

- Translation -

13 May 2022

**Subject** Management Discussion and Analysis for the first quarter ended March 31, 2022

**To** The President  
The Stock Exchange of Thailand

Do Day Dream Public Company Limited ("the Company") would like to inform management discussion and analysis for its results of operations from the consolidated financial statements for the first quarter ended March 31, 2022 as follows:

**Management Discussion and Analysis**

**For the three-month period ended March 31, 2022**

**Summary of Performance**

**Sales Revenue**

For the first quarter ended 31 March 2021 and 2022, the Company recorded total sales revenue of THB 311.41 million and THB 381.78 million, respectively, equivalent to an increase of 22.60%.

This is mainly because revenue from skincare segments has increased 63.73% due to both local and export sales, meanwhile revenue in skincare segment from local sales increased by 49.52% as a result of expanding distribution channels such as E-Commerce, Social Commerce, and Influencers which gives better conversion rate leads to the increase of sales.

Meanwhile, Revenue in skincare segment from export sales increased by 83.33%. This is because sales in Philippines has been growing since the Company has increased points of sales and online channel in overseas market and also launched a new campaign for overseas product line.

Revenue from beauty products segments decreased by 5.19 % due to lower domestic sales volume. Meanwhile, other revenues declined 91.67% from other income that declined as the company's adjustments the investment policy to a conservative in order to reduce risks from the high volatility of the capital market situation.

### Sales Revenue by Segment

Revenue by Segment	Consolidated financial statements				Change Increase/(Decrease)	
	For the year ended 31 March					
	2022		2021		THB mm	%
	THB mm	%	THB mm	%		
<b>1) Skincare segments</b>	<b>205.52</b>	<b>50.10%</b>	<b>125.52</b>	<b>19.23%</b>	<b>80.00</b>	<b>63.73%</b>
1.1) Revenue from local sales	108.76	26.51%	72.74	11.14%	36.02	49.52%
1.2) Revenue from export sales	96.76	23.59%	52.78	8.08%	43.98	83.33%
<b>2) Beauty products segments</b>	<b>176.25</b>	<b>42.97%</b>	<b>185.89</b>	<b>28.47%</b>	<b>(9.64)</b>	<b>-5.19%</b>
2.1) Revenue from local sales	175.45	42.77%	185.21	28.37%	(9.76)	-5.27%
2.2) Revenue from export sales	0.81	0.20%	0.68	0.10%	0.13	19.17%
<b>Total sales</b>	<b>381.78</b>	<b>93.07%</b>	<b>311.41</b>	<b>47.70%</b>	<b>70.37</b>	<b>22.60%</b>
Other income <sup>†1</sup>	28.43	6.93%	341.45	52.30%	(313.02)	-91.67%
<b>Total revenue</b>	<b>410.21</b>	<b>100.00%</b>	<b>652.86</b>	<b>100.00%</b>	<b>(242.65)</b>	<b>-37.17%</b>

Notes: <sup>†1</sup> Other income comprises mainly of gain on fair value measurement of financial assets, gain on disposal of financial assets, and dividends received.

### Cost of Goods Sold

Cost of goods sold for the first quarter ended 31 March 2021 and 2022 stood at THB 145.48 million and THB 136.73 million, respectively, equivalent to a decrease of 6.01%, meanwhile cost of goods sold to sales revenue ratio decreased from 46.71% to 35.81%. The decreased in cost of goods sold to income ratio was a result of the increase in the capacity utilization rate of the factory. Maintain efficiency to reduce production costs including more efficient production cost management.

### Gross Profit

Gross profit for the first quarter ended 31 March 2021 and 2022 were THB 165.94 million and THB 245.05 million, respectively, or equivalent to a gross profit margin of 53.29% and 64.19%, respectively. The gross profit margin increased compared to the same period last year as efficiently cost management.

### Selling Expenses

The Company posted selling expenses for the first quarter ended 31 March 2021 and 2022 of THB 117.41 million and THB 122.96 million, respectively. This is equivalent to an increase of 4.72% compared to the same period of last year with an increase at a lower rate than revenue from sales

Nonetheless, sales expenses to sales revenue ratio dropped from 37.70% to 32.21% as the Company held up the Company has reduced the spending on promotion.

### Administrative Expenses

The Company's administrative expenses for the first quarter ended 31 March 2021 and 2022 were THB 77.63 million and THB 78.37 million, respectively, equivalent to an increase of 4.72%. This is mainly due to the expenses of the subsidiaries that increased from expand to support their market growth.

### Net Profit

The Company posted net profit attributable to owners of the Company of THB 249.16 million and THB 51.14 million for the first quarter ended 31 March 2021 and 2022, respectively, equivalent to a decrease of 79.48%. The net profit margin also decreased from 38.16% to 12.47%. The main reason is because the company has changed its investment policy to be conservative in order to reduce risks from the high volatility of the capital market situation.

### Financial Position

#### Total Assets

As of 31 March 2022, the Company's total assets stood at THB 5,234.61 million, increased by 0.21% from the end of last year, the increase of total assets was mainly due to other current financial assets. This is because of net profit on fair value measurement of financial assets.

#### Total Liabilities

As of 31 March 2022, the Company held total liabilities of THB 469.18 million, decreased by 6.50% from the end of last year. Total liabilities decreased mainly due to payment of accounts payable debt under trading conditions.

#### Shareholders' Equity

As of 31 March 2022, shareholders' equity of the Company was recorded at THB 4,765.43 million. The increase in shareholders' equity of 0.92% was mainly due to a result of the net profit of the business in the first quarter of 2022.

### Financial Ratio

Financial Ratio	As of 31 March 2022	As of 31 March 2021
Liquidity Ratio (times)	13.26	13.15
Debt to Equity Ratio (times)	0.10	0.11
Return on Equity - ROE (%)	1.15	5.09
Return on Assets - ROA (%)	1.34	5.69
Net Profit Margin (%)	13.44	39.18

Please be informed accordingly.

Yours Sincerely,



Mr. Vanchai Srisushon

Chief Financial Officer