

Subject: Performance discussion and analysis for the 3<sup>rd</sup> Quarter of 2023 and for the first 9 months of 2023

To: Director and manager of the Stock Exchange of Thailand

### **Financial Performance Summary – 3<sup>rd</sup> Quarter of 2023 and for the first 9 months of 2023**

Beauty Community Public Co., Ltd. is pleased to announce its financial and operating results for 3<sup>rd</sup> Quarter of 2023 and the first 9 months of 2023 to compare with the operating results in the 3<sup>rd</sup> Quarter and the first 9 months of 2022 as follows:

- Total Revenue in 3<sup>rd</sup> Quarter 2023 was THB 103.87 million, a increased of 51.31% and the first 9 months was THB 342.38 million, a increased of 30.51%.
- Gross Profit in 3<sup>rd</sup> Quarter 2023 was THB 54.91 million, a increased of 92.55% and the first 9 months was THB 174.48 million, a increased of 38.09%
- Selling expenses in 3<sup>rd</sup> Quarter 2023 was THB 38.99 million, a decreased of 4.37% and the first 9 months was THB 117.78 million, a decreased of 6.90%.
- Administrative expenses in 3<sup>rd</sup> Quarter 2023 was THB 25.86 million, a increased of 4.12% and the first 9 months was THB 73.34 million, a decreased of 2.16%.
- Net Profit (loss) in 3<sup>rd</sup> Quarter 2023 was THB (11.15) million, a decreased of 58.13% and the first 9 months was THB (20.15) million, a decreased of 63.60%.

Million Baht	Q3				YoY		Q2		QoQ		Year to Date (YTD)				YoY	
	2023	%	2022	%	+ / -	%	2023	%	+ / -	%	2023	%	2022	%	+ / -	%
Revenue from sales	102.54	98.72%	63.85	93.01%	38.69	60.61%	127.43	98.20%	(24.89)	(19.53%)	337.37	98.54%	251.49	95.87%	85.88	34.15%
Cost of sales	47.63	45.86%	35.33	51.46%	12.30	34.82%	65.22	50.26%	(17.59)	(26.97%)	162.89	47.58%	125.14	47.70%	37.76	30.17%
<b>Gross profit (GP)</b>	<b>54.91</b>	<b>53.55%</b>	<b>28.52</b>	<b>44.67%</b>	<b>26.39</b>	<b>92.55%</b>	<b>62.20</b>	<b>48.82%</b>	<b>(7.29)</b>	<b>(11.73%)</b>	<b>174.48</b>	<b>51.72%</b>	<b>126.35</b>	<b>50.24%</b>	<b>48.13</b>	<b>38.09%</b>
Other Income	1.33	1.28%	4.80	6.99%	(3.47)	(72.34%)	2.34	1.80%	(1.01)	(43.27%)	5.01	1.46%	10.85	4.13%	(5.84)	(53.81%)
<b>Total Revenue</b>	<b>103.87</b>	<b>100.00%</b>	<b>68.65</b>	<b>100.00%</b>	<b>35.22</b>	<b>51.31%</b>	<b>129.77</b>	<b>100.00%</b>	<b>(25.90)</b>	<b>(19.96%)</b>	<b>342.38</b>	<b>100.00%</b>	<b>262.34</b>	<b>100.00%</b>	<b>80.05</b>	<b>30.51%</b>
Selling expenses	38.99	37.54%	40.77	59.39%	(1.78)	(4.37%)	40.78	31.42%	(1.79)	(4.38%)	117.78	34.40%	126.52	48.23%	(8.73)	(6.90%)
Administrative expenses	25.86	24.89%	24.83	36.17%	1.02	4.12%	24.94	19.22%	0.92	3.69%	73.34	21.42%	74.96	28.57%	(1.62)	(2.16%)
<b>Profit before interest &amp; tax (EBIT)</b>	<b>(8.61)</b>	<b>(8.29%)</b>	<b>(32.28)</b>	<b>(47.03%)</b>	<b>23.68</b>	<b>73.34%</b>	<b>(1.17)</b>	<b>(0.90%)</b>	<b>(7.44)</b>	<b>(637.94%)</b>	<b>(11.63)</b>	<b>(3.40%)</b>	<b>(64.28)</b>	<b>(24.50%)</b>	<b>52.64</b>	<b>81.90%</b>
Finance costs	1.77	1.71%	1.48	2.15%	0.30	20.27%	1.87	1.44%	(0.09)	(4.90%)	5.56	1.62%	4.63	1.76%	0.93	20.19%
Income tax	0.77	0.74%	(7.12)	(10.38%)	7.90	110.84%	(0.27)	(0.20%)	1.04	391.12%	2.96	0.86%	(13.54)	(5.16%)	16.50	121.84%
<b>Profit for the period</b>	<b>(11.15)</b>	<b>(10.74%)</b>	<b>(26.64)</b>	<b>(38.80%)</b>	<b>15.48</b>	<b>58.13%</b>	<b>(2.77)</b>	<b>(2.13%)</b>	<b>(8.39)</b>	<b>(303.02%)</b>	<b>(20.15)</b>	<b>(5.89%)</b>	<b>(55.36)</b>	<b>(21.10%)</b>	<b>35.21</b>	<b>63.60%</b>
Other comprehensive income	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
<b>Total comprehensive income for the period (net)</b>	<b>(11.15)</b>	<b>(10.74%)</b>	<b>(26.64)</b>	<b>(38.80%)</b>	<b>15.48</b>	<b>58.13%</b>	<b>(2.77)</b>	<b>(2.13%)</b>	<b>(8.39)</b>	<b>(303.02%)</b>	<b>(20.15)</b>	<b>(5.89%)</b>	<b>(55.36)</b>	<b>(21.10%)</b>	<b>35.21</b>	<b>63.60%</b>
EBIIDA	(3.57)	(3.44%)	(26.76)	(38.98%)	23.19	86.65%	3.96	3.05%	(7.53)	(190.17%)	3.63	1.06%	(47.81)	(18.22%)	51.43	107.59%

Note : 1. % GP margin calculated to sales

### **Total Revenue**

Total revenues for the 3<sup>rd</sup> Quarter of 2023 were THB 103.87 million increased by 51.31% from the same period last year (YoY) and decreased by 19.96% compared to 2<sup>nd</sup> Quarter 2023 (QoQ). The first 9 months of 2023 was THB 342.38 million increased by 30.51% from the same period last year (YoY). Revenue structure came mainly from the Retail shop 45.51%, Oversea 35.32%, E-commerce 8.59%, General Trade 1.19%, Modern Trade 7.93% and Other revenue 1.46% (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 9 months of 2023 declined by 25.42%.

#### **Gross Profit**

Gross Profit for the 3<sup>rd</sup> Quarter 2023 was THB 54.91 million which are increased 92.55% from the same period last year (YoY), decreased by 11.73% compared to 2<sup>nd</sup> Quarter 2023 (QoQ). The first 9 month of 2023 was THB 174.48 million increased by 38.09% from the same period last year (YoY).

Gross profit margin 3<sup>rd</sup> Quarter 2023 were 53.55%, increased from the same period last year (44.67%) and increased from the 2<sup>nd</sup> Quarter 2023 (48.82%). The first 9 months 2023 was 51.72%, increased from the same period last year (50.24%)

#### **Selling expenses**

Selling expenses for 3<sup>rd</sup> Quarter 2023 was THB 38.99 million, decreased by 4.37% from the same period last year (YoY), and decreased by 4.38% compared to 2<sup>nd</sup> Quarter 2023 (QoQ). The first 9 month of 2023 was THB 117.78 million decreased by 6.90% from the same period last year (YoY).

#### **Administrative expenses**

Administrative expenses 3<sup>rd</sup> Quarter 2023 was THB 25.86 million increased by 4.12% from the same period last year (YoY), and increased by 3.69% compared to 2<sup>nd</sup> Quarter 2023 (QoQ). The first 9 month of 2023 was THB 73.34 million decreased by 2.16% from the same period last year (YoY).

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

Net profit (loss) for 3<sup>rd</sup> Quarter 2023 was THB (11.15) million decreased by 58.13% from the same period last year (YoY), and increased by 303.02% compared to 2<sup>nd</sup> Quarter 2023 (QoQ). The first 9 month of 2023 was THB (20.15) million decreased by 63.60% from the same period last year (YoY).

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

Total assets as at September 30, 2023 were THB 862.33 million decreased THB 35.04 million or 3.91% from 31 December 2022 and Cash and cash equivalents were THB 78.66 million, temporary investments were THB 40.00 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 220.00 million (Long-term Investment is the deposit with financial institution maturing within a period of more than 1 year and without withdrawal restrictions), account receivable were THB 36.00 million, inventory were THB 144.59 million, property, investment properties were THB 15.66 million, plant and equipment were THB 117.84 million.

Total liabilities were THB 176.55 million decreased THB 14.89 million or 7.78% from 31 December 2022, liabilities mainly came from liabilities under leases THB 105.65 million (IFRS16 standards regarding leases) including current portion of leases liabilities THB 35.05 million, trade account payable THB 33.94 million, accrued expenses THB 14.39 million. Total shareholders' equity was THB 685.78 million decreased THB 20.15 million or 2.85% from December 31, 2022.

**Statement of Cash Flows**

For the year end of September 30, 2023, the company had net cash inflows by (used in) operating activities of THB (14.95) million, net cash inflows by investing activities THB 56.27 million. Then cash and cash equivalents as at the end of period of THB 78.66 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	3.19	3.12	5.12	4.30	4.38	3.49
Finished goods days	145	174	204	217	168	116
Total inventory days	216	257	280	287	215	150
Return on equity	-3.86%	-9.15%	-9.96%	-10.90%	19.12%	64.78%
Return on assets	-3.05%	-7.23%	-7.86%	-8.75%	15.04%	48.23%
Debt to equity	0.26	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**