

Subject: Performance discussion and analysis for the 3<sup>rd</sup> Quarter of 2022 and for the first 9 months of 2022

To: Director and manager of the Stock Exchange of Thailand

**Financial Performance Summary – 3<sup>rd</sup> Quarter of 2022 and for the first 9 months of 2022**

Beauty Community Public Co., Ltd. is pleased to announce its financial and operating results for 3<sup>rd</sup> Quarter of 2022 and the first 9 months of 2022 to compare with the operating results in the 3<sup>rd</sup> Quarter and the first 9 months of 2021 as follows:

- Total Revenue in 3<sup>rd</sup> Quarter 2022 was THB 68.65 million, a decreased of 8.92% and the first 9 months was THB 262.34 million, a decreased of 10.93%.
- Gross Profit in 3<sup>rd</sup> Quarter 2022 was THB 28.52 million, a decreased of 15.62% and the first 9 months was THB 126.35 million, a decreased of 2.50%.
- Selling expenses in 3<sup>rd</sup> Quarter 2022 was THB 40.77 million, a increased of 13.35% and the first 9 months was THB 126.52 million, a decreased of 11.05%.
- Administrative expenses in 3<sup>rd</sup> Quarter 2022 was THB 24.83 million, a decreased of 3.13% and the first 9 months was THB 74.96 million, a decreased of 10.73%.
- Net Profit (loss) in 3<sup>rd</sup> Quarter 2022 was THB (26.64) million, a increased of 20.98% and the first 9 months was THB (55.36) million, a decreased of 23.46%.

Million Baht	Q3		YoY		Q1		QoQ		Year to Date (YTD)				YoY			
	2022	%	2021	%	+/-	%	2022	%	+/-	%	2022	%	2021	%	+/-	%
Revenue from sales	63.85	93.01%	73.58	97.63%	(9.73)	(13.23%)	79.94	98.71%	(16.09)	(20.13%)	251.49	95.87%	283.28	96.18%	(31.79)	(11.22%)
Cost of sales	35.33	51.46%	39.78	52.79%	(4.46)	(11.20%)	36.64	45.25%	(1.31)	(3.58%)	125.14	47.70%	153.69	52.18%	(28.55)	(18.58%)
Gross profit (GP)	28.52	44.67%	33.80	45.93%	(5.28)	(15.62%)	43.30	54.16%	(14.78)	(34.14%)	126.35	50.24%	129.59	45.75%	(3.24)	(2.50%)
Other Income	4.80	6.99%	1.79	2.37%	3.01	168.50%	1.04	1.29%	3.76	360.56%	10.85	4.13%	11.24	3.82%	(0.39)	(3.51%)
<b>Total Revenue</b>	<b>68.65</b>	<b>100.00%</b>	<b>75.37</b>	<b>100.00%</b>	<b>(6.72)</b>	<b>(8.92%)</b>	<b>80.98</b>	<b>100.00%</b>	<b>(12.33)</b>	<b>(15.23%)</b>	<b>262.34</b>	<b>100.00%</b>	<b>294.52</b>	<b>100.00%</b>	<b>(32.19)</b>	<b>(10.93%)</b>
Selling expenses	40.77	59.39%	35.97	47.72%	4.80	13.35%	48.06	59.35%	(7.29)	(15.16%)	126.52	48.23%	142.22	48.29%	(15.71)	(11.05%)
Administrative expenses	24.83	36.17%	25.64	34.01%	(0.80)	(3.13%)	26.33	32.51%	(1.49)	(5.68%)	74.96	28.57%	83.97	28.51%	(9.01)	(10.73%)
Profit before interest & tax (EBIT)	(32.28)	(47.03%)	(26.02)	(34.53%)	(6.26)	(24.07%)	(30.05)	(37.10%)	(2.24)	(7.45%)	(64.28)	(24.50%)	(85.36)	(28.98%)	21.09	24.70%
Finance costs	1.48	2.15%	1.60	2.12%	(0.12)	(7.54%)	1.52	1.88%	(0.04)	(2.85%)	4.63	1.76%	5.03	1.71%	(0.40)	(7.93%)
Income tax	(7.12)	(10.38%)	(5.60)	(7.43%)	(1.52)	(27.24%)	(5.76)	(7.11%)	(1.36)	(23.65%)	(13.54)	(5.16%)	(18.06)	(6.13%)	4.52	25.03%
Profit for the period	(26.64)	(38.80%)	(22.02)	(29.21%)	(4.62)	(20.98%)	(25.80)	(31.87%)	(0.83)	(3.23%)	(55.36)	(21.10%)	(72.33)	(24.56%)	16.97	23.46%
Other comprehensive income	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total comprehensive income for the period (net)	(26.64)	(38.80%)	(22.02)	(29.21%)	(4.62)	(20.98%)	(25.80)	(31.87%)	(0.83)	(3.23%)	(55.36)	(21.10%)	(72.33)	(24.56%)	16.97	23.46%
EBITDA	(26.76)	(38.98%)	(20.20)	(26.80%)	(6.55)	(32.44%)	(24.62)	(30.40%)	(2.14)	(8.69%)	(47.81)	(18.22%)	(66.40)	(22.55%)	18.60	28.00%

Note : 1. % GP margin calculated to sales

**Total Revenue**

Total revenues for the 3<sup>rd</sup> Quarter of 2022 were THB 68.65 million decreased by 8.92% from the same period last year (YoY) and decreased by 15.23% compared to 2<sup>nd</sup> Quarter 2022 (QoQ). The first 9 month of 2022 was THB 262.34 million decreased by 10.93% from the same period last year (YoY). Revenue structure came mainly from the Retail shop 46.57%, Oversea 33.76%, E-commerce 7.79%, General Trade 1.65%, Modern Trade 6.10% and Other revenue 4.13% (Note: Oversea shops are operated by our partners which have been sold in a wholesale commercial conditions). The same store sales growth (SSSG) for the first 9 months of 2022 declined by 17.07%.

### **Gross Profit**

Gross Profit for the 3<sup>rd</sup> Quarter 2022 was THB 28.52 million which are decreased 15.62% from the same period last year (YoY), decreased by 34.14% compared to 2<sup>st</sup> Quarter 2022 (QoQ). The first 9 month of 2022 was THB 126.35 million decreased by 2.50% from the same period last year (YoY).

Gross profit margin 3<sup>rd</sup> Quarter 2022 were 44.67%, decreased from the same period last year (45.93%) and increased from the 2<sup>st</sup> Quarter 2022 (54.16%). The first 9 months 2022 was 50.24%, increased from the same period last year (45.75%)

Profit margin in Q3-2022, not factoring in the Promotion Clearance Sales goods, is at a normal level of 51.55%.

### **Selling expenses**

Selling expenses for 3<sup>rd</sup> Quarter 2022 was THB 40.77 million, increased by 13.35% from the same period last year (YoY), and decreased by 15.16% compared to 2<sup>st</sup> Quarter 2022 (QoQ). The first 9 month of 2022 was THB 126.52 million decreased by 11.05% from the same period last year (YoY).

### **Administrative expenses**

Administrative expenses 3<sup>rd</sup> Quarter 2022 was THB 24.83 million decreased by 3.13% from the same period last year (YoY), and decreased by 5.68% compared to 2<sup>st</sup> Quarter 2022 (QoQ). The first 9 month of 2022 was THB 74.96 million decreased by 10.73% from the same period last year (YoY).

Administrative cost were down compared to the same period last year as the result of the company's restructuring policy in 2021 aiming to streamline the organization and reduce future costs. Therefore, lowering the administrative expenses in this year.

### **Net Profit (loss)**

Net profit (loss) for 3<sup>rd</sup> Quarter 2022 was THB (26.64) million increased by 20.98% from the same period last year (YoY), and increased by 3.23% compared to 2<sup>st</sup> Quarter 2022 (QoQ). The first 9 month of 2021 was THB (55.36) million decreased by 23.46% from the same period last year (YoY).

### **Statement of Financial Position**

Total assets as at September 30, 2022 were THB 887.18 million decreased THB 86.92 million or 8.92% from 31 December 2021 and Cash and cash equivalents were THB 62.51 million, temporary investments were THB 220.00 million (Temporary investments consist of short-term deposit with financial institution due over three months but not over 1 year and without withdrawal restrictions), account receivable were THB 22.89 million, inventory were THB 126.56 million, property, plant and equipment were THB 144.49 million.

Total liabilities were THB 168.94 million decreased THB 31.56 million or 15.74% from 31 December 2021, liabilities mainly came from liabilities under leases THB 98.69 million (IFRS16 standards regarding leases) including current portion of leases liabilities THB 38.22 million, trade account payable THB 23.39 million, accrued expenses THB 20.27 million. Total shareholders' equity was THB 718.25 million decreased THB 55.36 million or 7.16% from December 31, 2021.

**Statement of Cash Flows**

For the year end of September 30, 2022, the company had net cash inflows by (used in) operating activities of THB (0.80) million, net cash inflows by (used in) investing activities THB 38.43 million. Then cash and cash equivalents as at the end of period of THB 62.51 million.

**Financial Ratio**

Financial Ratio	30/9/2022	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016
Current ratio	4.61	5.12	4.30	4.38	3.49	3.04	3.17
Finished goods days	192	204	217	168	116	89	110
Total inventory days	285	280	287	215	150	118	143
Return on equity	-9.90%	-9.96%	-10.90%	19.12%	64.78%	81.27%	53.15%
Return on assets	-7.93%	-7.86%	-8.75%	15.04%	48.23%	60.17%	40.45%
Debt to equity	0.24	0.26	0.28	0.22	0.31	0.37	0.33

Your faithfully,

**Beauty Community Public Company Limited**

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( Miss Netnapha Saelim )

**Finance and Accounting Director**