

# JUBILEE ENTERPRISE

PUBLIC COMPANY LIMITED

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No. CS08/2023

Aug 11<sup>th</sup>, 2023

Subject: Declaration of Operating Results for the 2<sup>nd</sup> quarter ended 30 June 2023

Attn: Director and Manager,  
The Stock Exchange of Thailand

With respect to the financial information for the 2<sup>nd</sup> quarter ended 30 June 2023, as submitted by the Company, which has been reviewed by the external auditor, considered by the Audit Committee, and approved by the Company's Board of Directors on August 10, 2023, the Company wishes to report further clarifications in summary as follows:

## Summary of the Company's operating results

The operating results for the 2<sup>nd</sup> quarter of year 2023, the Company reported revenue from sales at Baht 384.8 million decreased by Baht 54.3 million or equal to 12.4% from the same period of last year and the comprehensive income for the period at Baht 29.5 million decreased by Baht 46.7 million or equal to 61.3% from the same period of last year which also include loss from de-recognition of financial assets, net tax at Baht 12 million. The earnings per share for three-month is Bath 0.17 per share. The comprehensive income from normal operation that exclude the extra loss is Baht 41.5 million.

For 6 months, the Company reported revenue from sales at Baht 791.7 million decreased by Baht 95.4 million or equal to 10.8% and the comprehensive income at Baht 98.5 million decreased by Baht 64.7 million or equal to 39.7% from the same period of last year. The earnings per share for six-month period is Baht 0.57 per share.

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## Statement of Comprehensive Income

For three-month period ended 30 June

Unit: Million Baht	2 <sup>nd</sup> Quarter 2022		2 <sup>nd</sup> Quarter 2022		Change	
Revenue from sales	384.79	100.00%	439.07	100.00%	(54.28)	(12.36%)
Cost of sales	(205.12)	(53.31%)	(215.97)	(49.19%)	(10.85)	(5.02%)
<b>Gross profit</b>	<b>179.67</b>	<b>46.69%</b>	<b>223.10</b>	<b>50.81%</b>	<b>(43.43)</b>	<b>(19.47%)</b>
Other income	4.16	1.07%	1.40	0.32%	2.76	197.75%
Selling expenses	(89.50)	(23.26%)	(89.85)	(20.46%)	(0.35)	(0.39%)
Administrative expenses	(41.07)	(10.67%)	(37.46)	(8.53%)	3.61	9.64%
Loss arising from de-recognition of financial assets measured at amortised cost	(15.00)	(3.90%)	0.00	0.00%	15.00	0.00%
<b>Profit from operating activities</b>	<b>38.26</b>	<b>9.94%</b>	<b>97.19</b>	<b>25.26%</b>	<b>(58.93)</b>	<b>60.63%</b>
Finance cost	(1.21)	(0.32%)	(1.15)	(0.26%)	0.06	5.51%
<b>Profit before income tax</b>	<b>37.05</b>	<b>9.63%</b>	<b>96.04</b>	<b>21.87%</b>	<b>(58.99)</b>	<b>(61.42%)</b>
Tax expenses	(7.58)	(1.97%)	(19.84)	(4.52%)	(12.26)	(61.79%)
<b>Net profit for the period</b>	<b>29.47</b>	<b>7.66%</b>	<b>76.20</b>	<b>17.37%</b>	<b>(46.73)</b>	<b>(61.32%)</b>
<b>Total other comprehensive loss - net of tax</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>
<b>Total comprehensive income for the period</b>	<b>29.47</b>	<b>7.66%</b>	<b>76.20</b>	<b>17.37%</b>	<b>(46.73)</b>	<b>(61.32%)</b>

0.17

0.44

## Revenue from sales

After the COVID-19 pandemic, people are getting use to normalcy, however the recovery of economic situation is slowdown across the world and also in the domestic market which affect the consumer spending. Furthermore, people have confronted with inflation and political uncertainty situations, which are impacting Thailand's overall economic. Consequently, individuals have become more conservative in their spending habits. These external factors have affected the spending patterns of people across all segments. As a result, the Company generated revenue from sales in the 2<sup>nd</sup> quarter of 2023 amounting to Baht 384.8 million, which decreased by Baht 54.3 million or equal to 12.4% compared to the same period of last year.

The Company has been prioritizing a "Customer Centric" strategy with the objective of enhancing the customer experience by empathizing with the customer's needs and leveraging the concept of Data Transformation through Artificial Intelligence (AI) to facilitate real-time and precise analysis. This approach enables the Company to better understand the genuine needs of the customers.

In this quarter the Company had arranged the event to celebrate 94<sup>th</sup> year "The Luxury Glamorous Universe" during 15-18 June together with new collection "The Iconic Diamond Line" and "The Gentle Glam" which the design was inspired from butterflies and flowers. And also arrange the annual grand sale event "Jubilee Diamond Mid-Year Grand Sale" during 22-25 June, which had got good feedback from customer.

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## Gross Profit Margin

Gross profit margin decreased from the same period of last year from 50.8% to 46.7% due to sales strategy for the Company's events, however an effective in product mix strategy led the Company to maintain the gross profit margin over target of 45%.

## Expenses

Selling expenses for the 2<sup>nd</sup> quarter of 2023 amounted to Baht 89.5 million, represents 23.3% of revenue from sales. Comparatively, in 2022, selling expenses were Baht 89.9 million represented 20.5% of revenue from sales, which slightly decreased from the same period of last year by Baht 0.4 million or equal to 0.4%. In 2022 and 2023, rental fees return to normal and increased in some areas due to annual adjustment, resulting in slightly increase in the overall of rental expense. Additionally, events were fully organized in the 2<sup>nd</sup> quarter resulting in increased in event expenses. On the other hand, the commission and bank fee which are variable expenses decreased in line with the revenue from sales.

Administrative expenses for the 2<sup>nd</sup> quarter of 2023 amounted to Baht 41.1 million, represents 10.7% of revenue from sales. Comparatively, in 2022, administrative expenses were Baht 37.5 million represented 8.5% of revenue from sales, which increased from the same period of last year by Baht 3.6 million or equal to 9.6% due to increase in consulting fee and employee expenses.

Loss arising from de-recognition of financial assets measured at amortized cost amounting to Baht 15.0 million was an allowance for doubtful in investment in bond.

## Finance Cost

Finance cost is the total interest expenses recognized from the adoption of TFRS 16 – "Leases", which was Baht 1.2 million or 0.3% of revenue from sales in the 2<sup>nd</sup> quarter of 2023.

## Comprehensive Income

Comprehensive income for the 2<sup>nd</sup> quarter of 2023 amounted to Baht 29.5 million or equal to 7.7% net profit margin, decreased from the same period of last year by Baht 46.7 million or equal to 61.3%. However, comprehensive income for the three-month period excluding loss arising from de-recognition of financial assets measured at amortized cost, net of tax, of Baht 12.0 million, reached Baht 41.5 million or represents 10.8% of revenue from sales.

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For six-month period ended 30 June

Unit: Million Baht	6-month 2023		6-month 2022		Change	
Revenue from sales	791.69	100.00%	887.11	100.00%	(95.42)	(10.76%)
Cost of sales	(408.15)	(51.55%)	(440.85)	(49.70%)	(32.70)	(7.42%)
<b>Gross profit</b>	<b>383.54</b>	<b>48.45%</b>	<b>446.26</b>	<b>50.30%</b>	<b>(62.72)</b>	<b>(14.06%)</b>
Other income	7.20	0.91%	3.32	0.37%	3.87	116.61%
Selling expenses	(175.93)	(22.22%)	(167.02)	(18.83%)	8.90	5.33%
Administrative expenses	(73.36)	(9.27%)	(70.65)	(7.96%)	2.71	3.83%
Loss arising from de-recognition of financial assets measured at amortised cost	(15.00)	(3.90%)	0.00	0.00%	15.00	0.00%
<b>Profit from operating activities</b>	<b>126.45</b>	<b>32.86%</b>	<b>211.91</b>	<b>55.07%</b>	<b>(85.46)</b>	<b>40.33%</b>
Finance cost	(2.54)	(0.32%)	(2.29)	(0.26%)	0.25	10.80%
<b>Profit before income tax</b>	<b>123.91</b>	<b>15.65%</b>	<b>209.62</b>	<b>23.63%</b>	<b>(85.71)</b>	<b>(40.89%)</b>
Tax expenses	(25.43)	(3.21%)	(42.92)	(4.84%)	(17.49)	(40.75%)
<b>Net profit for the period</b>	<b>98.48</b>	<b>12.44%</b>	<b>166.70</b>	<b>18.78%</b>	<b>(68.22)</b>	<b>(40.92%)</b>
<b>Total other comprehensive loss - net of tax</b>	<b>0.00</b>	<b>0.01%</b>	<b>(3.51)</b>	<b>9.37%</b>	<b>(3.51)</b>	<b>(100.0%)</b>
<b>Total comprehensive income for the period</b>	<b>98.48</b>	<b>12.44%</b>	<b>163.19</b>	<b>18.39%</b>	<b>(64.71)</b>	<b>(39.65%)</b>
			<b>0.57</b>			<b>0.96</b>

## Revenue from sales

At the beginning of year 2022, traveling across the countries was still under restrictions and there was subdued spending due to COVID-19 during 2020 to 2021 affected the customers to spend more on both online and offline channels in the 4<sup>th</sup> quarter of 2021 and the 1<sup>st</sup> quarter of 2022. As COVID-19 started to recover, preventive measures were lifted in many places, which made people feel more at ease with traveling. However, the uncertainty of the world's economic and local political situation negatively affected the overall market, resulting in a lack of enthusiasm for the first half year, lead to the revenue from sales for the Company amounting to Baht 791.7 million, which decreased by Baht 95.4 million from the same period of last year. The decrease was a result of decline in same store sales by 16.9%, and increased from new and closed branches and events total 6.1%.

## Gross Profit Margin

Gross profit margin decreased from the same period of last year from 50.3% to 48.5% due to sales strategy for the Company's events, however an effective in product mix strategy led the Company to in maintain the gross profit margin over target of 45%.

## Expenses

Selling expenses for the six-month amounted to Baht 175.9 million, represents 22.2% of revenue from sales. Comparatively, in 2022, selling expenses were Baht 167.0 million represented 18.8% of revenue from sales, which increased from the same period of last year by Baht 8.9 million or equal to 5.3% due to increase in marketing expenses for promotion, advertisement, events, also increase from rental space fees due to most of the areas were charged at normal. On the other hand, commission and bank fee which are variable expenses decreased in line with the revenue from sales.

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Administrative expenses for the six-month amounted to Baht 73.4 million, represents 9.3% of revenue from sales. Comparatively, in 2022, administrative expenses were Baht 70.7 million represented 8.0% of revenue from sales, which increased from the same period of last year by Baht 2.7 million or equal to 3.8% due to increase in general expenses, consulting fee and employee expenses.

Loss arising from de-recognition of financial assets measured at amortized cost amounting to Baht 15.0 million was an allowance for doubtful in investment in bond accounted in the 2<sup>nd</sup> quarter.

## Finance Cost

Finance cost is the total interest expenses recognized from the adoption of TFRS 16 – “Leases”, which was Baht 2.5 million or 0.3% of revenue from sales.

## Comprehensive Income

Comprehensive income for the six-month amounted to Baht 98.5 million or equal to 12.4% net profit margin, decreased from the same period of last year by Baht 64.7 million or equal to 39.7% due to the decline in revenue from sales and gross profit and increase in selling expenses. However, comprehensive income for the six-month period excluding loss arising from de-recognition of financial assets measured at amortized cost, net of tax, of Baht 12.0 million reached Baht 110.5 million or 14.0% of revenue from sales.

### Significant financial ratio

- Current Ratio is 4.2 times
- Inventory Day is 309 days
- Accounts Payable Day is 122 days  
(Normal Credit term of Account Payable is from 1-4 months)
- Accounts Receivable Day is 20 days  
(Normal Credit term of Account Receivable is from 20 days to 1 month)

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Additionally, at the Board of Directors' Meeting, a resolution was passed to approve the payment of an interim dividend of six-month operating results from 1 January 2023 to 30 June 2023 at the rate of Baht 0.25 per share, in the total amount of Baht 43.57 million or equal to 44.24% of the Company's net profit after tax and statutory reserves. The record date for receiving dividend was set on 28 August 2023 and dividends will be paid on 8 September 2023.

Please be informed accordingly.

Sincerely yours,

(Unyarat Pornprakit)

Director and Chief Executive Officer

Jubilee Enterprise Public Company Limited

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