



 **ROJUKISS**  
INTERNATIONAL

As of Q1/2023



**Key Performance**

- Revenue from sales and services was 207.0 million baht (+22.5% YoY, -38.5% QoQ)
- EBITDA was 53.6 million baht (+95.9% YoY, -32.0% QoQ)
- Net Profit was recorded at 40.8 million baht (+111.8% YoY, -33.2% QoQ)

Key Financial Performance (Million Baht)	Q1 2023	%	Q1 2022	%	%YoY	Q4 2022	%	%QoQ
Revenue from sales and services	207.0	100.0	169.0	100.0	22.5	336.5	100.0	(38.5)
Cost of goods sold	(98.7)	(47.7)	(80.4)	(47.6)	22.7	(161.2)	(47.9)	(38.8)
Gross profit	108.3	52.3	88.6	52.4	22.3	175.3	52.1	(38.2)
EBITDA	53.6	25.9	27.4	16.2	95.9	78.9	23.4	(32.0)
Net Profit	40.8	19.7	19.3	11.4	111.8	61.1	18.1	(33.2)
Earnings per share (Baht)	0.04		0.03			0.07		

**Executive Summary**

- **The revenue from sales and services in Q1/2023 was 207.0 million baht, an increase of 22.5% YoY but a drop of 38.5% QoQ mainly from**
  - Revenue from Domestic include nasal spray increased by 58% YoY, mainly from core business which increased by 10% leading by growth from Modern Trade channel which increased from both Convenience stores and Hypermarket, driven by the launch of new products (NPDs) and marketing activities both online and offline. In terms of nasal spray, there were no transactions in Q1/2022, resulting in a 100% increase in this quarter.
  - Revenue from Overseas decreased by 77% YoY due to lower sales from Indonesia and Vietnam. However, the company plans on launching new products to differentiate itself from others in the current competitive market.
  - Total revenue decreased by 38.5% QoQ from both core business and sales of nasal spray.
- **EBITDA was 53.6 million baht, an increase of 95.9% YoY but decreased by 32.0% QoQ. While Net Profit was 40.8 million baht, an increase of 111.8% YoY but a decrease of 33.2% QoQ.** The net profit margin in this quarter was 19.7%, up from 11.4% in the previous year, and up from 18.1% in the previous quarter from new products launched and efficient selling and administrative expense management. In addition, in Q1/2023, the company received partial payments from the account receivable for advisory services in sales and marketing in Indonesia which was 100% provisioned in the year 2022, amounting to 8 million baht.

- **The Company's business outlook in 2023.** With signs of a market recovery beginning in the second half of 2022 and continuing into 2023, the company has established objectives and strategies to accelerate strong growth by focusing on the development of a diverse product portfolio along with expanding distribution channels both domestically and internationally. The main strategies for 2023 are as follows:
  - **Uplifting the company's products to be the Top of Mind Brand** through advertising and marketing activities, as well as the development of product innovation to serve consumers' need and with proven result after use. This year, new products under the Rojukiss brand will uplift the innovation level to Clinical Grade products, where products are tested before being released to ensure efficiency and good results after trial.
  - **Expanding distribution channels for color cosmetic products under the Sis2 Sis brand,** which had been originally distributed primarily through convenience stores (CVS) in sachets form. This year, the company is developing new full-size products to expand into other channels to expand the space in stores for better visibility.
  - **Enhancing sales channels both Offline and Online** in addition to increasing growth through the introduction of new products. The company aims to expand space for products placement in various retail stores to be accessible and clearly visible, and also developed comprehensive online channels, including social commerce platforms and a marketplace.
  - **Growing in overseas markets** by planning strategies and setting appropriate business models to accelerate growth and enhance competitiveness in the Indonesian and Vietnamese markets. Including considering opportunities in new markets, this can be expanded along with a marketing strategy that uses well-known and popular Thai and international presenters.
  - **Adapting strategic plans for health products to the circumstances at hand.** At present, even though the severity of the Covid-19 epidemic tends to decrease, there will still be an ongoing infection. Therefore, the company has the flexibility to adjust its strategic plan at any time to suit the situation.

## Financial Performance

Table 1 : Statement of Comprehensive Income

(Unit : Million Baht)

Consolidated Financial Statement	Q1 2023	%	Q1 2022	%	%YoY	Q4 2022	%	%QoQ
Revenue from sales and services	207.0	100.0	169.0	100.0	22.5	336.5	100.0	(38.5)
Cost of sales and services	(98.7)	(47.7)	(80.4)	(47.6)	22.7	(161.2)	(47.9)	(38.8)
<b>Gross Profit</b>	<b>108.3</b>	<b>52.3</b>	<b>88.6</b>	<b>52.4</b>	<b>22.3</b>	<b>175.3</b>	<b>52.1</b>	<b>(38.2)</b>
Other Income	0.1	0.1	3.5	2.1	(96.2)	2.3	0.7	(94.1)
Selling expenses	(37.6)	(18.2)	(32.6)	(19.3)	15.2	(55.1)	(16.4)	(31.8)
Administrative expenses	(18.2)	(8.8)	(33.0)	(19.5)	(44.8)	(45.7)	(13.6)	(60.2)
Gain (loss) from foreign exchange rate	(1.5)	(0.7)	-	-	-	(0.4)	(0.1)	262.7
Loss sharing from Joint Venture	-	-	(2.1)	(1.3)	(100.0)	-	-	-
<b>Total expenses and other income</b>	<b>(57.2)</b>	<b>(27.6)</b>	<b>(64.2)</b>	<b>(38.0)</b>	<b>(11.0)</b>	<b>(99.0)</b>	<b>(29.4)</b>	<b>(42.3)</b>
<b>Profit before finance costs</b>	<b>51.2</b>	<b>24.7</b>	<b>24.4</b>	<b>14.4</b>	<b>110.0</b>	<b>76.3</b>	<b>22.7</b>	<b>(32.9)</b>
Finance costs	(0.7)	(0.4)	(0.3)	(0.1)	191.4	(0.5)	(0.2)	42.3
<b>Profit before income tax expenses</b>	<b>50.4</b>	<b>24.4</b>	<b>24.1</b>	<b>14.3</b>	<b>109.1</b>	<b>75.8</b>	<b>22.5</b>	<b>(33.4)</b>
Income tax expense	(9.6)	(4.7)	(4.9)	(2.9)	98.5	(14.7)	(4.4)	(34.3)
<b>Profit for the year</b>	<b>40.8</b>	<b>19.7</b>	<b>19.3</b>	<b>11.4</b>	<b>111.8</b>	<b>61.1</b>	<b>18.1</b>	<b>(33.2)</b>

In Q1/2023, KISS continued to invest in digital marketing activities to increase brand awareness of Rojukiss brand led by Rojukiss Face Eye Neck Cream, Rojukiss Serum Cleanser 4 formulas, Rojukiss Thermal Spring Water UV Serum, and Sis2Sis brand through full online and offline platform, especially at the end of 1Q/2023 along with new product launches under concept "Clinical Grade" of Rojukiss brand, reflecting to Revenue from sales and services growth in Q1/2023 of 207.0 million baht, increased by 22.5% YoY from domestic sales and nasal spray. However, Revenue from sales and services decreased by 38.5% QoQ due to seasonal effect, slower sales of nasal spray, and overseas sales.

### Cost of Sales and Gross Profit

Q1/2023, the gross profit margin was 52.3% (Q1/2022: 52.4%, Q4/2022: 52.1%); The gross profit margin was close to the previous level.

### Selling expenses

Q1/2023, total selling expenses were 37.6 million baht, increased of 15.2% YoY but decreased of 31.8% QoQ. The company started full marketing activities at the end of Q1/2023 and plan to continuously invest in marketing throughout Q2/2023 and Q3/2023.

### Administrative Expenses

Q1/2023, total administrative expenses were 18.2 million baht, decreased of 14.8 million baht from previous year due to receiving of partial payments from the account receivable for advisory services in sales and marketing in Indonesia which was 100% provisioned in the year 2022, amounting to 8 million baht. As of Q1/2022, the company recorded the allowance for doubtful accounts, approximately 7 million baht and fully set up since Q3/2022. If compared to Q4/2022, total selling expenses decreased by 27.5 million baht due to the above-mentioned partial payment and additionally from both the parent company and its subsidiaries, including legal advisory fees and other advisory fees, etc., have decreased.

### Net Profit

Q1/2023, total net profit was 40.8 million baht, increased of 111.8% YoY with a net profit margin of 19.7%, increased by 11.4% YoY and 18.1% QoQ. The net profit improvement in YoY mainly due to higher sales growth and maintaining its gross profit margins. While QoQ drop from season effect, slower sales growth of nasal sprays, partially doubtful accounts receiving of 8 million baht, and a decrease in administrative expenses as mentioned above.

### Statement of Financial Position

#### Total Assets

As of 31 March 2023, the Company had total assets of 1,330.3 million baht, increased by 33.2 million baht compared to the last year with the detail as below:

- Cash and cash equivalents increased by 67.5 million baht from operation.
- Inventories increased by 25.6 million baht from ordering new products according to the normal sales cycle.
- While Trade, other receivable, and Contract assets decreased by 65.2 million baht

#### Total Liabilities

As of 31 March 2023, the Company has total liabilities of 270.1 million baht, decreased by 8.4 million baht comparing to the last year same period with the detail as below:

- Trade and other payable decreased by 43.6 million baht from the payment according to the normal payment cycle.
- Trust receipts increased by 26.9 million baht from payments to suppliers.

#### Shareholder's Equity

As of 31 March 2023, shareholder's equity increased by 41.6 million baht as a result of the higher retained earnings.