

# OPPORTUNITY DAY PRESENTATION

MOSHI MOSHI RETAIL CORPORATION PCL (MOSHI)

Q4/YE 2023

6<sup>th</sup> MARCH 2024

# AGENDA

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Company Overview

2

Q4 and FY2023 Financials

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Strategic Direction & Strategy

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2024 Outlook

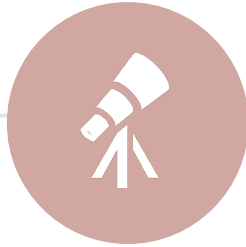
# Moshi Moshi



## 01

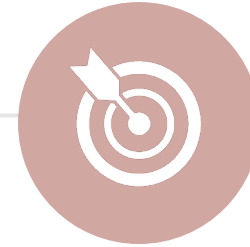
### Company Overview

# Vision & Mission



## Vision

“Bringing happiness through the creation of exquisitely designed products”



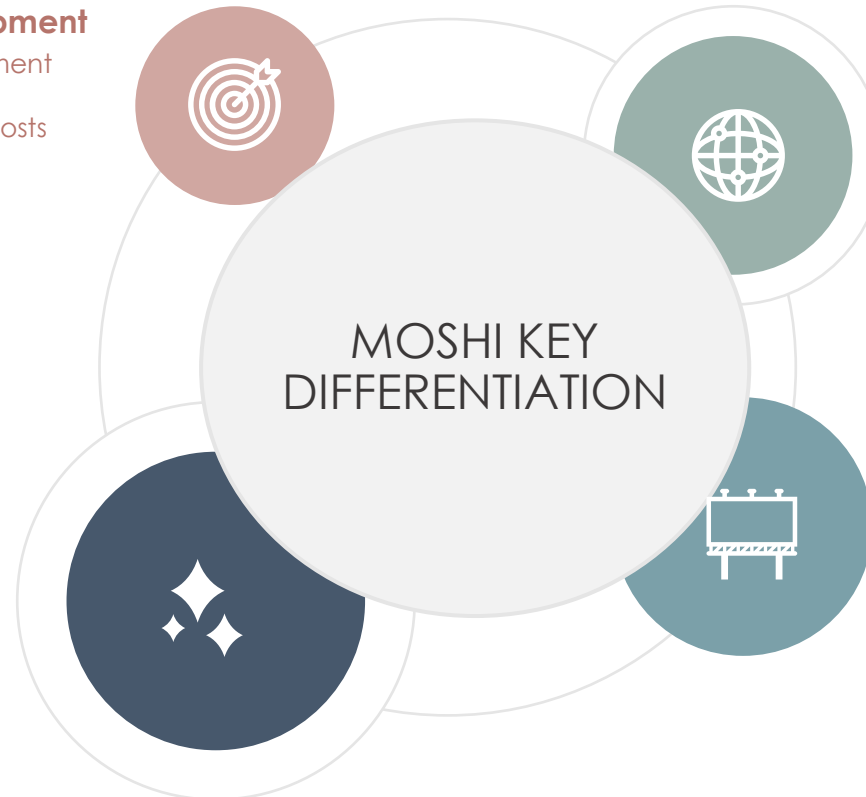
## Mission

“Offering quality lifestyle products at affordable prices to consumers by focusing on product development, data-driven culture and sustainable partnership”

# Moshi Competitive Advantages

## Data Driven Product Development

- Data driven product development according to market demand considering design, function, costs and margin



## Flexible and Adaptive Operation

- Moshi management have displayed the ability to adapt to changing external environment and capture new trends ahead of competitors

## Supply Chain Excellence

- Strong supply chain to deliver value for money product. Products offered by Moshi is of good quality at affordable prices

## Strong Marketing Capabilities

- Moshi have displayed strong marketing initiatives to ensure consistent communication and performance despite low season

# Brands Under Moshi

4 Brands Covering Capturing Diverse Customer Segments



**Let Us Be Parts Of Your Everyday Life**

Lifestyle products

*Offers variety of products in fashionable design, good quality and affordable prices*

**126**  
Branches



**Chic n Cool**

Lifestyle products

*Offers variety of products focusing on perfume, incents and diffusers*

**3**  
Store-in-store Branch



**More Than Just Low Price**

Gifts and stationery

*Offers variety of products, focusing on its functionality*

**1**  
Branch



**OK For Your Business\***

Gifts and stationery

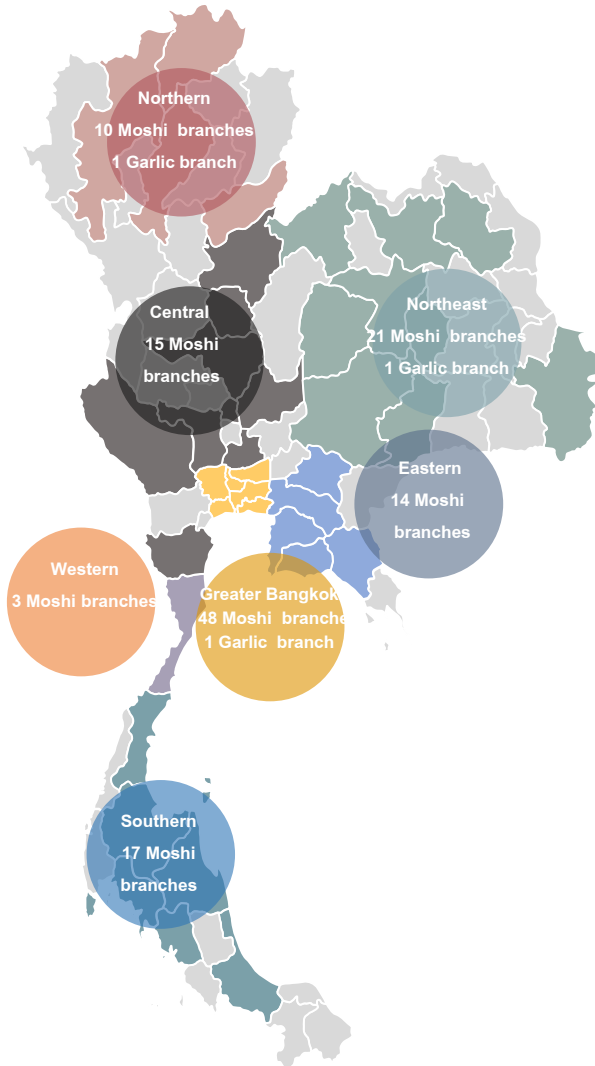
*Offers complete range of lifestyle retail product focusing on wholesalers*

**1**  
Branch

\*remark: The OK Station was acquired during April 2023

# Store Footprint

Moshi have store presence in 51 provinces in Thailand



## UPCOUNTRY

- 73 Moshi Stores + 7 Moshi Stores in Q4/2023
- 2 Garlic Stores in Q4/2023

## BANGKOK METROPOLITAN

- 43 Moshi Stores + 3 Moshi Stores in Q4/2023
- 1 Giant Store
- 1 The OK Station Store
- 1 Garlic Store

## DISTRIBUTION CHANNELS



\*remark: No. of stores as of 31 December 2023 include Moshi Moshi branches, Garlic branches, and Giant Store. The OK Station was acquired during April 2023

# Moshi Moshi



## 02

Q4/2023 and YE2023

FINANCIALS



# Q4'23 HIGHLIGHTS



## SIGNIFICANT GROWTH IN FINANCIAL PERFORMANCE

- The Company displayed strong performance
- In Q4'23, The Company recorded operating revenue of Baht 789.4 million, +23.2% YoY and Net profit of Baht 151.4 million, +27.8% YoY
  - In 2023, the company recorded operating revenue of Baht 2,529.5 million, +33.8% YoY and Net profit of Baht 401.5 million, + 58.6% YoY



## LAUNCHED 2 NEW GARLIC

The company has continuously been seeking for new business opportunities to gain new group of customers and expand businesses. In 4Q/23, the company opened 2 new Garlic stores which are Sermthai Complex Maha Sarakham and MAYA Chiang Mai. As such, the company has total of 3 Garlic stores as at end of December 2023.



## SUCCESSFULLY OPENED 10 STORES WITH NEWLY PENETRATED PROVINCES

Moshi have successfully opened 10 new MOSHI stores across Thailand with 3 new branches in Bangkok and 7 new stores in other key provinces such as Phrae, Nakhon Phanom, Sa Kaeo, Saraburi, Lopburi. In 2023, the company opened 21 new MOSHI stores, and ending the year with a total of 126 Moshi stores countrywide.

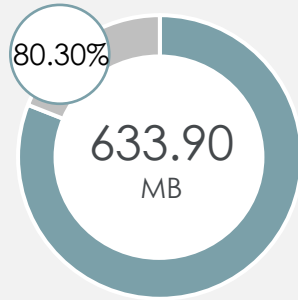


## AWARD AND RECOGNITION

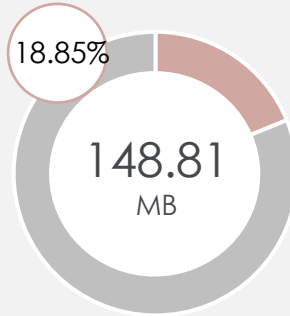
On Tuesday November 21st 2023, the company was awarded the SET Awards, Business Excellence, Deal of the Year Awards from the Stock Exchange of Thailand and Money & Banking Magazine. The company was recognized for product development with innovation.

# Q4/23 VS Q4/22 FINANCIAL HIGHLIGHTS

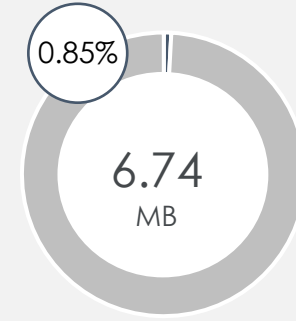
Total Q4/2023 Sales 789.45 MB



Retail Stores



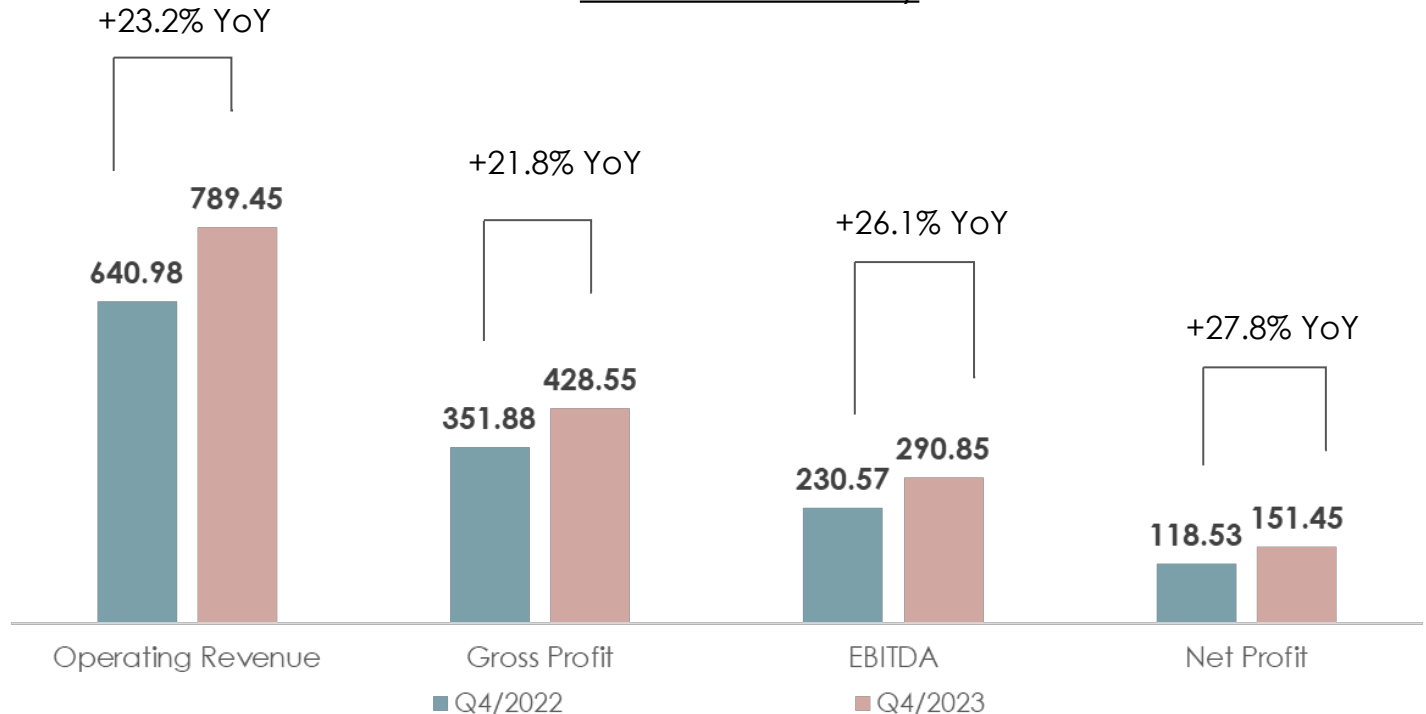
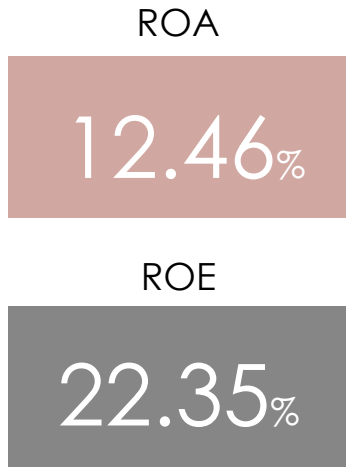
Wholesale Stores



Other Channels

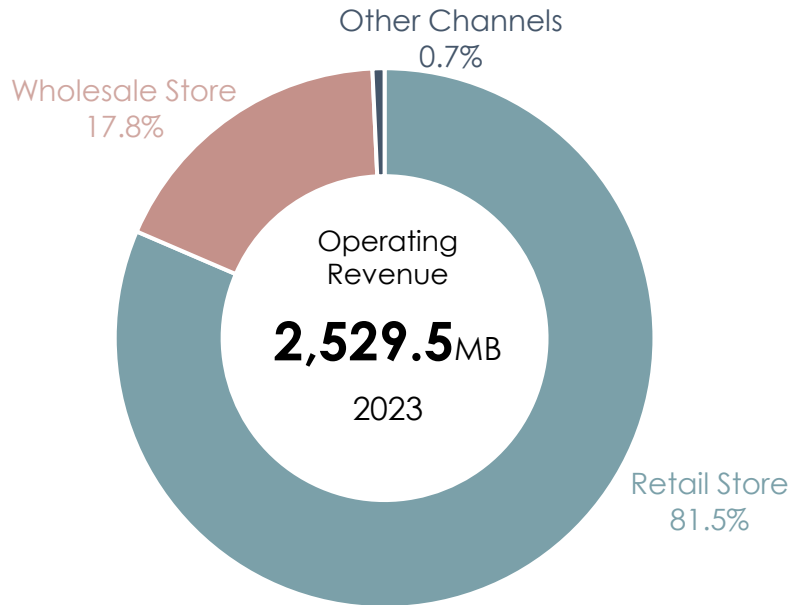
Unit: Million Baht, %

## Financial Summary



# BUSINESS OVERVIEW

## Revenue Breakdown by Channel



### 81.5% Retail Store

Retail Stores includes Moshi Moshi store located in all provinces in Thailand



### 17.8% Wholesale Store

Wholesale stores in total of 4 branches which include (1) Moshi Moshi at Sampeng branch (2) Moshi Moshi at Platinum Fashion Mall Branch and (3) GIANT shop at Platinum Fashion Mall Branch (4) The OK Station Branch



### 0.7% Other Channels

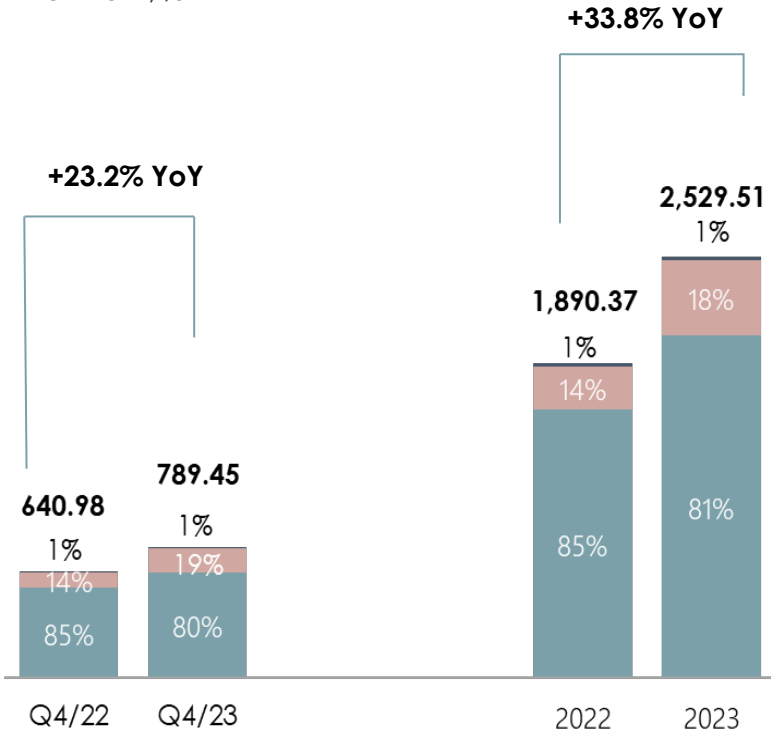
Other distribution channels which includes online/e-commerce platforms such as Shopee, Lazada, and TikTok



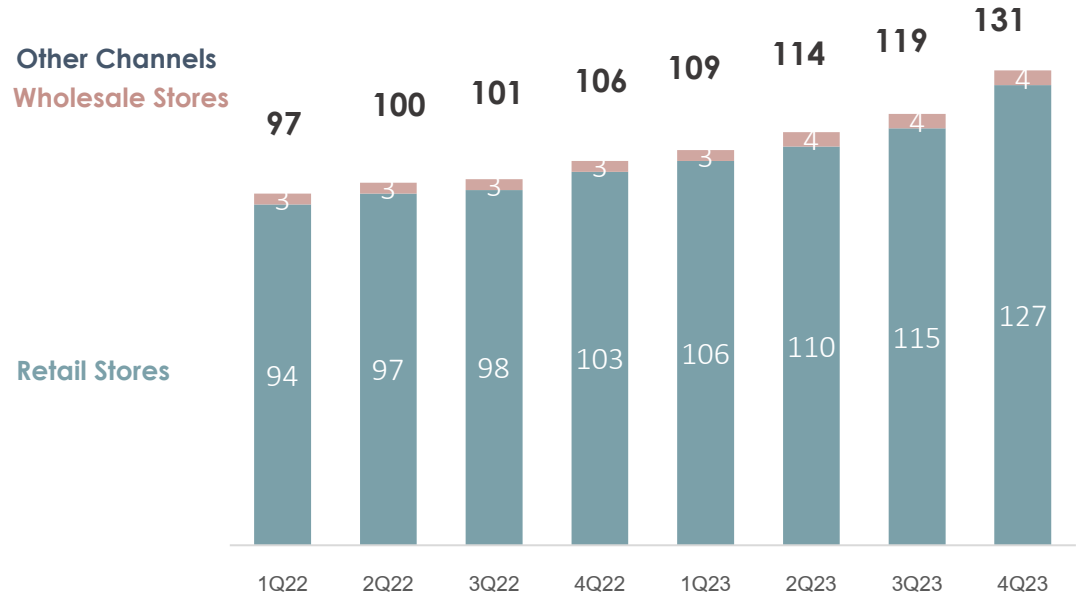
\*remark: The OK Station was acquired during April 2023 therefore does not yet contribute to performance of Q1/2023

# OPERATING REVENUE BREAKDOWN BY CHANNEL

Unit: Million Baht, %



Unit: Number of stores



## YoY Q4/2023 vs Q4/2022

Operating revenue was Baht 789.4 million, increased by Baht 148.5 million or 23.2% due to:

- higher retail sale which increased by Baht 91.6 million or 16.9% YoY from 24 new store expansion in 2023 Retail Stores
- higher sale from existing stores due to improvement in number of tourist arrival and new product development (SSSG 3.2%)
- higher sale growth in wholesale sale which increased by Baht 54.2 million or 57.4% YoY mainly from revenue recognition of The Ok Station and improvement in number of tourist arrival.

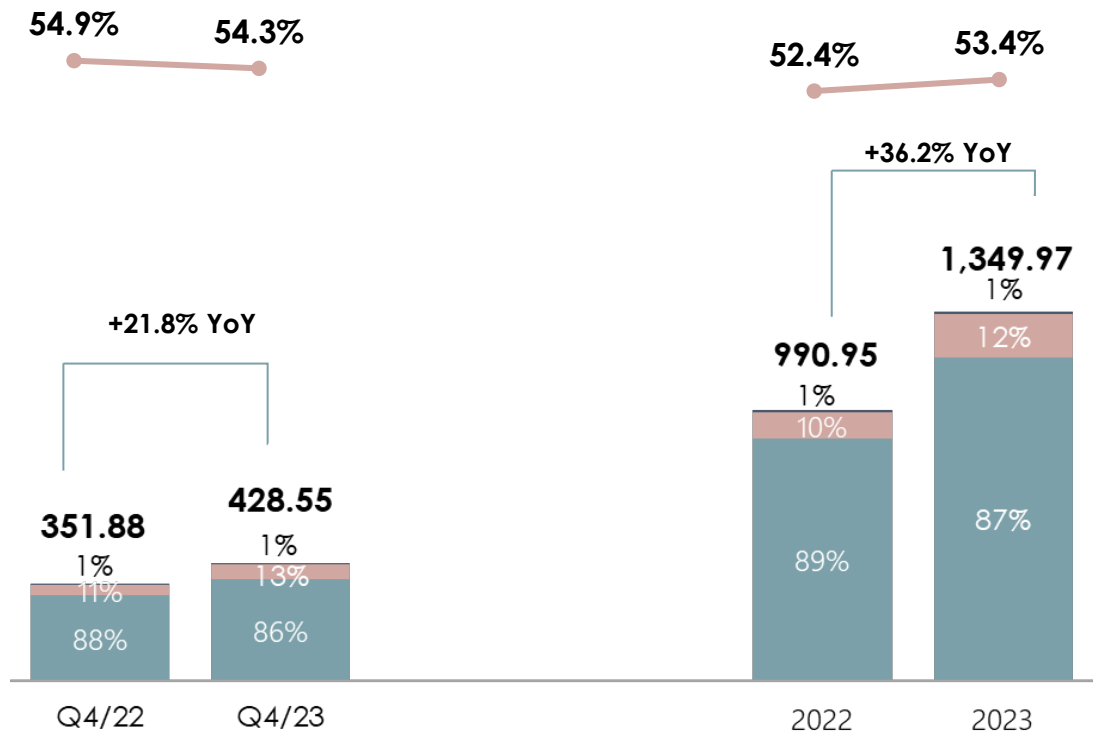
## YoY 2023 vs 2022

Operating revenue was Baht 2,529.5 million, increased by Baht 639.1 million or 33.8% due to:

- Improvement in SSSG of 16.9% which was the result of continuous recovery in tourist sector and private consumption, the launch of new products (Thai designers, pet accessories, jewel accessories, new licenses products), and marketing initiative such as concert sponsorships
- The opening of 25 new stores including 21 Moshi, 3 Garlic, and The Ok Station

# GROSS PROFIT AND GROSS PROFIT MARGIN (GPM)

Unit: Million Baht, %



GPM

Other Channels

Wholesale Stores

Retail Stores

## YoY Q4/2023 vs Q4/2022

Gross profit was Baht 428.5 million, increased by Baht 76.7 million or 21.8% mainly due to:

- Higher sale in both retail and wholesale channels which was the result of the increase in SSSG, the opening of new branches, and organizing sales boosting activities.

GPM was 54.3%, relatively stable from 54.9%, even with consolidation of The OK Station

- Although the company has opened a new wholesale store, namely The OK Station this year, gross profit margin was relatively stable from the previous year as the company increase sale of higher margin products such as Pet accessories and aroma diffusers.

## YoY 2023 vs 2022

Gross profit was Baht 1,349.97 million, increased by Baht 359.0 million or 36.2% mainly due to:

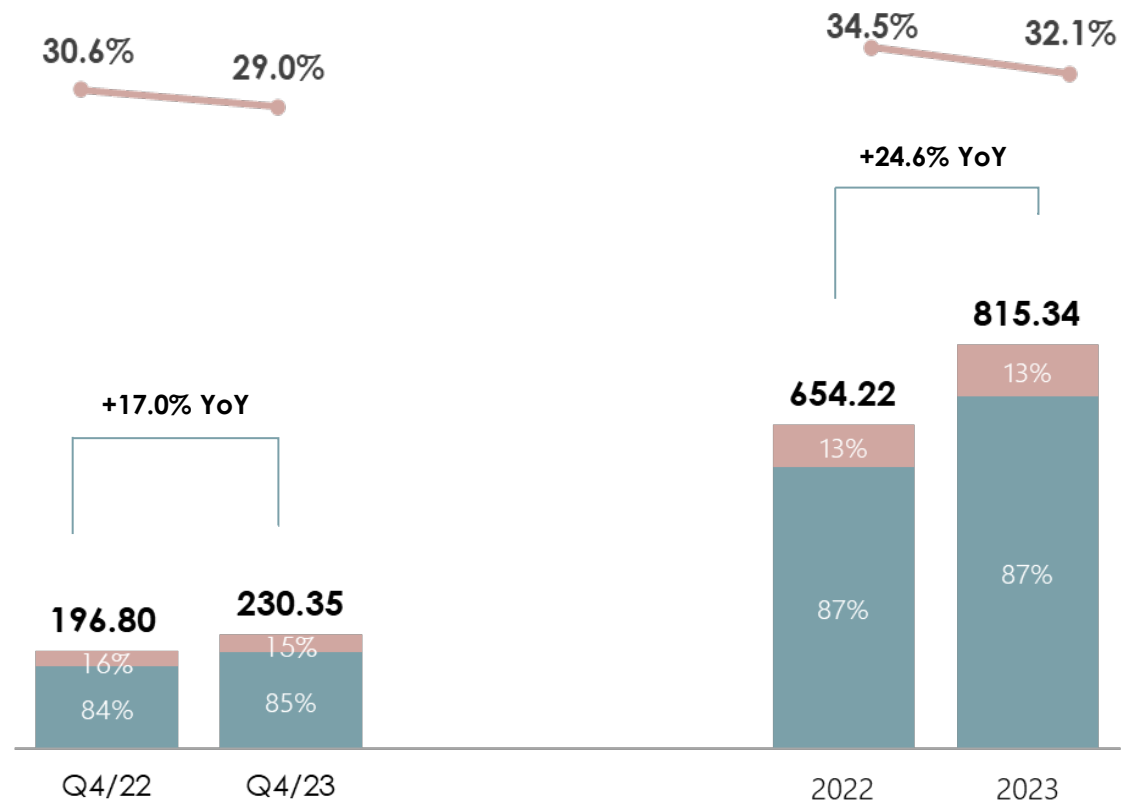
- The increase in SSSG, new branch expansion, the increase in demand from the new pet category, and the opening of the new 'Garlic' brand, The expansion of the Sampeng branch, and the opening of the new The OK Station branch.

GPM in 2023 was 53.4%, increased from 52.4%

- due to the higher sales proportion of higher margin products such as Pet accessories, cosmetic, and Garlic products. As well as, the appreciation of the Thai Baht against the Chinese yuan.

# SG&A AND SG&A TO TOTAL REVENUE

Unit: Million Baht, %



SG&A to total revenue

Administrative Expenses

Selling Expense

## YoY Q4/2023 vs Q4/2022

**SG&A was Baht 230.35 million, increased by Baht 33.55 million or 17.0%** mainly due to:

- The increase in employees' expenses and rental expenses corresponding to the branch expansions and increase in sales as well as marketing expenses

**SG&A to total revenue in Q4/2023 was 29.0%, improved from 30.6%** mainly due to the increase in total revenue at a higher proportion compared to the increase in expenses as some of the selling expenses are fixed costs, resulting in economy of scale as well as the ability to manage costs efficiently.

## YoY 2023 vs 2022

**SG&A was Baht 815.34 million, increased by Baht 161.12 million or 24.6%** mainly due to:

- The increase in employees' expenses and rental expenses corresponding to the branch expansions and the increase in sales
- Increase in marketing expenses as well as expenses related to post IPO

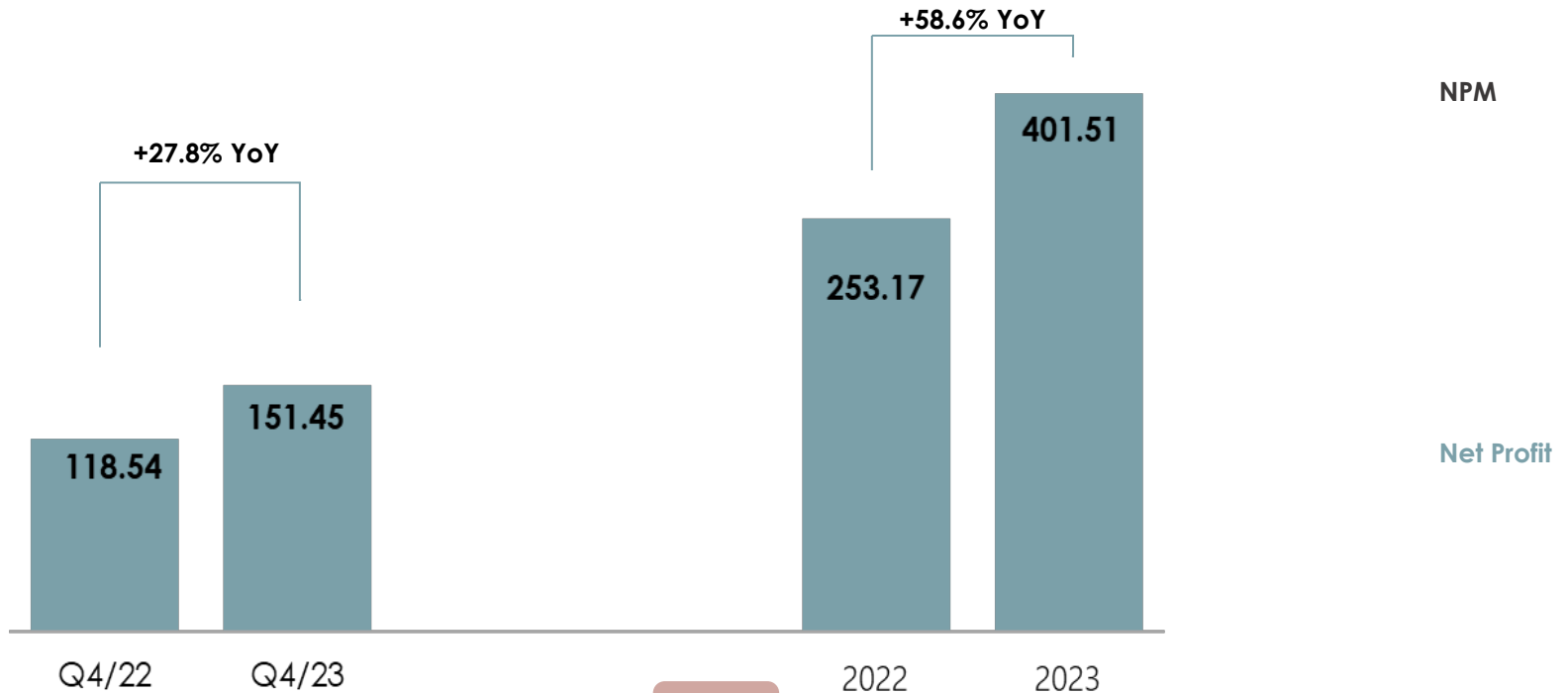
**SG&A to total revenue in 2023 was 32.1%, improved from 34.5%** mainly due to the increase in total revenue at a higher proportion compared to the increase in expenses as some of the selling expenses are fixed costs, resulting in economy of scale as well as the ability to manage costs efficiently.

# NET PROFIT AND NET PROFIT MARGIN (NPM)

18.4% 19.1%

13.4% 15.8%

Unit: Million Baht, %



## YoY Q4/2023 vs Q4/2022

**Net profit was Baht 151.45 million, increased by Baht 32.91 million or 27.8%** mainly due to:

- Increase in same store sale growth (SSSG)
- New branches expansion
- New product developments e.g. jewel accessories and new license products
- Ability to manage costs and expenses efficiently

**Net Profit Margin was 19.1%, increased from 18.4% in Q4/22** due to the increase in revenue from all business units corresponding to the higher demand resulting from economic and tourist recovery and the launch of new products, brands, and stores. As well as the higher sales proportion of high-margin products, the appreciation of Thai Baht and the Company's ability to control costs efficiently.

## YoY 2023 vs 2022

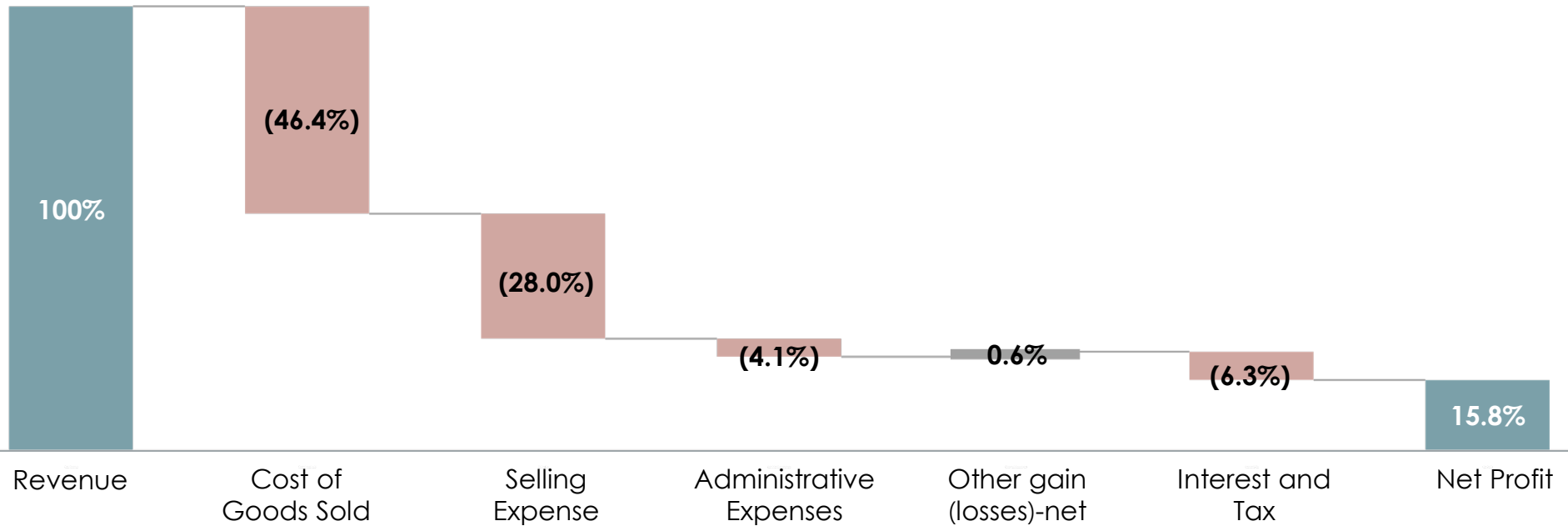
**Net profit was Baht 401.51 million, increased by Baht 148.34 million or 58.6%** mainly due to:

- Increase in same store sale growth (SSSG)
- New branches, new pet category and the launch of the new 'Garlic' brand and hosting marketing initiatives to support concert
- Increase in wholesale revenue from the expansion of the Sampeng branch, the recovery of Platinum Fashion Mall branch and the opening The OK Station branch
- Ability to manage costs and expenses efficiently

**Net Profit Margin was 15.8%, increased from 13.4% in 2022** due to the increase in revenue and the opening of new retail stores corresponding to the higher demand and the launch of new products and brands. As well as the increase in sales proportion of high-margin products, the appreciation of Thai Baht and the Company's ability to control costs efficiently.

# PROFIT AND LOSS STATEMENT IN YE/2023

Unit: %

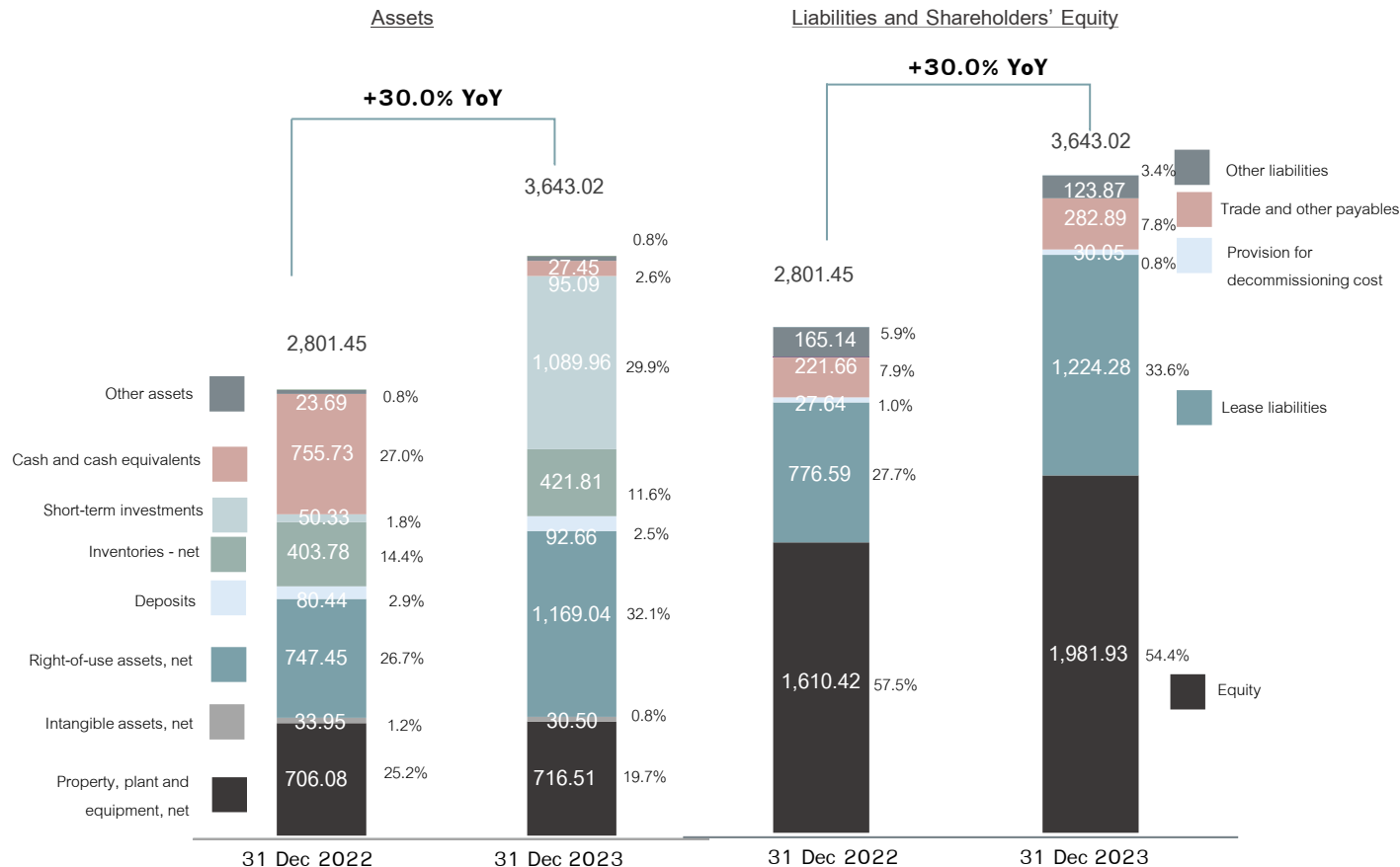


The Company has a total revenue of Baht 2,543.25 million during YE2023 and a total cost and expenses structure of 84.2% of total revenue, with cost of goods sold accounting for 46.4% of total revenue and SG&A and other expenses accounting for 31.5% and interest and tax for 6.3%. The Company's cost structure demonstrates its ability to manage costs efficiently. As a result, the Company generates a net profit of Baht 401.51 million, or 15.8% of total revenue.



# STATEMENT OF FINANCIAL POSITION

Unit: Million Baht, %



## Total Assets

As of 31 December 2023, the total assets were Baht 3,643.02 million, increased by Baht 841.57 million or 30.0% from 31 December 2022 mainly due to:

- **Short-term investments** increased by Baht 1,039.63 million due to management of cash flow from operation, which involves investing in short-term fixed income funds, bonds, and bills of exchange to maximize returns
- **Right-of-Use Assets** increased by Baht 421.59 million due to the renewal of the existing branch's rental agreement and the expansion of new branches.

## Total Liabilities

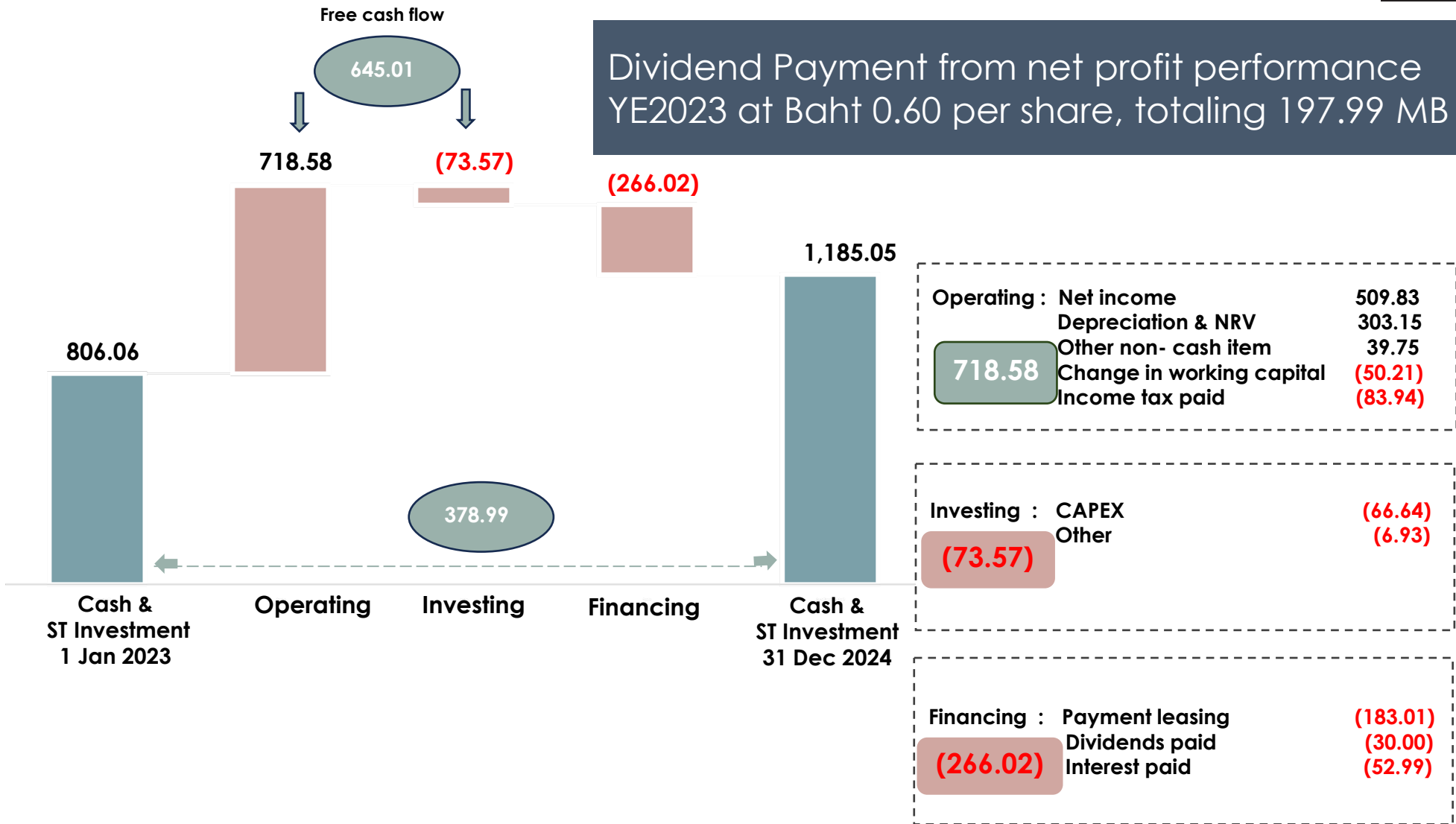
As of 31 December 2023, the total liabilities were Baht 1,661.09 million, increased by Baht 470.06 million or 39.47% from 31 December 2022 mainly due to:

- **Lease Liabilities** increased by Baht 447.69 million due to the renewal of the existing branch's rental agreement and the expansion of new branches and .
- **Trade and Other Payables** increased by Baht 61.23 million due to the increase in inventories corresponding to the increase in sale and peak season of the business.

## Total Shareholder's Equity

As of 31 December 2023, The Total Shareholders' Equity were Baht 1,981.93 million, increased by Baht 371.51 million or 23.07% from 31 December 2022 corresponding to the Company's performance.

# CASH FLOW



In YE2024, Including Solar Roof project at DC = 4.00 MB

Project	Actual FY 2023	Estimated outlook investment Plan 2024
Unit: Million THB		
Stores expansion	61.25	80.00
Stores renovation	11.39	20.00
DC improvement / DC equipment	5.95	30.00
IT System	3.51	60.00
Other	4.41	10.00
<b>Total CAPEX</b>	<b>86.51</b>	<b>200.00</b>

# Moshi Moshi



## 03

### Strategic Direction & Strategy

# MOSHI STRATEGIC DIRECTION

15-20% CAGR



2023

126\* Moshi Branches  
3 Garlic Stores

## SEEKING FOR NEW GROWTH OPPORTUNITIES

- Focus on domestic expansion of Moshi Moshi store format
- Pilot standalone store format
- Study opportunities for franchise model
- Study new store concepts
- Launch new categories



2024

146\* Moshi Branches  
7 Garlic Stores

## EXPANSION AND MAINTAINING GROWTH MOMENTUM

- Domestic expansion in department stores, hypermarkets, and shopping malls through
  - Store format
  - Store-in-store format
- Launch franchise model
- Seek for opportunities abroad in neighboring countries



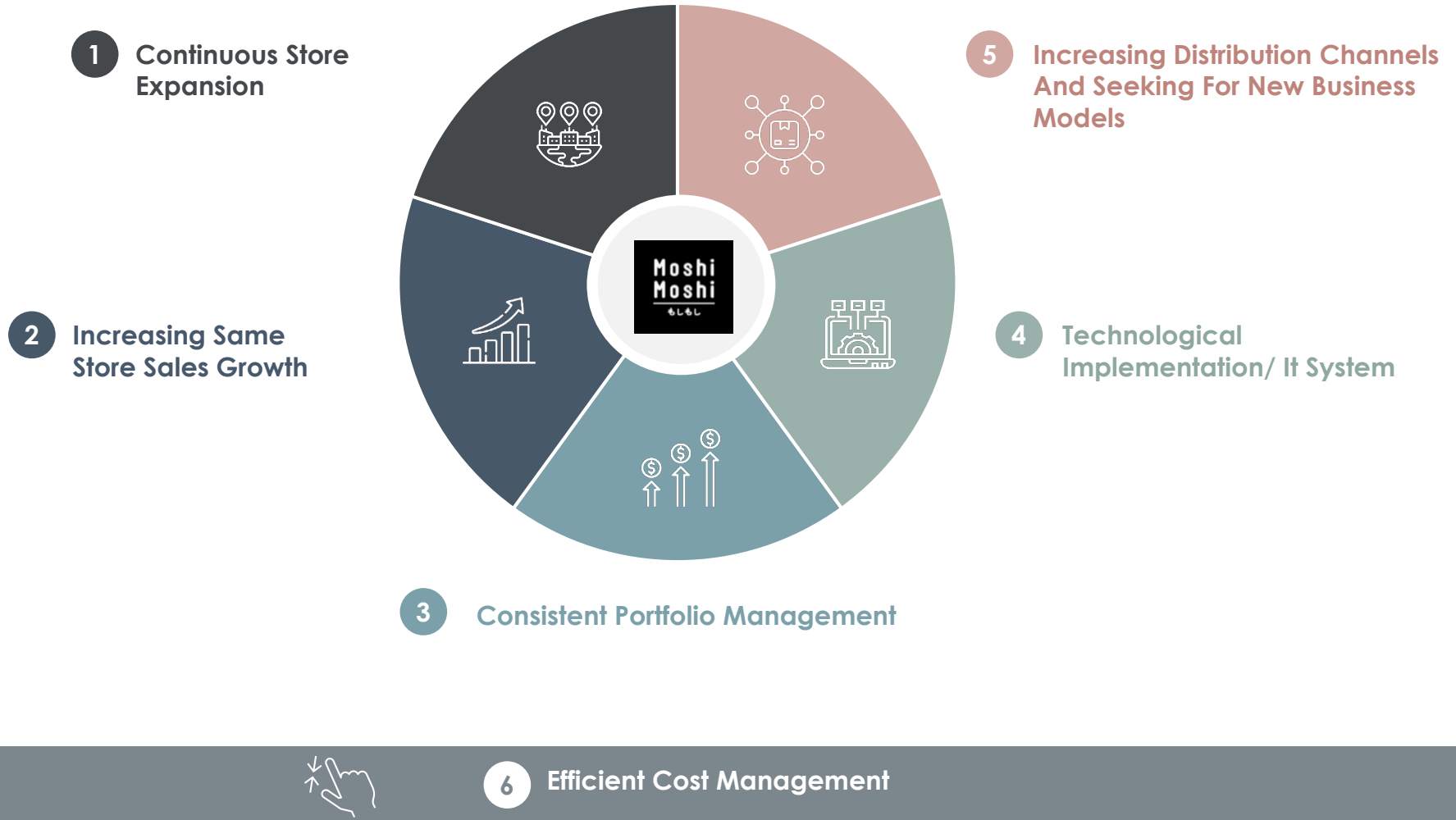
2025

166\* Moshi Branches

## LEADING LIFESTYLE RETAIL IN THAILAND WITH FOOTPRINTS IN SEA

- Strong domestic coverage in leading department stores, hypermarkets and shopping malls in Thailand
- Presence in other countries in Southeast Asia

# MOSHI 2024 STRATEGY



# MOSHI BRANCH EXPANSION



2024  
Target

Target: At least 24 Branches

MOSHI will be opening more than 20 stores in 2024 **exceeding original target**  
GARLIC will be opening 4 stores in 2024

Q1  
Target

Opening

8 New Stores-Moshi  
1 Stand alone-Moshi



FY24

Target Provinces

60 Provinces



## Q4/2023 Update

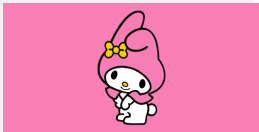
Q4'23 stores opening include big store format: The Mall Bangkokpi , The Mall Bangkae, Maya Chiang Mai and Sermthai Complex Maha Sarakham



# MARKETING ACTIVITIES AND NPD

## Continuous marketing support and sales activity

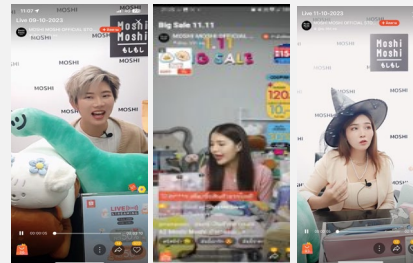
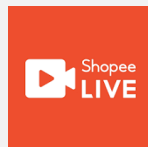
### Festive Sales & New License Collection



### Promotion Activity & NPD



### Further Channel Expansion



## Social media platforms



Facebook:  
>531,268 followers



Instagram:  
>84,635 followers



Tiktok:  
>20,857 followers



Twitter/X:  
>8,762 followers



LINE:  
>394,974 friends



Shopee:  
>503,100 followers



Lazada:  
>124,113 followers

Note: as of 31 January 2024



# Moshi Moshi



04

2024

Outlook

# STRONGER ECONOMIC OUTLOOK IN 2024

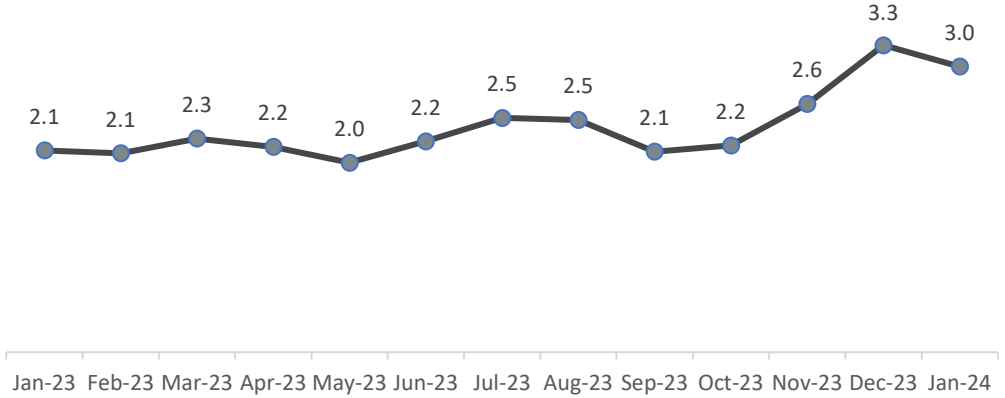
## Consumer Confidence Index (CCI) Maintained at Healthy Level



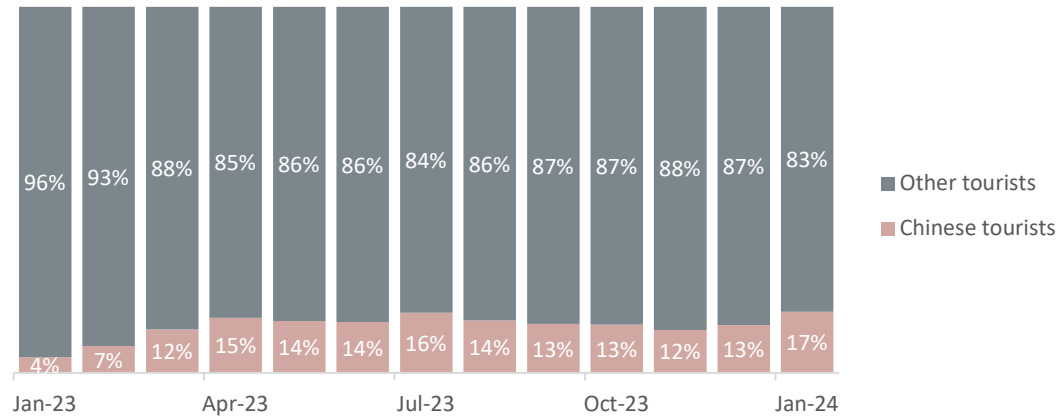
Source: Trade Policy and Strategy Office

In Q4/23, CCI declined due to 1) slower than expected economic recovery 2) decline in agriculture product prices and 3) higher household debt. However, CCI is expected to recover and stay above 50 in 2024 from continuous economic recovery and increase in foreign tourists.

## Recovery in Foreign Tourist arrival



## Continued Recovery in Chinese Tourists



In 2023, there were a total of 28.2 million foreign tourist arrival, a strong recovery after covid-19 in 2022. In 2024, foreign tourist arrivals are expected to increase to 34 million, around 85% of pre-covid level. Additionally, Chinese tourists is expected to see strong recovery from free visa free policy and increasing flight numbers

# Margin Expansion



Retail Store Expansion



Higher Margin Products Through Product Development



Improvement from THE OK STATION

# 2024 OUTLOOK

Target MOSHI Revenue Growth of 20% in 2024



## Continuous Moshi Moshi Branch Expansion

- Moshi targets additional of 20 stores in 2024

## Expansion of Garlic Store

- Target store for the new brand 'Garlic' is 4 stores in 2024



## NPD

- Moshi Target 10,000 new SKUs to increase product varieties and to refresh assortments in store

## Penetrate New Market and Customer Base

- The Company continues to enhance collaborative marketing to expand customer base and capture new market segments

## Marketing Activities

- With existing Moshi strengths of consistent new marketing activities, the Company will continue to introduce new exciting marketing campaigns throughout 2024

**Please give us your feedback**



**Thank You**

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