

Subject: Performance discussion and analysis for the 1<sup>st</sup> Quarter of 2023

To: Director and manager of the Stock Exchange of Thailand

### **Financial Performance Summary – 1<sup>st</sup> Quarter of 2023**

Beauty Community Public Co., Ltd. is pleased to announce its financial and operating results for 1<sup>st</sup> Quarter of 2023 to compare with the operating results in the 1<sup>st</sup> Quarter of 2022 as follows:

- Total Revenue in 1<sup>st</sup> Quarter 2023 was THB 108.75 million, a decreased of 3.51% from the same period last year (YoY).
- Gross Profit in 1<sup>st</sup> Quarter 2023 was THB 57.36 million, a increased of 5.18% from the same period last year (YoY).
- Selling expenses in 1<sup>st</sup> Quarter 2023 was THB 38.02 million, a increased of 0.88% from the same period last year (YoY).
- Administrative expenses in 1<sup>st</sup> Quarter 2023 was THB 22.55 million, a decreased of 5.27% from the same period last year (YoY).
- Net Profit (loss) in 1<sup>st</sup> Quarter 2023 was THB (6.23) million, a increased of 113.35% from the same period last year (YoY).

Million Baht	Q1		YoY		Q4		QoQ			
	2023	%	2022	%	+ / -	%	2022	%	+ / -	%
Revenue from sales	107.41	98.77%	107.70	95.56%	(0.30)	(0.28%)	100.89	97.84%	6.52	6.46%
Cost of sales	50.04	46.02%	53.17	47.17%	(3.12)	(5.88%)	52.71	51.12%	(2.67)	(5.07%)
<b>Gross profit (GP)</b>	57.36	53.41%	54.54	50.64%	2.82	5.18%	48.18	47.75%	9.19	19.07%
Other Income	1.34	1.23%	5.00	4.44%	(3.66)	(73.19%)	2.23	2.16%	(0.89)	(39.91%)
<b>Total Revenue</b>	108.75	100.00%	112.71	100.00%	(3.96)	(3.51%)	103.12	100.00%	5.63	5.45%
Selling expenses	38.02	34.96%	37.69	33.44%	0.33	0.88%	43.76	42.43%	(5.74)	(13.12%)
Administrative expenses	22.55	20.73%	23.80	21.12%	(1.25)	(5.27%)	20.57	19.95%	1.97	9.60%
<b>Profit before interest &amp; tax (EBIT)</b>	(1.86)	(1.71%)	(1.94)	(1.72%)	0.09	4.37%	(13.92)	(13.50%)	12.06	86.64%
Finance costs	1.92	1.77%	1.63	1.45%	0.29	17.63%	1.47	1.42%	0.45	31.01%
Income tax	2.45	2.25%	(0.66)	(0.58%)	3.11	473.11%	(3.07)	(2.98%)	5.52	179.84%
<b>Profit for the period</b>	(6.23)	(5.73%)	(2.92)	(2.59%)	(3.31)	(113.35%)	(12.32)	(11.94%)	6.08	49.41%
Other comprehensive income	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
<b>Total comprehensive income for the period (net)</b>	(6.23)	(5.73%)	(2.92)	(2.59%)	(3.31)	(113.35%)	(12.32)	(11.94%)	6.08	49.41%
EBITDA	3.24	2.98%	3.57	3.16%	(0.33)	(9.18%)	(8.34)	(8.09%)	11.58	138.83%

Note : 1. % GP margin calculated to sales

### **Total Revenue**

Total revenues for the 1<sup>st</sup> Quarter of 2023 was THB 108.75 million decreased by 3.51% from the same period last year (YoY) and increased by 5.45% compared to 4<sup>th</sup> Quarter 2022 (QoQ). Revenue structure came mainly from Oversea 42.69%, the Retail shop 39.63%, E-commerce 8.15%, Modern Trade 6.82%, General Trade 1.47% and Other revenue 1.23% (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 1<sup>st</sup> Quarter of 2023 declined by 10.88%.

Total revenue of the company is increasing comparing to last quarter from market recovery, increasing in local purchases and growing in the number of tourists. In addition, the company has also launched new products in the business unit “BEAUTY & WELLNESS”, which getting a good responses from both local customers and overseas tourist, as well as new distribution channels to reach the customers.

#### **Gross Profit**

Gross Profit for the 1<sup>st</sup> Quarter 2023 was THB 57.36 million increased by 5.18% from the same period last year (YoY), increased by 19.07% compared to 4<sup>th</sup> Quarter 2022 (QoQ).

Gross profit margin 1<sup>st</sup> Quarter 2023 was 53.41%, increased from the same period last year (50.64%) and increased from the 4<sup>th</sup> Quarter 2022 (47.75%).

#### **Selling expenses**

Selling expenses for 1<sup>st</sup> Quarter 2023 was THB 57.36 million, increased by 5.18% from the same period last year (YoY), and increased by 13.12% compared to 4<sup>th</sup> Quarter 2022 (QoQ).

#### **Administrative expenses**

Administrative expenses 1<sup>st</sup> Quarter 2023 was THB 22.55 million increased by 5.27% from the same period last year (YoY), and increased by 9.60% compared to 4<sup>th</sup> Quarter 2022 (QoQ).

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

Net profit (loss) for 1<sup>st</sup> Quarter 2023 was THB (6.23) million increased by 113.35% from the same period last year (YoY), and decreased by 49.41% compared to 4<sup>th</sup> Quarter 2022 (QoQ). Profit (loss) is declining comparing to last year mainly from lower export sales due to global economic slowdown especially our main export market in China.

#### **Statement of Financial Position**

Total assets as at March 31, 2023 were THB 908.25 million increased THB 10.88 million or 1.21% from 31 December 2022 and Cash and cash equivalents were THB 56.24 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 38.95 million without doubtful debt, inventory were THB 124.05 million, property, plant and equipment were THB 139.65 million.

Total liabilities were THB 208.55 million increased THB 17.11 million or 8.94% from 31 December 2022, liabilities mainly came from liabilities under leases THB 114.65 million (revised according to TFRS16 standards regarding leases) including current portion of leases liabilities THB 38.95 million, trade account payable THB 55.00 million, accrued expenses THB 13.40 million. Total shareholders' equity was THB 699.70 million decreased THB 6.23 million or 0.88% from December 31, 2022.

**Statement of Cash Flows**

For the year end of March 31, 2023, the company had net cash inflows by operating activities of THB 2.38 million., net cash inflows investing activities THB 1.54 million. Then cash and cash equivalents as at the end of period of THB 56.24 million.

**Financial Ratio**

Financial Ratio	31/3/2023	31/12/2022	31/12/2021	31/12/2020	31/12/2019	31/12/2018
Current ratio	2.77	3.12	5.12	4.30	4.38	3.49
Finished goods days	135	174	204	217	168	116
Total inventory days	215	257	280	287	215	150
Return on equity	-3.55%	-9.15%	-9.96%	-10.90%	19.12%	64.78%
Return on assets	-2.76%	-7.23%	-7.86%	-8.75%	15.04%	48.23%
Debt to equity	0.30	0.27	0.26	0.28	0.22	0.31

Your faithfully,

**Beauty Community Public Company Limited**

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( Miss Netnapha Saelim )

**Finance and Accounting Director**