



Zen Corporation Group Public Company Limited Analyst Meeting 4Q23 and FY2023

5th March 2024

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Company Sustainability

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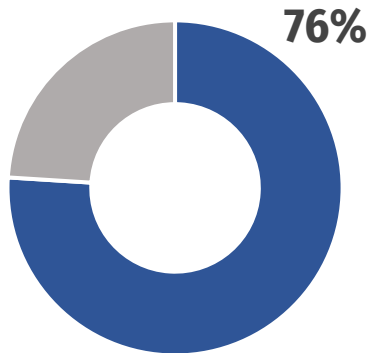
Strategy & Direction

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Company Sustainability

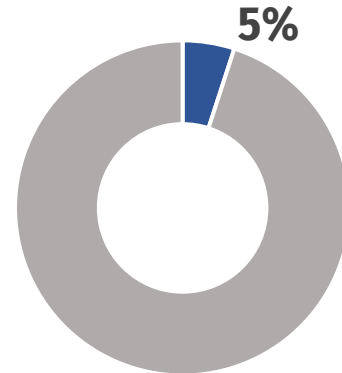
Business Overview in 2023

I. Restaurant Revenue (Dine-in)



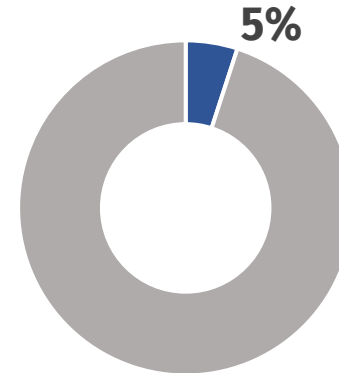
- 182 Outlets under company-owned operation
- 38 New outlets were opened in 2023
- With 9 Major brands for both Japanese restaurants and Thai restaurants
- 2023 Revenue were increased YoY by 19%
- New design store renovation and brand revamping were implemented to boost sales

II. Food Delivery Revenue



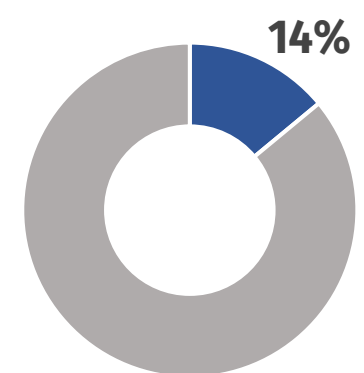
- Use restaurant facilities to serve delivery channel
- 2023 Revenue were decreased YoY by 30% according to downtrend of delivery service industry
- Continue develop delivery and CRM system to uplift and streamline the omni-channel
- Earn more revenue through e-commerce channel

III. Franchise Business Revenue



- 159 Outlets under franchise operation
- 19 New outlets opened in 2023, 17 domestical and 2 international branches
- The declining of delivery made 46 outlets were closed and 3 outlets were sold back to equity
- 2023 Revenue were dropped YoY by 9%

IV. Commercial Retail Revenue



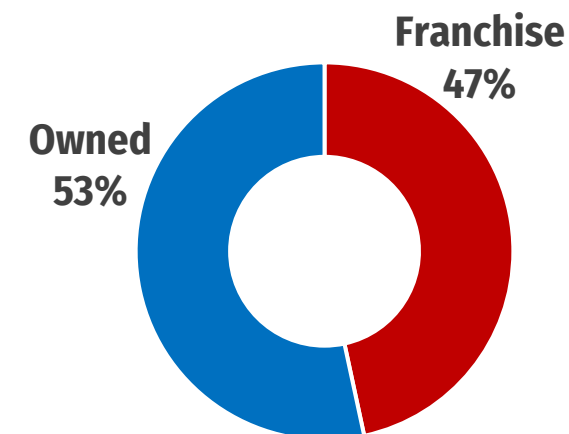
- 2023 Revenue were solely growth, higher YoY by 40%
- **ZKC:**
 - Expand production line to serve pre-cooking sauce and ingredients for affiliates and OEM customer
 - Develop new products to serve new customer group
- **KMF:**
 - Warehouse expansion
 - Build a fish-filleting room to have new products with lower costs.

Restaurant Outlets As At Ending 2023

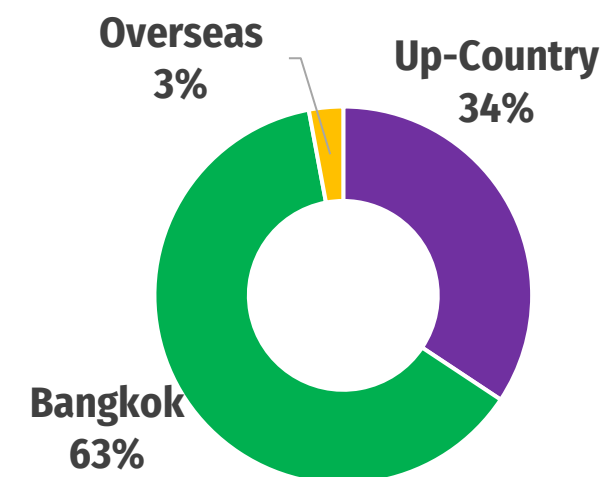
341 BRANCHES

Business	Brand	Equity	Franchise (Domestic)	Franchise (Overseas)	Total Outlets
Japanese Restaurant	ZEN	55	-	-	55
	AKA	54	1	1	56
	OTT	35	-	3	38
	PREMIUM	4	-	-	4
	DIN's	2	-	-	2
Thai Restaurant	TUMMOUR	12	76	3	91
	LAOYUAN	9	25	-	34
	PHO	-	1	2	3
	KHIANG	11	46	1	58
Total		182	149	10	341

By Owner



By Region

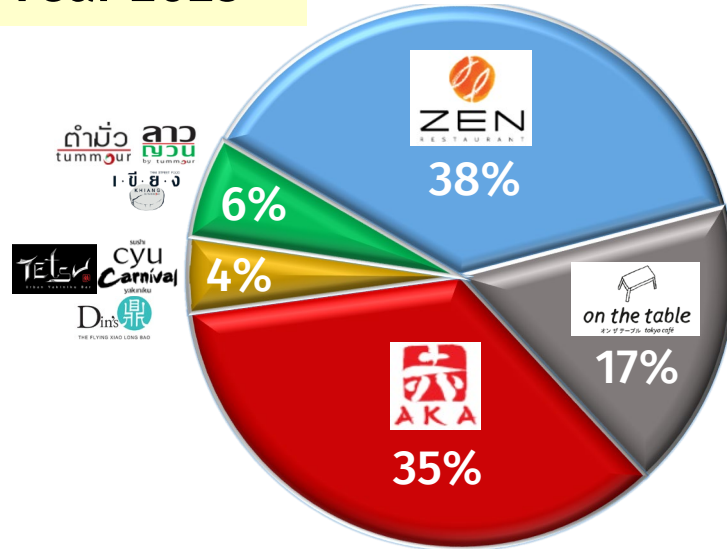


Restaurant Revenue

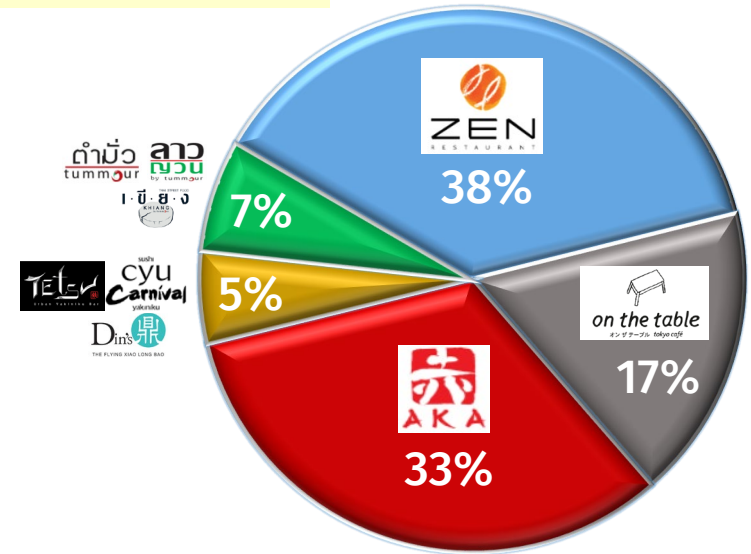
Brand Revenue Proportion

- AKA has opened new 30 outlets during past 2-yr, this made revenue mix change 2% higher YoY
- Revenue proportion of major brands, ZEN and OTT, were not changed

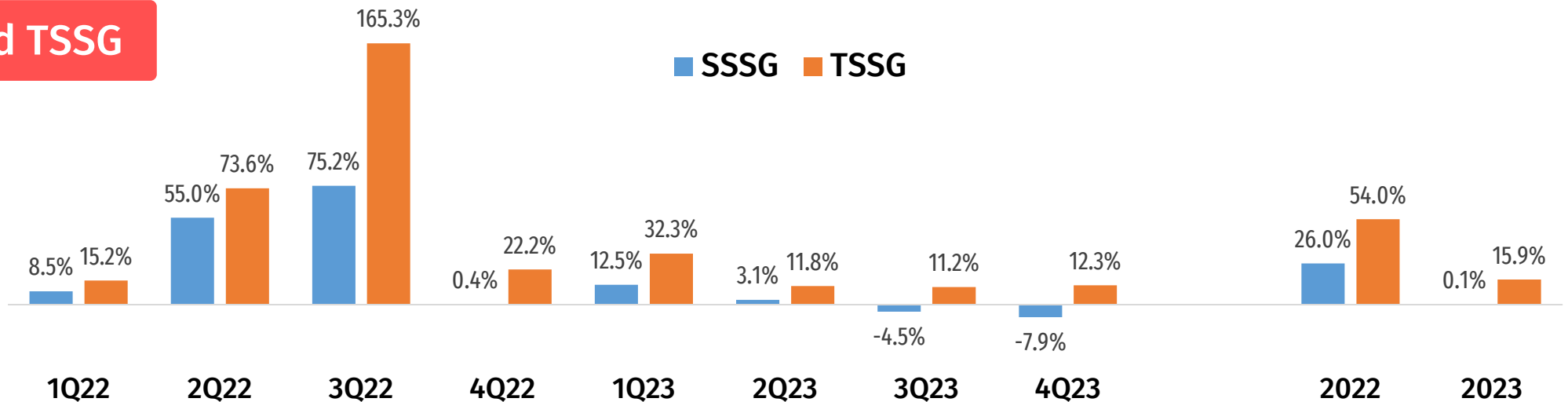
Year 2023



Year 2022

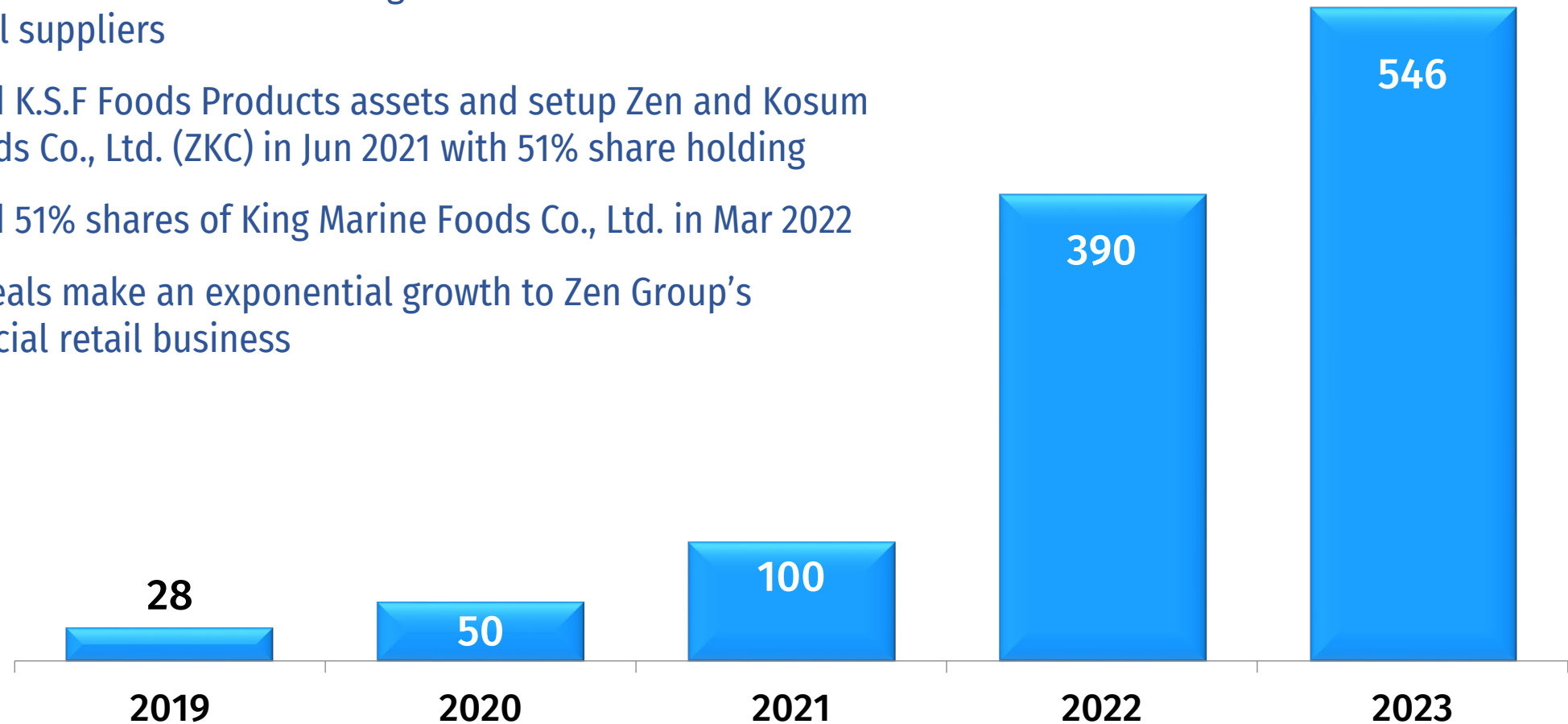


SSSG and TSSG



Revenue of Commercial Retail Grew 40% YoY

- Diversify the concentration risk from only food restaurants to commercial retail business through M&A deal with our potential suppliers
- Acquired K.S.F Foods Products assets and setup Zen and Kosum Interfoods Co., Ltd. (ZKC) in Jun 2021 with 51% share holding
- Acquired 51% shares of King Marine Foods Co., Ltd. in Mar 2022
- These deals make an exponential growth to Zen Group's commercial retail business



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2023 Key Financial Accomplishment



Unstoppable Growth of Commercial Retail Sales

- Total commercial retail revenue was THB 546 Mn, rose 40% YoY
- Strengthen Zen Group's business growth and able to deliver total group's revenue grew 16% YoY
- Help subsidiaries, as the business partners, have sustainable and profitable growth as well, according to the Company's mission



Franchise Fees Revenue still grew YoY, even though franchise branches decreased

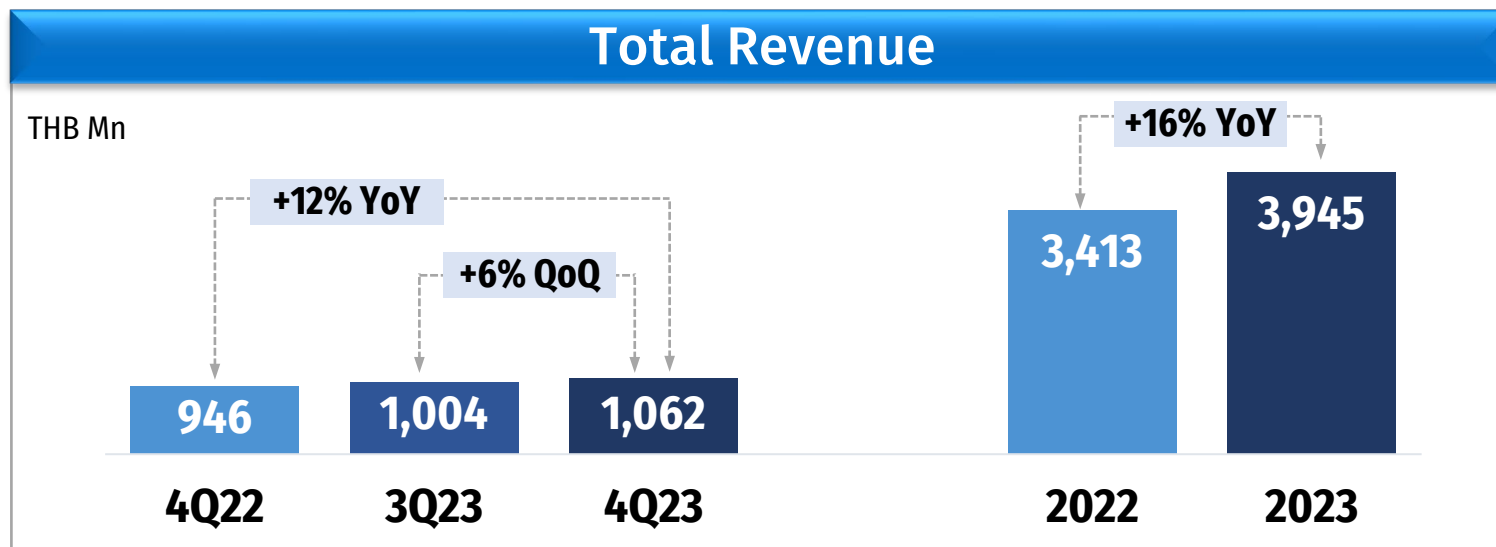
- Total franchise fee income was THB 83 Mn, increase 6% YoY
- After revamping LaoYuan brand, the franchisees have accepted the contract extension (renew). And some franchisees requested to converse their shop to new-look brand
- Khiang brand is attractive to overseas franchise customers.



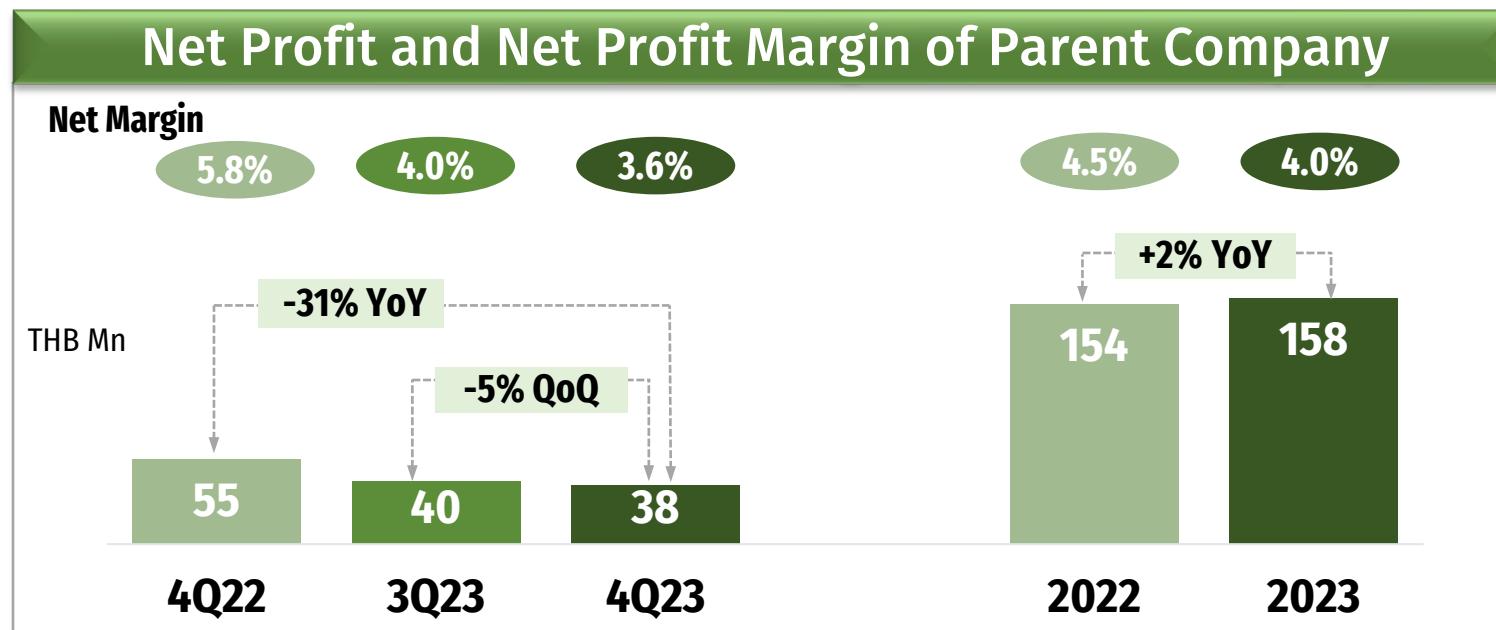
Effective GA Expense Management

- Total yearly general admin expenses was THB 468 Mn, decreased YoY in term of amount and percentage, while sales revenue was increased
- Replace the daily routine operation with technology and restructure internal supporting units to lean duplicate and/or unnecessary expenses

Total Revenue and Net Profit

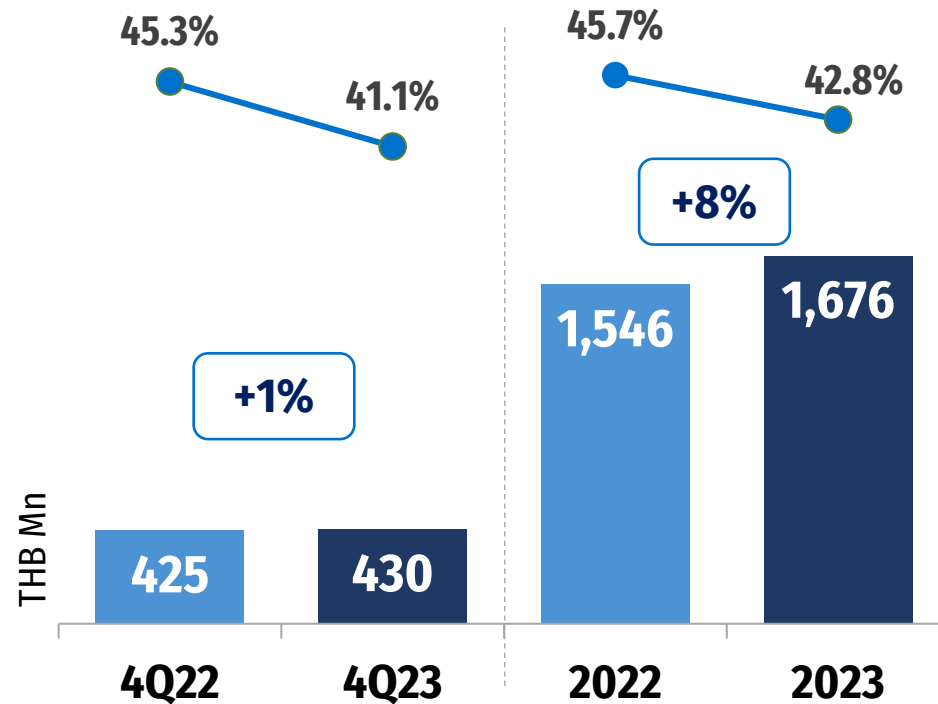


- **Total revenue in 4Q23 was increased YoY by THB 116Mn or 12%** mainly driven from recovery of restaurant business due to the better situation and customer went to dine-in at restaurants more. Addition with a growth in retail business due to an increasing in sales volume.
- **Compared to 3Q23, total revenue was increased by THB 58Mn or 6%.**
- **Total Revenue in 2023 was increased by THB 532Mn or grew 16% YoY.**

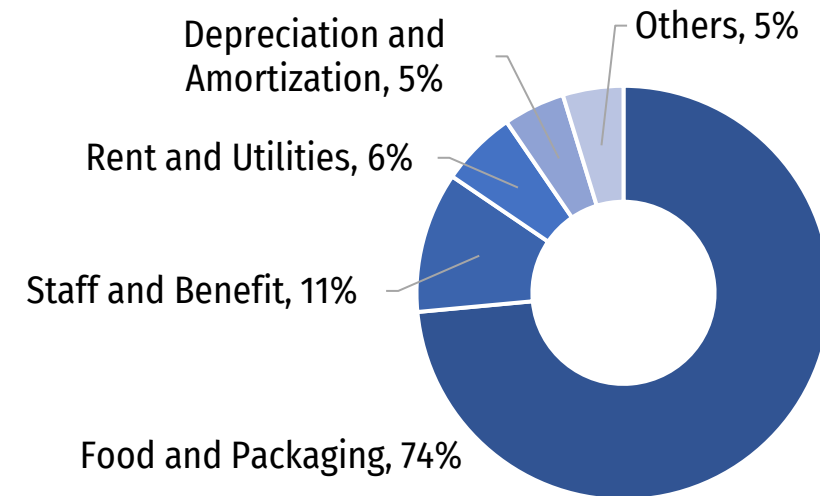


- **4Q23 Net Profit of Parent Company was THB 38Mn, decreased YoY by THB 17Mn or 31% and Net Profit Margin decreased by 2.2% YoY** resulted from higher cost of raw materials, rental rate return to normal rate and increasing of utilities.
- **4Q23 Compared to 3Q23, net profit of Parent Co. was decreased by THB 2Mn or 5% and Net Profit Margin decreased by 0.4% QoQ.**
- **2023 Net Profit of Parent Company was THB 158Mn, increased YoY by THB 4Mn or 2%. but Net Profit Margin was decreased by 0.5% YoY.**

Gross Profit and Gross Profit Margin



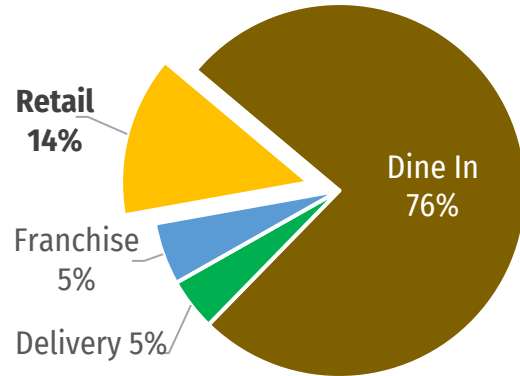
Component of Cost of Sales and Service



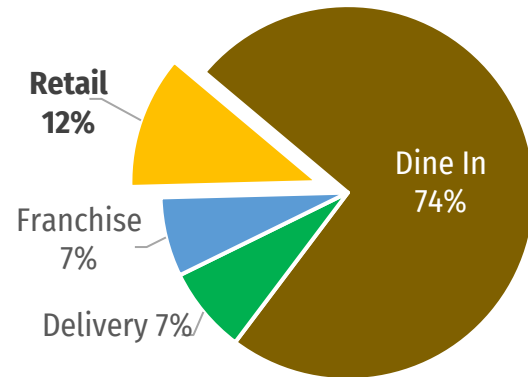
- **4Q23 Gross profit amount increased YoY by THB 6Mn or 1% and 2023 Gross Profit increased YoY by THB 130Mn or 8%**, mainly due to the higher revenue from the restaurant business and commercial retail business.
- **Gross profit margin in 4Q23 and 2023** were decreased YoY by 4.2% and 2.9%, respectively.
- Major factors of the decreasing in gross profit margin were:
 - The sales mix of retail business has increased, which has a lower gross profit margin than restaurant business.
 - The cost of raw materials of commercial retail business has increased because of the increase in raw materials price and production expenses while the selling price remained the same.

Higher Retail Proportion made Lower %GPM

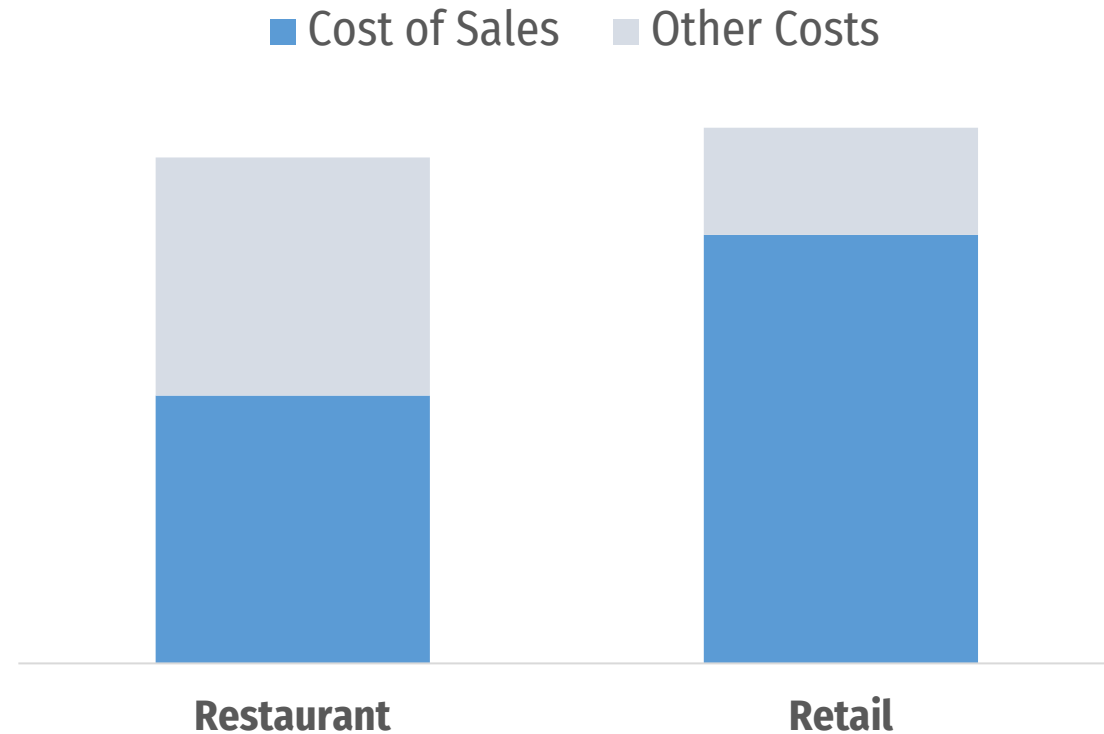
Revenue Mix 2023



Revenue Mix 2022

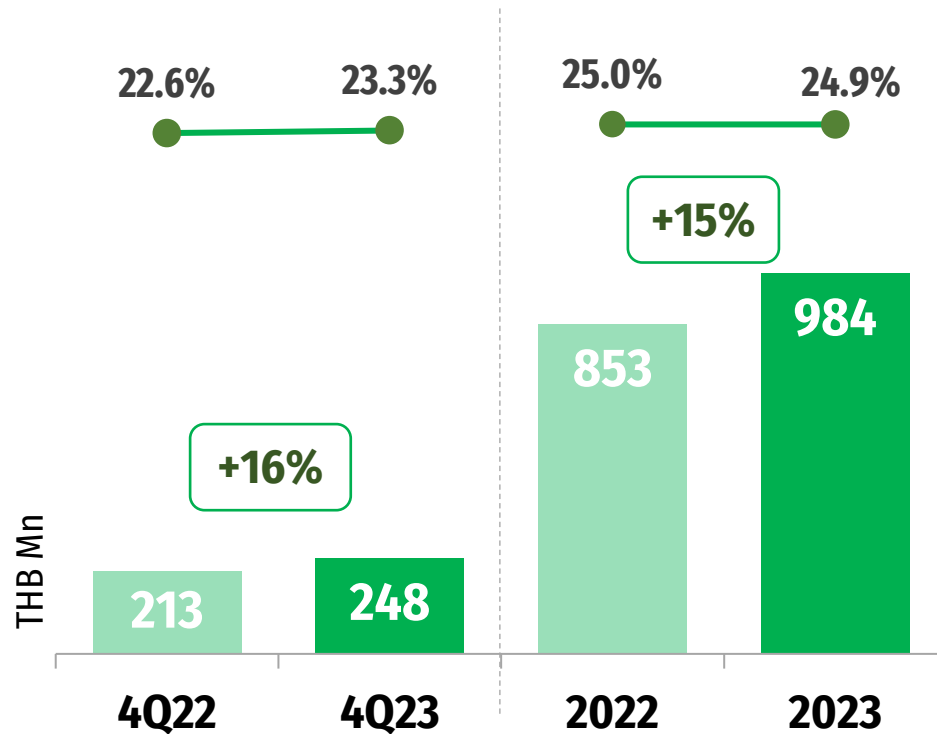


Cost Structure

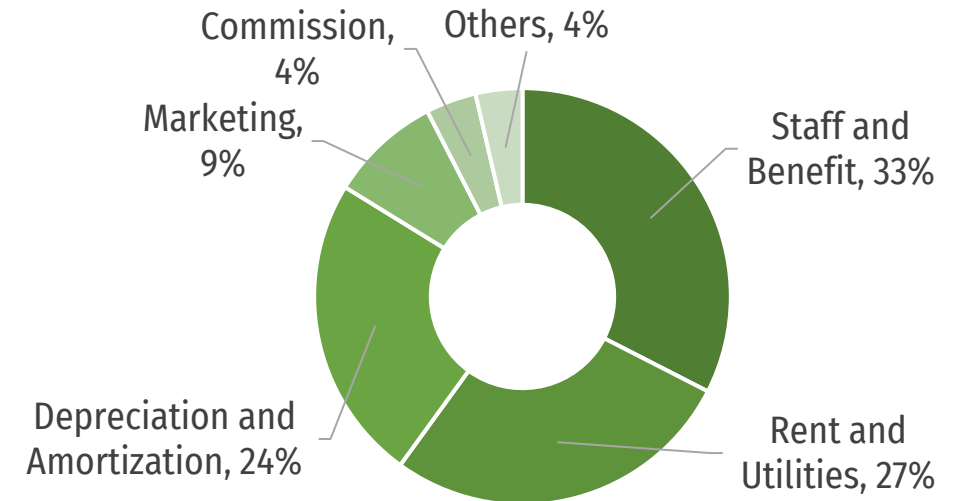


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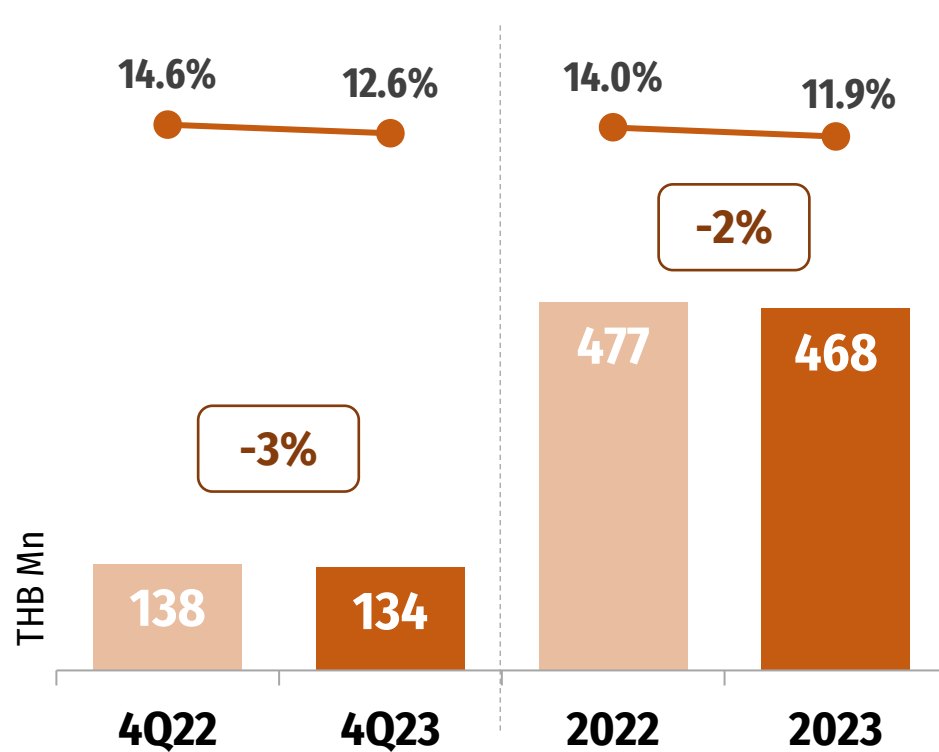
- The sales mix of retail business has increased.
- Retail business has cost of sales higher than restaurant business.



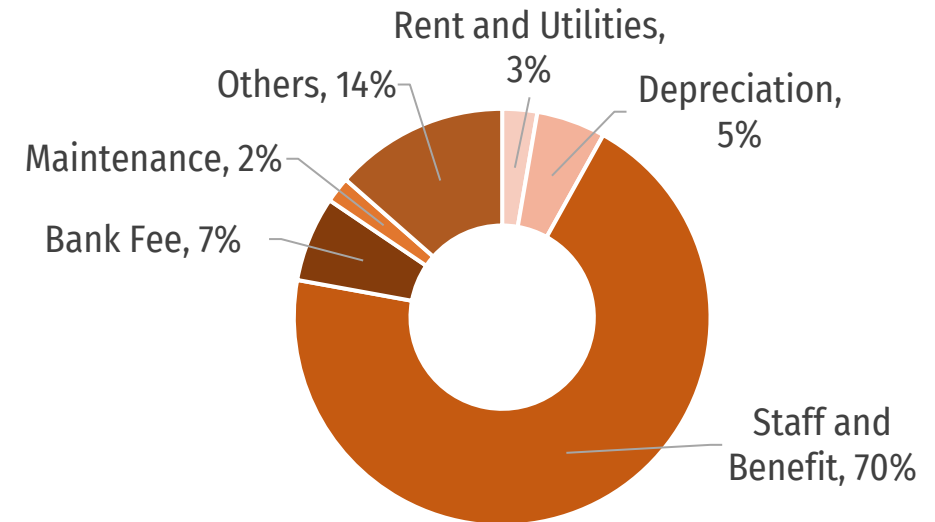
Component of Selling Expenses



- 4Q23 and 2023 Selling expenses** increased YoY by THB 34Mn or 16% and THB 132Mn or 15%, respectively due to
 - An increase in rental, service fees and utilities due to the increase in number of equity branches.
 - An increase in staff expenses (service area) from number of equity branches increase.
 - A decrease in commission expense paid to the food delivery operators in line with lower revenue from food delivery service.
- As a percentage of total revenue, selling expenses for the 4Q23, increased by 0.7%, but for total year of 2023 decreased by 0.1% from the same period last year, respectively.

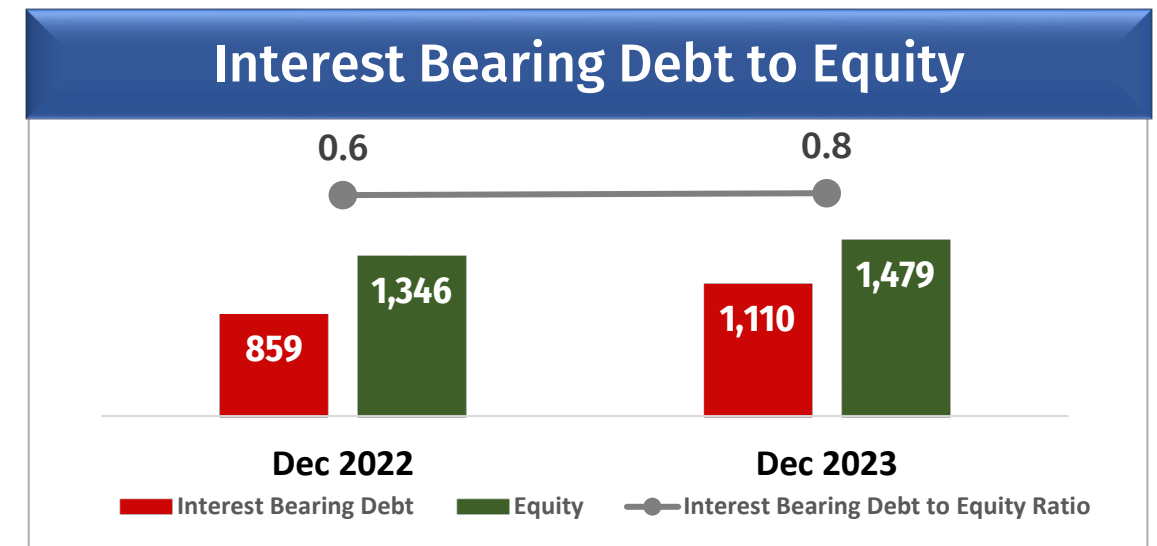
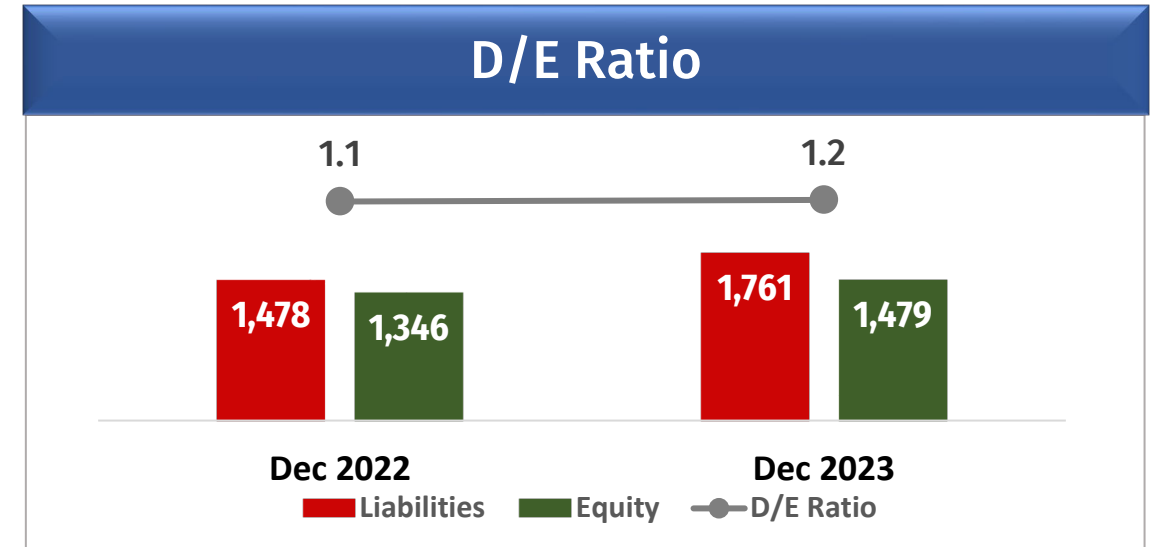


Component of General Admin Expenses



- **4Q23 and 2023 General Admin expenses** decreased YoY by THB 4Mn or 3% and THB 9Mn or 2%, respectively mainly from an effectively cost control and lower staff cost by the restructuring of internal support units.
- As a result, the ratio of administrative expenses to total revenue of both 4Q23 and 2023 decreased by 2.0% and 2.1% compared to the same period last year, respectively

Key Financial Ratios



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Strategy and Direction in 2024

I. Restaurant Business



Brand Refreshment and Branch Expansion

- From success of LaoYuan brand revamping in 2023 that can drive SSSG up approx.10%
- Thus, plan for 2024 is refresh company's major brands to bring up sales growth
- Branch expansion in a highly competitive situation is our challenging. 20-25 owned new sites is planned for 2024

II. Food Delivery and E-Commerce Business



Create Revenue Opportunity Through Online Platform

- Develop social commerce both content and product
- Re-entry catering box services
- Seamless Digital Journey improvement and mobile user friendly
- Continue to increase member base and member spending

III. Franchise Business



Bring Company's Brand to Expand Aboard

- As ending 2023, Zen Group have 10 overseas franchise branches
- Plan to expand 5 oversea outlets in 2024 by targeting Asia Pacific location.
 - Mar: Open Khiang at Osaka
 - Q2-Q3: Khiang at Malaysia
- And 10-15 new franchise domestic branches

IV. Commercial Retail Business



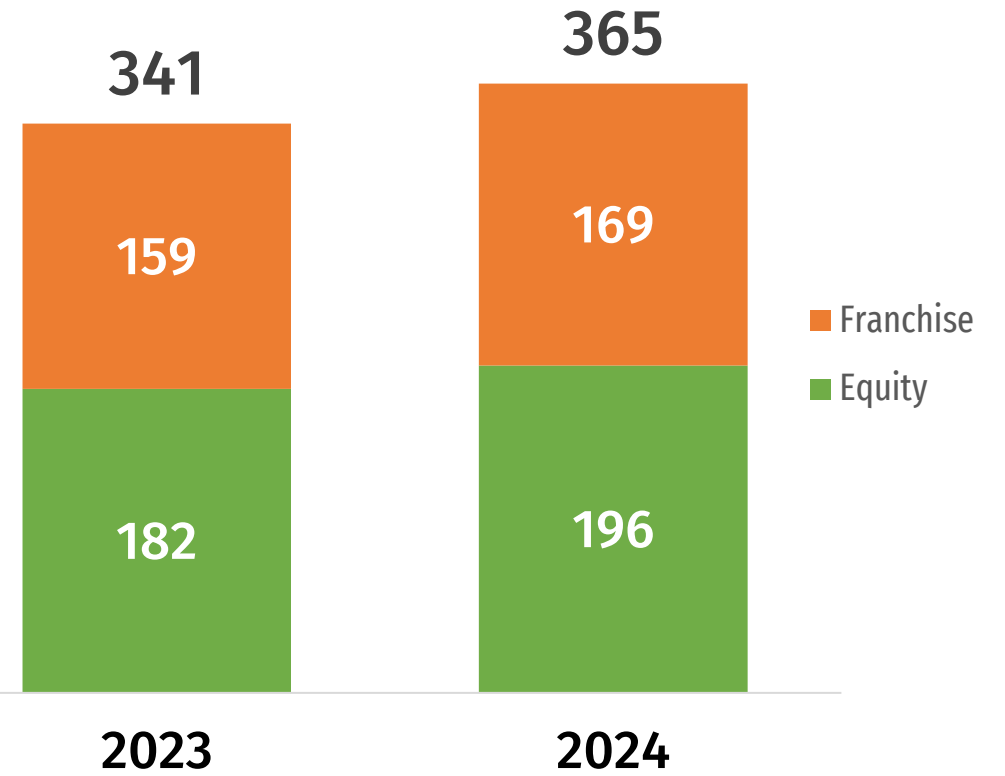
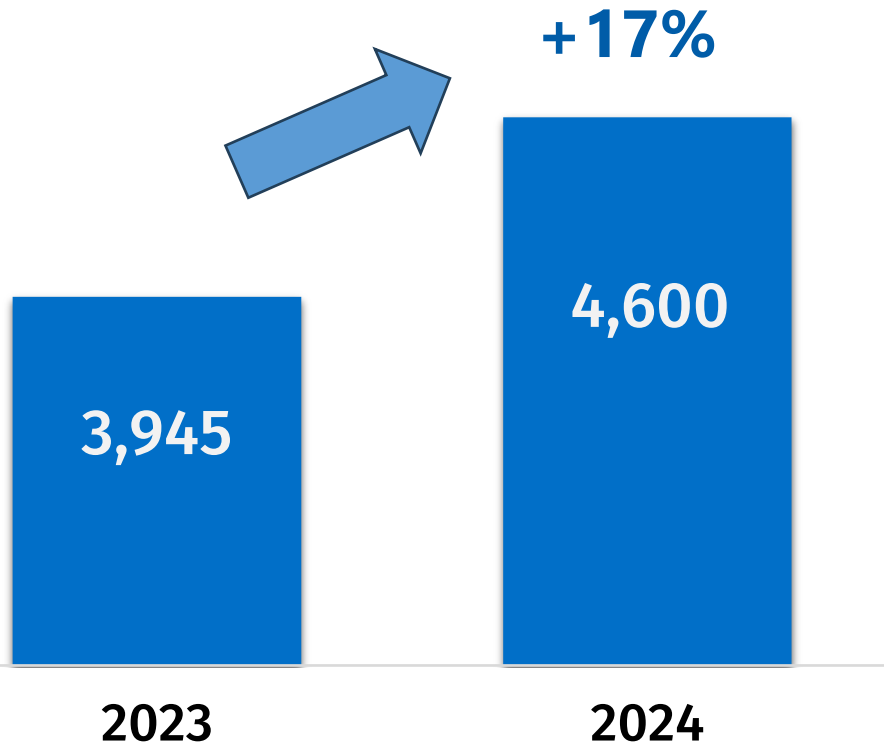
Accelerate Sales Income and Manage Cost Efficiently

- **ZKC :**
 - Increase sales of raw materials to factories in the food industry or OEM
 - Partner with local producer to develop new products
- **KMF :**
 - Expand fish-filleting plant
 - Collaborate with ZEN by sourcing high quality of product with reasonable cost

2024 Financial Targets

Total Revenue (THB Bn)

Number of Restaurant Outlets



What's going on in 1Q24



10 New Branches Opening Plan	
Open	Brand - Location
Jan-24	LaoYuan - QNSCC
	LaoYuan - CPN Nakornsawan
	ZEN - CPN Nakornsawan
Feb-24	OTT - CPN Mahachai
	KHI - PTT Ramintra km.3
Mar-24	KHI - Osaka, Japan
	OTT - CPN Phitsanulok
	ZEN - CPN Nakornpatom
	LaoYuan - CPN Nakornpatom
	LaoYun - CPN Cheangwattana



Promotion



New Franchise Khiang Osaka, Japan opened 3rd Mar 2024



LUNCH MENU 11:30-15:00		ALCOHOL		DINNER 17:30-22:00 (L.O. 21:30)	
<p>ครบมือ ครบรส ถึงใจ</p> <p>ガバオム (豚ミンチのバジル炒めとご飯) Rice topped with stir-fried pork and Thai basil 1,100yen</p>		<p>DRAFT BEER 生ビール</p> <p>Asahi SUPER DRY 660yen</p> <p>WHISKEY ウイスキー</p> <p>Black Shika High Ball 480yen</p>		<p>当店の表示価格は全て税込価格です。The prices on menu include tax 10%.</p> <p>ガバオム (豚ミンチのバジル炒めとご飯) 1,980yen</p> <p>大海老のトムヤムクン 3,180yen</p> <p>鶏ささみのグリーンカレー 1,780yen</p> <p>たらば蟹と大海老のトムヤム鍋 4,290yen</p>	
<p>BOTTLED BEER 瓶ビール</p> <p>Singha Beer 800yen</p> <p>SOUR Shochu サワー</p> <p>Lemon Sour 480yen</p> <p>Lime Sour 480yen</p> <p>Butterfly pea Sour 580yen</p>		<p>NON ALCOHOL BEER</p> <p>Asahi Dry Zero 450yen</p>		<p>SOFT DRINK</p> <p>OTHER</p> <p>Orange Juice 420yen</p> <p>Oolong Tea 420yen</p> <p>Green Tea 420yen</p> <p>Lemon Tea 420yen</p> <p>Coke 420yen</p> <p> Ginger Ale 420yen</p> <p>Thai Milk Tea 650yen</p> <p>Butterfly pea Tea 540yen</p>	
<p>大海老ガバオム 3,280yen</p> <p>鶏ささみ / 豚ヒレにんにく炒め 1,600yen</p> <p>豚肉と葱菜炒め 2,180yen</p> <p>豚肉団子と豚豆腐のスープ 780yen</p> <p>カオカイユイー 780yen</p> <p>大海老のハワイ 1,880yen</p>		<p>OTHER</p> <p>国産手引先のダイ風唐揚げ 980yen</p> <p>茶漬ささみとキャベツのチリ炒め 1,180yen</p> <p>ママトムヤムガイ 2,180yen</p> <p>ノイ母さんのココナツプリン(2個) 280yen</p>		<p>大海老のハワイ 1,880yen</p> <p>カオカイユイー 780yen</p> <p>豚肉団子と豚豆腐のスープ 780yen</p> <p>鶏ささみのグリーンカレー 1,780yen</p> <p>大海老のトムヤムクン 3,180yen</p> <p>ガバオム (豚ミンチのバジル炒めとご飯) 1,980yen</p>	

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Company Sustainability

Zen Group Do Business Ethically for Sustainable Growth



- Zen Group have continuously achieved SET ESG Ratings 2023 at AA Level for the 3rd year.
- And received an excellent CG assessment score from IOD for the 3rd year continuously.
- The assessment results have increased in total scores every year. This is in line with the company's philosophy that “Goodness to Growth” or good intentions will lead to sustainable growth.
- The Company strive to continuing to do these better.

Environment: Green Energy With Solar Rooftop



Complete
installation in
Q3,2023



Complete
installation in
Q4,2023





Thank You