

Subject: Performance discussion and analysis for the 4th Quarter of 2022 and for year 2022

To: Director and manager of the Stock Exchange of Thailand

Financial Performance Summary – 4th Quarter and year 2022

Beauty Community Public Co., Ltd. is pleased to announce its financial and operating results for 4th Quarter of 2022 and year 2022 to compare with the operating results in the 4th Quarter and the year 2021 as follows:

- Total Revenue in 4th Quarter 2022 was THB 103.12 million, a decreased of 12.08% and the year 2022 was THB 365.46 million, a decreased of 11.26%.
- Gross Profit in 4th Quarter 2022 was THB 48.18 million, a increased of 7.36% and the year 2022 was THB 174.53 million, a increased of 0.04%.
- Selling expenses in 4th Quarter 2022 was THB 43.76 million, a increased of 24.37% and the year 2022 was THB 170.27 million, a decreased of 4.02%.
- Administrative expenses in 4th Quarter 2022 was THB 20.57 million, a decreased of 5.62% and the year 2022 was THB 95.53 million, a decreased of 9.68%.
- Net Profit (loss) in 4th Quarter 2022 was THB (12.32) million, a increased of 45.93% and the year 2022 was THB (67.68) million, a decreased of 16.21%.

Million Baht	Q4				YoY		Q3		QoQ		Year to Date (YTD)				YoY	
	2022	%	2021	%	+/-	%	2022	%	+/-	%	2022	%	2021	%	+/-	%
Revenue from sales	100.89	97.84%	114.20	97.36%	(13.31)	(11.66%)	63.85	93.01%	37.04	58.02%	352.38	96.42%	397.49	96.52%	(45.11)	(11.35%)
Cost of sales	52.71	51.12%	69.33	59.10%	(16.62)	(23.97%)	35.33	51.46%	17.38	49.20%	177.85	48.66%	223.02	54.15%	(45.17)	(20.25%)
Gross profit (GP)	48.18	47.75%	44.88	39.30%	3.30	7.36%	28.52	44.67%	19.66	68.95%	174.53	49.53%	174.47	43.89%	0.06	0.04%
Other Income	2.23	2.16%	3.09	2.64%	(0.86)	(27.81%)	4.80	6.99%	(2.57)	(53.51%)	13.08	3.58%	14.33	3.48%	(1.25)	(8.75%)
Total Revenue	103.12	100.00%	117.30	100.00%	(14.17)	(12.08%)	68.65	100.00%	34.47	50.22%	365.46	100.00%	411.82	100.00%	(46.36)	(11.26%)
Selling expenses	43.76	42.43%	35.18	30.00%	8.57	24.37%	40.77	59.39%	2.99	7.33%	170.27	46.59%	177.41	43.08%	(7.13)	(4.02%)
Administrative expenses	20.57	19.95%	21.80	18.58%	(1.23)	(5.62%)	24.83	36.17%	(4.26)	(17.16%)	95.53	26.14%	105.77	25.68%	(10.24)	(9.68%)
Profit before interest & tax (EBIT)	(13.92)	(13.50%)	(9.01)	(7.68%)	(4.91)	(54.44%)	(32.28)	(47.03%)	18.37	56.89%	(78.20)	(21.40%)	(94.37)	(22.92%)	16.18	17.14%
Finance costs	1.47	1.42%	1.63	1.39%	(0.17)	(10.28%)	1.48	2.15%	(0.01)	(0.62%)	6.09	1.67%	6.66	1.62%	(0.57)	(8.50%)
Income tax	(3.07)	(2.98%)	(2.21)	(1.88%)	(0.86)	(39.07%)	(7.12)	(10.38%)	4.05	56.91%	(16.61)	(4.55%)	(20.27)	(4.92%)	3.66	18.05%
Profit for the period	(12.32)	(11.94%)	(8.44)	(7.20%)	(3.88)	(45.93%)	(26.64)	(38.80%)	14.32	53.76%	(67.68)	(18.52%)	(80.77)	(19.61%)	13.09	16.21%
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)	(12.32)	(11.94%)	(8.44)	(7.20%)	(3.88)	(45.93%)	(26.64)	(38.80%)	14.32	53.76%	(67.68)	(18.52%)	(80.77)	(19.61%)	13.09	16.21%
EBITDA	(8.34)	(8.09%)	(3.43)	(2.93%)	(4.91)	(143.02%)	(26.76)	(38.98%)	18.42	68.83%	(56.15)	(15.36%)	(69.83)	(16.96%)	13.69	19.60%

Note : 1. % GP margin calculated to sales

Total Revenue

Total revenues for the 4th Quarter of 2022 were THB 103.12 million decreased by 12.08% from the same period last year (YoY) and increased by 50.22% compared to 3rd Quarter 2022 (QoQ). The year 2022 was THB 365.46 million decreased by 11.26% from the same period last year (YoY). Revenue structure came mainly from the Retail shop 48.33%, Oversea 32.06%, E-commerce 8.40%, Modern Trade 6.41%, General Trade 1.23% and Other revenue 3.58% (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 year 2022 declined by 9.22%.

Gross Profit

Gross Profit for the 4th Quarter 2022 was THB 48.18 million which are increased 7.36% from the same period last year (YoY), increased by 68.95% compared to 3rd Quarter 2022 (QoQ). The year 2022 was THB 174.53 million increased by 0.04% from the same period last year (YoY).

Gross profit margin 4th Quarter 2022 were 47.75%, decreased from the same period last year (39.30%) and increased from the 3rd Quarter 2022 (44.67%). The year 2022 was 49.53%, increased from the same period last year (43.89%)

Selling expenses

Selling expenses for 4th Quarter 2022 was THB 43.76 million, increased by 24.37% from the same period last year (YoY), and increased by 7.33% compared to 3rd Quarter 2022 (QoQ). The year 2022 was THB 170.27 million decreased by 4.02% from the same period last year (YoY).

Administrative expenses

Administrative expenses 4th Quarter 2022 was THB 20.57 million decreased by 5.62% from the same period last year (YoY), and decreased by 17.16% compared to 3rd Quarter 2022 (QoQ). The year 2022 was THB 95.53 million decreased by 9.68% from the same period last year (YoY). Administrative expenses decreased mainly from the company having a business restructuring in order to increase competitiveness and reduce the future cost. Including there was expenses control in accordance with Cost Saving Program to achieve the highest efficiency. This includes management restructuring to suit the current business model and economic situation.

Net Profit (loss)

Net profit (loss) for 4th Quarter 2022 was THB (12.32) million increased by 45.93% from the same period last year (YoY), and decreased by 53.76% compared to 3rd Quarter 2022 (QoQ). The year 2022 was THB (67.68) million decreased by 16.21% from the same period last year (YoY). Net profit (loss) declined mainly from business restructuring and cost saving program.

Statement of Financial Position

Total assets as at December 31, 2022 were THB 897.37 million decreased THB 76.73 million or 7.88% from 31 December 2021 and Cash and cash equivalents were THB 63.51 million, temporary investments were THB 100 million (Temporary investments consist of short-term deposit with financial institution due over three months but not over 1 year and without withdrawal restrictions), Other non-current financial assets were THB 220 million (Long-term Investment is the deposit with financial institution maturing within a period of more than 1 year and without withdrawal restrictions), account receivables were THB 27.52 million without doubtful debt, inventory were THB 115.58 million, property, plant and equipment were THB 142.25 million.

Total liabilities were THB 191.44 million decreased THB 9.05 million or 4.52% from 31 December 2021, liabilities mainly came from liabilities under leases THB 116.74 million (revised according to TFRS16 standards regarding leases) including current portion of leases liabilities THB 38.12 million, trade account payable THB 35.71 million, accrued expenses THB 12.16 million. Total shareholders' equity was THB 705.93 million decreased THB 67.68 million or 8.75% from December 31, 2021.

Statement of Cash Flows

For the year end of December 31, 2022, the company had net cash inflows by operating activities of THB 13.37 million, net cash inflows investing activities THB 36.58 million. Then cash and cash equivalents as at the end of period of THB 63.51 million.

Financial Ratio

Financial Ratio	31/12/2022	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016
Current ratio	5.12	5.12	4.30	4.38	3.49	3.04	3.17
Finished goods days	174	204	217	168	116	89	110
Total inventory days	280	280	287	215	150	118	143
Return on equity	-8.75%	-9.96%	-10.90%	19.12%	64.78%	81.27%	53.15%
Return on assets	-6.95%	-7.86%	-8.75%	15.04%	48.23%	60.17%	40.45%
Debt to equity	0.26	0.26	0.28	0.22	0.31	0.37	0.33

Your faithfully,

Beauty Community Public Company Limited-----
(Miss Netnapha Saelim)**Finance and Accounting Director**