

8 August 2023

Subject: Clarification of Operating Results and Financial Position for the three-month and nine-month periods and Financial Position ended June 30, 2023 (Quarter 3/2022-2023)

Attention: President
The Stock Exchange of Thailand

Oishi Group Public Company Limited and its subsidiaries clarify Consolidated Operating Results for the three-month and nine-month periods and Financial Position ended June 30, 2023 as the following;

Oishi Group Financial Performances for the three-month period ended June 30, 2023 (Quarter 3/2022-2023)

Revenue

The Company total sales and services revenue for Q3/2022-2023 were Baht 3,719 million, increased by Baht 350 million or 10.4% from Q3/2021-2022. Revenue was driven by both beverage business and food business. Detailed explanations by business segments are as follows;

Beverage business

The beverage sales and services revenue for Q3/2022-2023 were Baht 2,140 million, which rose by Baht 183 million or 9.4% from Q3/2021-2022. The domestic sales growth was mainly due to the success of summer campaigns “OISHI x ONE PIECE Open the Hunting Battle” and “OISHI opens an AR world warp to challenge for ONE PIECE card collection”. A new flavor of green tea, mixed fruits, 'Gomu Gomu' was introduced, along with the health benefits of green tea, especially the “Catechin” compounds which helped fight free radicals. The Company's beverage business remained the leader in the ready-to-drink tea market through a strong distribution network. The export markets in this quarter grew in Cambodia and Laos due to the recovery of economy and purchasing power.

Food business

The food business sales and services revenue for Q3/2022-2023 were Baht 1,579 million, which increased by Baht 167 million or 11.8% from the same period last year due to the recovery of private consumption and tourism. Thus, customers increased dine-in consumption. The Company had solid same-store-sales-growth. This quarter, the Company introduced the marketing campaign “Black Shabu Hunter” through many communication channels to consumers, which helped support sales growth.

Ready-to-eat products branded “Oishi EATO” had continued to grow in both convenience store and modern trade channels.

Cost of Sales

The total cost of sales and services of the Company for Q3/2022-2023 were Baht 2,509 million, which was higher than the cost of sales and services in Q3/2021-2022 by Baht 279 million or 12.5% in all business group, due to the increase of raw material prices and utilities expenses. Thus, cost of sales to sales revenue ratio for Q3/2022-2023 and Q3/2021-2022 were 67.5% and 66.2%, respectively

Beverage business

The cost of sales and services of the beverage business increased in line with sales growth, and affected by the increasing cost of raw materials, packaging and utilities. However, the Company improved efficiency and reducing waste in the production process to help offset the impact of cost increasing. Therefore, the cost of sales and services to sales revenue ratio increased from 72.0% in Q3/2021-2022 to 72.9% in Q3/2022-2023.

Food business

The cost of sales and services increased in line with sales growth, and raw materials cost increased affected on the food business margins. As a result, the ratio of total cost of sale and services to sale revenue increased from 57.4% in Q3/2021-2022 to 59.2% in Q3/2022-2023. However, the Company continued to increase efficiency in restaurant operations and managed procurement planning to mitigate the cost impact.

Selling Expenses

Selling expenses for Q3/2022-2023 was Baht 302 million, decreased by Baht 24 million or 7.3% from the same period last year, resulted from effective cost management. The Company used selling expenses to support the Company revenue growth.

Administrative Expenses

Administrative expenses for Q3/2022-2023 was Baht 463 million, increased by 44 million or 10.4% from the same period last year due to the increase of employee to support both the beverage and the food business revenue growth and also electricity and gas cost increased.

Net Profit

The Company reported impressive net profit of Baht 405 million in Q3/2022-2023, increased by Baht 47 million or 13.0% from the same period last year as a result of sales growth and effective cost management as mentioned.

Oishi Group Financial Performances for the nine-month period ended June 30, 2023

Revenue

The Company total sales and services revenue for the nine-month year 2022-2023 were Baht 10,807 million, increased by Baht 1,445 million or 15.4% from the nine-month year 2021-2022. Revenue was driven by both beverage business and food business. Detailed explanations by business segments are as follows;

Beverage business

The beverage sales and services revenue for the nine-month year 2022-2023 were Baht 6,252 million, increased by Baht 852 million or 15.8% from the nine-month year 2021-2022. The growth in both domestic and international sales is a result of the successful marketing activities and new product launches during period.

Food business

The food business sales and services revenue in the nine-month year 2022-2023 were Baht 4,555 million, increased by Baht 593 million or 15.0% from the nine-month year 2021-2022. The store expansion allows a greater number of dine-in customers and the spending per head, while home delivery channel performed well as a result of promotion and the introduction of new menu. Ready-to-eat products branded “Oishi EATO” have grown steadily in both convenience stores and modern trades.

Cost of Sales

The total cost of sales and services of the Company for the nine-month year 2022-2023 were Baht 7,403 million, which was higher than the cost of sales and services in the nine-month year 2021-2022 by Baht 1,186 million or 19.1% due to the increase of raw material prices and utilities expenses. Thus, cost of sales to sales revenue ratio in the nine-month year 2022-2023 and the nine-month year 2021-2022 were 68.5% and 66.4%, respectively.

Beverage business

The cost of sales and services of the beverage business increased from sales volume, including the impact of the cost of raw materials, packaging and utilities cost. As a resulted, the cost of sales and services to sales revenue ratio increased from 72.2% in the nine-month year 2021-2022 to 74.5% in the nine-month year 2022-2023.

Food business

The cost of sales and services of the food business increased in line with sales growth, and partly including in raw ingredient price rose. Therefore, cost of sale and services to sale revenue ratio increased from 57.7% in the nine-month year 2021-2022 to 59.0% in the nine-month year 2022-2023.

Selling Expenses

Selling expenses for the nine-month year 2022-2023 was Baht 922 million, increased in line with revenue by Baht 88 million or 10.6% from the nine-month year 2021-2022. The Company used selling expenses to support revenue growth. In addition, the Company continuously invested in building brand awareness and engagement to strengthen the “Oishi” brand in the long run for our customers.

Administrative Expenses

Administrative expenses in the nine-month year 2022-2023 was Baht 1,349 million, increased by Baht 116 million or 9.5% from the previous year due to the increase of employee expenses and operation expenses to support both the beverage and the food business revenue growth and also electricity and gas cost increased.

Net Profit

The Company reported net profit of Baht 1,047 million in the nine-month year 2022-2023, increased by Baht 36 million or 3.6% from the nine-month year 2021-2022 due to revenue growth and efficiency of cost management resulting in improved performance.

Oishi Group Financial Position as of June 30, 2023

Assets

Total assets as of June 30, 2023, was Baht 10,762 million, increased from total assets as of September 30, 2022 which was Baht 10,529 million, by Baht 233 million or 2.2%, consisted of the following: Current assets were Baht 5,711 million, increased by Baht 497 million in cash and cash equivalent, and account receivables as a result of operation income.

Non-current assets were Baht 5,051 million, decreased by Baht 263 million from a reduction in property plant and equipment items due to the increase of depreciation and amortization under TFRS16.

Liabilities

Total liabilities as of June 30, 2023 was Baht 2,347 million, decreased by Baht 214 million or 8.4% from September 30, 2022 which was Baht 2,561 million. Total liabilities consisted of the following; Current liabilities were Baht 1,844 million, decreased by Baht 228 million due to the decrease in account payable, and in line with the decrease in inventory as mentioned above.

Non-current liabilities were Baht 503 million, increased by Baht 14 million was due to higher financial lease liabilities from new restaurant store expansions.

Furthermore, the Company financial position remained solid with debt-free status as of June 30, 2023.

Shareholders' Equity

Total Equity as of June 30, 2023 was Baht 8,415 million, which rose by Baht 447 million from September 30, 2022 which were Baht 7,967 million. The increase of retained earnings was a result of additional net profit during period, partly offset by dividend paid to shareholders.

Sincerely yours,

(Mrs. Nongnuch Buranasetkul)
President & CEO