

JUBILEE ENTERPRISE

PUBLIC COMPANY LIMITED

No. CS09/2023

Nov 13th, 2023

Subject: Declaration of Operating Results for the 3rd quarter ended 30 September 2023

Attn: Director and Manager,
The Stock Exchange of Thailand

With respect to the financial information for the 3rd quarter ended 30 September 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 November 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 3rd quarter of year 2023, the Company reported revenue from sales at Baht 377.9 million decreased by Baht 46.4 million or equal to 10.9% from the same period of last year and the comprehensive income for the period at Baht 51.0 million decreased by Baht 19.0 million or equal to 27.1% from the same period of last year. The earnings per share for three-month period is Bath 0.29 per share.

For 9 months, the Company reported revenue from sales at Baht 1,169.6 million decreased by Baht 141.8 million or equal to 10.8% and the comprehensive income at Baht 149.5 million decreased by Baht 83.7 million or equal to 35.9% from the same period of last year which also include loss from de-recognition of financial assets, net tax at Baht 12 million. Excluding these exceptional losses, the comprehensive income from regular operations was Baht 161.5 million. The earnings per share for nine-month period is Baht 0.86 per share.

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Statement of Comprehensive Income for three and nine-month period ended 30 September

Unit : Million Baht	Quarter 3'2023		Quarter 3'2022		Change		9-month 2023		9-month 2022		Change	
Revenue from sales	377.91	100.00%	424.33	100.00%	(46.42)	(10.94%)	1,169.60	100.00%	1,311.44	100.00%	(141.84)	(10.82%)
Cost of sales	(193.96)	(51.32%)	(211.21)	(49.78%)	(17.25)	(8.17%)	(602.11)	(51.48%)	(652.06)	(49.72%)	(49.95)	(7.66%)
Gross profit	183.95	48.68%	213.12	50.22%	(29.17)	(13.69%)	567.49	48.52%	659.38	50.28%	(91.89)	(13.94%)
Other income	5.27	1.40%	2.23	0.52%	3.04	136.49%	12.47	1.07%	5.55	0.42%	6.92	124.76%
Selling expenses	(88.43)	(23.40%)	(88.64)	(20.89%)	(0.21)	(0.24%)	(264.36)	(22.61%)	(255.66)	(19.49%)	8.70	3.40%
Administrative expenses	(35.61)	(9.42%)	(37.26)	(8.78%)	(1.65)	(4.43%)	(108.96)	(9.32%)	(107.91)	(8.23%)	1.05	0.97%
Loss arising from de-recognition of financial assets measured at	0.00	0.00%	0.00	0.00%	0.00	0.00%	(15.00)	(3.97%)	0.00	0.00%	15.00	0.00%
Profit from operating activities	65.18	17.25%	89.45	21.08%	(24.27)	(27.13%)	191.64	50.71%	301.36	79.74%	(109.72)	(36.41%)
Finance cost	(1.13)	(0.30%)	(1.18)	(0.28%)	(0.05)	(4.54%)	(3.67)	(0.31%)	(3.47)	(0.26%)	0.20	5.86%
Profit before income tax	64.05	16.95%	88.27	20.80%	(24.22)	(27.44%)	187.97	16.07%	297.89	22.71%	(109.92)	(36.90%)
Tax expenses	(13.07)	(3.46%)	(18.33)	(4.32%)	(5.26)	(28.71%)	(38.50)	(3.29%)	(61.25)	(4.67%)	(22.75)	(37.14%)
Net profit for the period	50.98	13.49%	69.94	16.48%	(18.96)	(27.11%)	149.47	12.78%	236.64	18.04%	(87.17)	(36.84%)
Total other comprehensive loss - net of tax	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	(3.51)	9.42%	(3.51)	(100.0%)
Total comprehensive income for the period	50.98	13.49%	69.94	16.48%	(18.96)	(27.11%)	149.47	12.78%	233.13	17.78%	(83.66)	(35.89%)
	0.29		0.40				0.86		1.36			

3-month period ended 30 September

Revenue from sales

Although the economic situation in Thailand is showing signs of recovery, there remains a level of uncertainty because of higher in costs of living e.g., interest rates, oil price, and consumer goods. Moreover, household debt levels remain elevated. These factors effect to the customer purchasing power. Therefore, consumer still concerned and beware of spending. As a result, the Company generated revenue from sales in the 3rd quarter 2023 amounting to Baht 377.9 million, which decreased by Baht 46.4 million or equal to 10.9% compared to the same period of last year.

Strategically, the Company has been focusing on "Customer Centric" to enhance the customer experience by focusing on the customer's needs. As a part of this approach, in the 3rd quarter, the marketing activities mainly focused on the membership campaign via members' loyalty program, "The Sparkling Club" to boost up customers' spending. This campaign offers special promotions for the members to redeem their loyalty points, up to 25 times compared to the normal points redemption. As a result, same store sales have been growth by 18.4% in comparison to the 2nd quarter of this year. However, when compared to the same period last year, the total reduction in revenue from sale of 10.9% was from lower same store sales of 3.6% and decrease from store closures and event sale of 7.3%. In the previous year, the Mid Year Grand Sale event was extended over to the 3rd quarter, while the majority of sales in the 3rd quarter this year are from same store sales (no major sale events).

In this quarter, the Company introduced new collections under the theme "Story of a Power Women," which highlights the radiance, worth, and potential of all women to celebrate Mother's Day in August. Additionally, in September, the Company also launched a new collection, "Essence of Simplicity".

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Gross Profit Margin

Gross profit margin slightly decreased from the same period of last year from 50.2% to 48.7% due to the fluctuation of exchange rate during this period although the Company had entered into forward contracts. Nevertheless, the Company successfully maintained its gross profit margin above the target of 45%.

Expenses

Selling expenses for the 3rd quarter of 2023 amounted to Baht 88.4 million, represents 23.4% of revenue from sales. Comparatively, in 2022, selling expenses were Baht 88.6 million represented 20.9% of revenue from sales, which slightly decreased from the same period of last year by Baht 0.2 million or equal to 0.2% from the decreased in variable expenses, commission and bank fee in aligning with the revenue from sales. However, marketing expenses increased due to the campaign mentioned earlier in revenue from sales section.

Administrative expenses for the 3rd quarter of 2023 amounted to Baht 35.6 million, represents 9.4% of revenue from sales. Comparatively, in 2022, administrative expenses were Baht 37.3 million represented 8.8% of revenue from sales, which decrease from the same period of last year by Baht 1.7 million or equal to 4.4% from employee expenses.

Finance Cost

Finance cost is the total interest expenses recognized from the adoption of TFRS 16 – “Leases”, which in the 3rd quarter of 2023 and 2022 were Baht 1.1 million and 1.2 million, respectively or equal to 0.3% of revenue from sales.

Comprehensive Income

Comprehensive income for the 3rd quarter of 2023 amounted to Baht 51.0 million or equal to 13.5% net profit margin, decreased from the same period of last year by Baht 19.0 million or equal to 27.1% mainly due to decrease in revenue from sales.

9-month period ended 30 September

Revenue from sales

The Company generated revenue from sales amounting to Baht 1,169.6 million decreased by Baht 141.8 million or equal to 10.8% from the same period of last year. The decrease was a result of decline in same store sales by 12.0%, and changes from new and closer of branches and events totaling 1.2%.

Despite the sign of economic recovery in this quarter, there still has uncertainty in the economic situation as mentioned earlier that make the customer be more caution in their spendings. Also, since the first half of the year the uncertainty of the local political situation has negative impact to the over all market sentiment. Mid to high income customers appeared to be spending on travelling after covid liberation. Compare to last year, after the recovery from Covid-19 pandemic, people were spending more on local consumption due to restriction of travelling.

3/5

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Gross Profit Margin

Gross profit margin decreased from the same period of last year from 50.3% to 48.5% due to the fluctuation of exchange rate and increasing in gold price. Nevertheless, the Company successfully maintained its gross profit margin above the target of 45%.

Expenses

Selling expenses for the nine-month amounted to Baht 264.4 million, represents 22.6% of revenue from sales. Comparatively, in 2022, selling expenses were Baht 255.7 million represented 19.5% of revenue from sales, which increased from the same period of last year by Baht 8.7 million or equal to 3.4% 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 standard condition. . On the other hand, commission and bank fee which are variable expenses decreased in line with the revenue from sales.

Administrative expenses for the nine-month amounted to Baht 109.0 million, represents 9.3% of revenue from sales. Comparatively, in 2022, administrative expenses were Baht 107.9 million represented 8.2% of revenue from sales, which increased from the same period of last year by Baht 1.1 million or equal to 1.0% due to increase in general expenses 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 2nd quarter.

Finance Cost

Finance cost is the total interest expenses recognized from the adoption of TFRS 16 – “Leases”, which in 2023 and 2022 were Baht 3.7 million and Baht 3.5 million, respectively or equal to 0.3% of revenue from sales.

Comprehensive Income

Comprehensive income for the nine-month amounted to Baht 149.5 million or equal to 12.8% net profit margin, decreased from the same period of last year by Baht 83.7 million or equal to 35.9% due to the decline in revenue from sales and gross profit and increase in selling expenses as explained. However, comprehensive income for the nine-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 161.5 million or 13.8% of revenue from sales.

Significant financial ratio

- Current Ratio is 4.9 times
- Inventory Day is 304 days
- Accounts Payable Day is 111 days
(Normal Credit term of Account Payable is from 1-4 months)
- Accounts Receivable Day is 23 days
(Normal Credit term of Account Receivable is from 20 days to 1 month)

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Please be informed accordingly.

Sincerely yours,

(Unyarat Pornprakit)

Director and Chief Executive Officer

Jubilee Enterprise Public Company Limited

5/5