total of seven continuous improvement projects were implemented, saving 30 million Baht annually.
3. Promoted nutrition and quality of life through conducting the 17th year of "S&P Kitchen for Kids" improved school kitchens and provided essential equipment and training in remote areas.
4. Supported local raw materials and community products through the S&P Growing Together and S&P Reuse Bag initiatives, creating income and equal opportunities for communities.
5. Strengthened relationships with communities surrounding operational areas through the S&P Giving for Community program, supporting the procurement of raw materials from communities near the Company's factories.

G (Governance)

1. Achieved a SET ESG Ratings 2025 score at the AAA level.
2. Received a 5-star "Excellent" rating in the Corporate Governance Report (CGR 2025) for the third consecutive year.
3. Renewed membership in Thailand's Private Sector Collective Action Against Corruption (CAC) for the third time and was recognized with CAC Change Agent status.
4. Maintained internationally recognized production quality and safety certifications, including GMP, HACCP, ISO 14001:2015, ISO 22000:2018, FSSC 22000, and HALAL standards.

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