

Subject: Performance discussion and analysis for the 2nd Quarter of 2023 and for the first 6 months of 2023

To: Director and manager of the Stock Exchange of Thailand

Financial Performance Summary – 2nd Quarter of 2023 and for the first 6 months of 2023

Beauty Community Public Co., Ltd. is pleased to announce its financial and operating results for 2nd Quarter of 2023 and the first 6 months of 2023 to compare with the operating results in the 2nd Quarter and the first 6 months of 2022 as follows:

- Total Revenue in 2nd Quarter 2023 was THB 129.77 million, a increased of 60.25% and the first 6 months was THB 238.52 million, a increased of 23.14%.
- Gross Profit in 2nd Quarter 2023 was THB 60.20 million, a increased of 43.67% and the first 6 months was THB 119.57 million, a increased of 22.21%.
- Selling expenses in 2nd Quarter 2023 was THB 40.78 million, a decreased of 15.15% and the first 6 months was THB 78.79 million, a decreased of 8.11%.
- Administrative expenses in 2nd Quarter 2023 was THB 24.94 million, a decreased of 5.28% and the first 6 months was THB 47.48 million, a decreased of 5.28%.
- Net Profit (loss) in 2nd Quarter 2023 was THB (2.77) million, a decreased of 89.28% and the first 6 months was THB (9.00) million, a decreased of 68.67%.

Million Baht	Q2				YoY		Q1		QoQ		Year to Date (YTD)				YoY	
	2023	%	2022	%	+ / -	%	2023	%	+ / -	%	2023	%	2022	%	+ / -	%
Revenue from sales	127.43	98.20%	79.94	98.71%	47.49	59.41%	107.41	98.77%	20.02	18.64%	234.83	98.46%	187.64	96.88%	47.19	25.15%
Cost of sales	65.22	50.26%	36.64	45.25%	28.58	78.00%	50.04	46.02%	15.18	30.34%	115.26	48.33%	89.81	46.37%	25.46	28.35%
Gross profit (GP)	62.20	48.82%	43.30	54.16%	18.91	43.67%	57.36	53.41%	4.84	8.44%	119.57	50.92%	97.84	52.14%	21.73	22.21%
Other Income	2.34	1.80%	1.04	1.29%	1.30	124.57%	1.34	1.23%	1.00	74.53%	3.68	1.54%	6.05	3.12%	(2.36)	(39.08%)
Total Revenue	129.77	100.00%	80.98	100.00%	48.79	60.25%	108.75	100.00%	21.02	19.33%	238.52	100.00%	193.69	100.00%	44.83	23.14%
Selling expenses	40.78	31.42%	48.06	59.35%	(7.28)	(15.15%)	38.02	34.96%	2.76	7.25%	78.79	33.04%	85.75	44.27%	(6.95)	(8.11%)
Administrative expenses	24.94	19.22%	26.33	32.51%	(1.39)	(5.28%)	22.55	20.73%	2.39	10.59%	47.48	19.91%	50.13	25.88%	(2.65)	(5.28%)
Profit before interest & tax (EBIT)	(1.17)	(0.90%)	(30.05)	(37.10%)	28.88	96.12%	(1.86)	(1.71%)	0.69	37.27%	(3.03)	(1.27%)	(31.99)	(16.52%)	28.97	90.54%
Finance costs	1.87	1.44%	1.52	1.88%	0.35	22.86%	1.92	1.77%	(0.06)	(2.86%)	3.79	1.59%	3.15	1.63%	0.64	20.15%
Income tax	(0.27)	(0.20%)	(5.76)	(7.11%)	5.50	95.40%	2.45	2.25%	(2.72)	(110.82%)	2.19	0.92%	(6.42)	(3.31%)	8.60	134.05%
Profit for the period	(2.77)	(2.13%)	(25.80)	(31.87%)	23.04	89.28%	(6.23)	(5.73%)	3.46	55.59%	(9.00)	(3.77%)	(28.73)	(14.83%)	19.73	68.67%
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)	(2.77)	(2.13%)	(25.80)	(31.87%)	23.04	89.28%	(6.23)	(5.73%)	3.46	55.59%	(9.00)	(3.77%)	(28.73)	(14.83%)	19.73	68.67%
EBITDA	3.96	3.05%	(24.62)	(30.40%)	28.58	116.09%	3.24	2.98%	0.72	22.28%	7.20	3.02%	(21.05)	(10.87%)	28.25	134.20%

Note: 1. % GP margin calculated to sales

Total Revenue

Total revenues for the 2nd Quarter of 2023 were THB 129.77 million increased by 60.25% from the same period last year (YoY) and increased by 19.33% compared to 1st Quarter 2023 (QoQ). The first 6 month of 2023 was THB 238.52 million increased by 23.14% from the same period last year (YoY). Revenue structure came mainly from the Retail shop 42.00%, Oversea 39.60%, E-commerce 8.08%, Modern Trade 7.30%, General Trade 1.12% and Other revenue 1.91% (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 6 months of 2023 declined by 17.70%.

The company's revenue increase mainly from continuous recovery of domestic market both in Modern trade and Online distribution channels. In addition, the company has also launched new retail shops in high potential locations accessible by both Thais and tourists. Meanwhile, sales in overseas markets is also improved especially in China where customers gradually resumed their spending after the country's reopening.

Gross Profit

Gross Profit for the 2nd Quarter 2023 was THB 62.20 million which are increased 43.67% from the same period last year (YoY), increased by 8.44% compared to 1st Quarter 2023 (QoQ). The first 6 month of 2023 was THB 119.57 million increased by 22.21% from the same period last year (YoY).

Gross profit margin 2nd Quarter 2023 were 48.82%, decreased from the same period last year (54.16%) and decreased from the 1st Quarter 2023 (53.41%). The first 6 months 2023 was 50.92%, decreased from the same period last year (52.14%)

Selling expenses

Selling expenses for 2nd Quarter 2023 was THB 40.78 million, increased by 15.15% from the same period last year (YoY), and increased by 7.25% compared to 1st Quarter 2023 (QoQ). The first 6 month of 2023 was THB 78.79 million decreased by 8.11% from the same period last year (YoY).

Administrative expenses

Administrative expenses 2nd Quarter 2023 was THB 24.94 million decreased by 5.28% from the same period last year (YoY), and increased by 10.59% compared to 1st Quarter 2023 (QoQ). The first 6 month of 2023 was THB 47.48 million decreased by 5.28% from the same period last year (YoY).

Net Profit (loss)

Net profit (loss) for 2nd Quarter 2023 was THB (2.77) million decreased by 89.28% from the same period last year (YoY), and increased by 55.59% compared to 1st Quarter 2023 (QoQ). The first 6 month of 2023 was THB (9.00) million decreased by 68.67% from the same period last year (YoY).

Statement of Financial Position

Total assets as at June 30, 2023 were THB 921.79 million increased THB 24.42 million or 2.72% from 31 December 2022 and Cash and cash equivalents were THB 45.82 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 57.45 million without doubtful debt, inventory were THB 148.16 million, property, plant and equipment were THB 137.46 million.

Total liabilities were THB 224.86 million increased THB 33.42 million or 17.46% from 31 December 2022, liabilities mainly came from liabilities under leases THB 107.10 million (IFRS16 standards regarding leases) including current portion of leases liabilities THB 38.00 million, trade account payable THB 79.90 million, accrued expenses THB 12.65 million. Total shareholders' equity was THB 696.93 million decreased THB 9.00 million or 1.27% from December 31, 2022.

Statement of Cash Flows

For the year end of June 30, 2023, the company had net cash inflows by operating activities of THB 2.54 million, net cash inflows by (used in) investing activities THB 3.03 million. Then cash and cash equivalents as at the end of period of THB 45.82 million.

Financial Ratio

Financial Ratio	30/6/2023	31/12/2022	31/12/2021	31/12/2020	31/12/2019	31/12/2018
Current ratio	2.49	3.12	5.12	4.30	4.38	3.49
Finished goods days	140	174	204	217	168	116
Total inventory days	206	257	280	287	215	150
Return on equity	-2.57%	-9.15%	-9.96%	-10.90%	19.12%	64.78%
Return on assets	-1.98%	-7.23%	-7.86%	-8.75%	15.04%	48.23%
Debt to equity	0.32	0.27	0.26	0.28	0.22	0.31

Your faithfully,

Beauty Community Public Company Limited

(Miss Netnapha Saelim)

Finance and Accounting Director