

- Translation -

May 10<sup>th</sup>, 2024

**Subject** Management Discussion and Analysis for the first quarter ended March 31, 2024

**To** The President  
The Stock Exchange of Thailand

Do Day Dream Public Company Limited ("the Company") would like to inform management discussion and analysis for its results of operations from the consolidated financial statements for the first quarter ended March 31, 2024 as follows:

**Management Discussion and Analysis**  
**For the first quarter ended May 10, 2024**

**Summary of Performance**

**Sales Revenue**

For the first quarter ended 31 March 2023 and 2024, the Company recorded total sales revenue of THB 390.00 million and THB 398.30 million, respectively, similar to last year an increase of 2.13% with affecting income as follows.

This is mainly because revenue from skincare segments has increased 7.13% compared to the same period last year, driven by decreased revenue from domestic sales, has decreased 12.30% rise in revenue from international sales, driven by sales growth in the Philippines, China, Laos, and expansion into other markets in the Southeast Asian region.

Revenue from the beauty products segment remained closed to the previous period, with a slight increased by 0.77%. In the current period, revenue includes income from the launch of new products, specifically hair dye shampoo.

For the year 2024 the Company has other income of THB22.04 million, derived mainly from interest and dividend income. This amount decreased from the same period of the previous year by THB 8.64 million, or a decrease of 28.17%. This decrease was due to the fact that in the previous quarter, other income came from profits from the sale of financial assets amounting to THB 19.23 million. The Company still maintain a conservative investment policy and exercises caution in investment to reduce risks arising from the volatile stock market conditions.

## Sales Revenue by Segment

Revenue by Segment	Consolidated financial statements				Change Increase/(Decrease)	
	For the year ended 31 March					
	2024		2023		THB mm	%
	THB mm	%	THB mm	%		
<b>1) Skincare segments</b>	<b>257.95</b>	<b>61.38%</b>	<b>250.82</b>	<b>59.62%</b>	<b>7.13</b>	<b>2.84%</b>
1.1) Revenue from local sales	112.13	6.72%	120.97	6.86%	(8.84)	-7.31%
1.2) Revenue from export sales	145.82	8.74%	129.85	7.36%	15.97	12.30%
<b>2) Beauty products segments</b>	<b>140.30</b>	<b>33.38%</b>	<b>139.23</b>	<b>33.09%</b>	<b>1.07</b>	<b>0.77%</b>
2.1) Revenue from local sales	139.98	8.39%	138.34	7.84%	1.64	1.19%
2.2) Revenue from export sales	0.32	0.02%	0.88	0.05%	(0.56)	-63.51%
<b>Total sales</b>	<b>398.25</b>	<b>94.76%</b>	<b>390.05</b>	<b>92.71%</b>	<b>8.20</b>	<b>2.10%</b>
Other income <sup>/1</sup>	22.04	5.24%	30.68	7.29%	(8.64)	-28.16%
<b>Total revenue</b>	<b>420.29</b>	<b>100.00%</b>	<b>420.72</b>	<b>100.00%</b>	<b>(0.43)</b>	<b>-0.10%</b>

Notes: <sup>/1</sup> Other income comprises mainly of gain on the sale of financial assets, interest and dividend income.

## Cost of Goods Sold

Cost of goods sold for the first quarter ended 31 March 2023 and 2024 stood at THB 142.634 million and THB 180.04 million, respectively, equivalent to an increase of 26.23%, mainly due to the increased of international cost of goods sold from the market competition situation, including the international sales to the major customers, which involves large-scale transactions (Big Lot)

## Gross Profit

Gross profit for the first quarter ended 31 March 2023 and 2024 were THB 247.42 million and THB 218.20 million, respectively, or equivalent to a gross profit margin of 63.43 % and 54.79%, respectively. The gross profit margin has decreased compared to the same period last year, according to the proportion to the increase in cost of goods sold compared to the income.

## Selling Expenses

The Company posted selling expenses for the first quarter ended 31 March 2023 and 2024 of THB 122.90 million and THB 118.73 million, respectively. This is equivalent to a decrease of 3.39% by a decrease in sales promotion expensed, following the Company's expense control policy in sales promotion.



## Administrative Expenses

The Company's administrative expenses for the first quarter ended 31 March 2023 and 2024 were THB 83.27 million and THB 91.33 million, respectively, equivalent to an increase of 9.67%. This is mainly due to the increased in employee expenses to support the business expansion of subsidiaries. However, warehouse and office expenses has decreased according to the Synergy roadmap within group of companies.

## Net Profit

The Company's Net Profit for the first quarter ended 31 March 2023 and 2024 were THB 2.41 million and THB 10.04 million, respectively, an increase of THB 7.63 million and the Company's Net Profit margin has increased from 0.58% to 2.39% compared to total income.

The Operating results for the first quarter of 2024 has increased from upper income and reduced impact from recognizing losses from measuring financial assets at fair value. In the first quarter of the year 2023, losses of THB 69.23 million were recognized, whereas in the first quarter of the year 2024, a profit of THB 1.1 million was recognized.

## Financial Position

### Total Assets

As of 31 March 2024, the Company's total assets stood at THB 4,965.67 million, decreased from last year by THB 50.27 million equivalent 1.00%, the decrease in total assets primarily resulted from a decrease in trade receivables by THB 17.28 million due to debt collections during the periods, and a decrease in inventory by THB 57.25 million due to efficient inventory management. However, the Company experienced a net increase in cash and short-term financial assets of THB 25.43 million, attributed to a cash inflow from operation during the period amounting to THB 42.45 million.

In this regard, the liquidity management in the capital market of the Company has an investment value of 0% of total assets according to the consolidated financial statements and not more than 40% without meeting the investment conditions that are characterized as operating an investment management business according to the announcement NorPor.5/2023

### Total Liabilities

As of 31 March 2024, the Company held total liabilities of THB 351.97 million, decreased by 16.55% from last year. Total liabilities decreased mainly due to payment of accounts payable and other debt under normal term and conditions.

### Shareholders' Equity

As of 31 March 2024, shareholders' equity of the Company was recorded at THB 4,613.70 million. The increase in shareholders' equity of 0.43% was mainly due to the net profit and gain from translating financial statements.

## Financial Ratio

Financial Ratio	As of 31 March 2023	As of 31 March 2024
Liquidity Ratio (times)	11.62	15.39
Debt to Equity Ratio (times)	0.10	0.08
Return on Equity - ROE (%)	0.05%	0.22%
Return on Assets - ROA (%)	0.05%	0.25%
Net Profit Margin (%)	0.58%	2.39%

Please be informed accordingly.

Yours Sincerely,

*-signed-*

Mr. Vanchai Srisushon

Chief Financial Officer