

- Translation –

9 May 2024

Subject Management Discussion and Analysis for the 1st quarter ended 31 March 2024

Attention To President, The Stock Exchange of Thailand

Successmore Being Public Company Limited (“the Company”) would like to provide Management Discussion and Analysis for the 1st quarter ended 31 March 2024 as follows

Financial Performance Summary ended 31 March 2024

Consolidated	Q1/24 compared to Q4/23 (QoQ)				Q1/24 compared to Q1/23 (YoY)			3M-24 compared to 3M-23 (YTD)			
	Q1/24	Q4/23	Change	% Change	Q1/23	Change	% Change	3M-24	3M-23	Change	% Change
Revenue from Sales	156.6	227.5	(70.9)	-31.2%	243.7	(87.0)	-35.7%	156.6	243.7	(87.0)	-35.7%
- Sales through Local Businessmen	150.7	223.5	(72.8)	-32.6%	241.8	(91.1)	-37.7%	150.7	241.8	(91.1)	-37.7%
- Export to Overseas Distribution Agents	6.0	4.0	1.9	47.9%	1.9	4.1	216.5%	6.0	1.9	4.1	216.5%
Revenue from Services	1.1	2.4	(1.3)	-54.5%	0.4	0.7	206.7%	1.1	0.4	0.7	206.7%
Total Revenue from Sales and Services	157.7	230.0	(72.2)	-31.4%	244.0	(86.3)	-35.4%	157.7	244.0	(86.3)	-35.4%
Cost of Sales	(37.7)	(76.0)	(38.3)	-50.4%	(44.9)	7.3	16.2%	(37.7)	(44.9)	(7.3)	-16.2%
Cost of Services	(0.7)	(1.6)	(1.0)	-60.3%	(0.3)	(0.3)	-112.3%	(0.7)	(0.3)	0.3	112.3%
Total Cost of Sales and Services	(38.3)	(77.6)	(39.3)	-50.7%	(45.3)	6.9	-15.4%	(38.3)	(45.3)	(6.9)	-15.4%
Gross Profit	119.4	152.3	(32.9)	-21.6%	198.8	(79.3)	-39.9%	119.4	198.8	(79.3)	-39.9%
(% Gross Profit)	75.7%	66.2%			81.5%			75.7%	81.5%		
Interest income from hire-purchase	2.3	2.3	0.0	0.7%	2.1	0.2	n/a	2.3	2.1	0.2	n/a
Other income	10.2	17.4	(7.2)	-41.2%	14.6	(4.4)	-30.2%	10.2	14.6	(4.4)	-30.2%
Gain (Loss) on foreign exchange rate - net	4.3	(5.4)	9.8	180.2%	(1.1)	5.4	-509.1%	4.3	(1.1)	5.4	-509.1%
Distribution costs (Selling expense)	(86.2)	(105.3)	(19.1)	-18.1%	(145.6)	(59.4)	-40.8%	(86.2)	(145.6)	(59.4)	-40.8%
Administrative expenses	(34.1)	(31.6)	2.5	8.0%	(39.3)	(5.1)	-13.1%	(34.1)	(39.3)	(5.1)	-13.1%
Profit before Finance costs and Income tax	15.9	29.6	(13.7)	-46.2%	29.6	(13.7)	-46.1%	15.9	29.6	(13.7)	46.1%
Finance costs	(0.5)	(0.5)	(0.0)	-5.1%	(0.6)	(0.2)	-28.2%	(0.5)	(0.6)	(0.2)	-28.2%
Profit before Income tax	15.5	29.1	(13.7)	-46.9%	29.0	(13.5)	-46.5%	15.5	29.0	(13.5)	-46.5%
Income tax	(3.9)	(5.8)	(1.9)	-32.2%	(8.9)	(5.0)	-56.4%	(3.9)	(8.9)	(5.0)	-56.4%
Net Profit	11.6	23.4	(11.8)	-50.5%	20.0	(8.4)	-42.1%	11.6	20.0	(8.4)	-42.1%
(% Net Profit)	6.8%	9.4%			7.7%			6.8%	7.7%		

Sales by group of products	Q1/24 compared to Q4/23 (QoQ)				Q1/24 compared to Q1/23 (YoY)			3M-24 compared to 3M-23 (YTD)			
	Q1/24	Q4/23	Change	% Change	Q1/23	Change	% Change	3M-24	3M-23	Change	% Change
1. Nutrinal	78.4	107.2	(28.8)	-26.9%	96.8	(18.4)	-19.0%	78.4	96.8	(18.4)	-19.0%
2. Body Cheer	19.9	33.3	(13.4)	-40.3%	20.8	(0.9)	-4.6%	19.9	20.8	(0.9)	-4.6%
3. Neatly Home	3.3	6.1	(2.8)	-46.5%	4.1	(0.8)	-19.9%	3.3	4.1	(0.8)	-19.9%
4. S Mone	13.3	15.6	(2.3)	-14.7%	11.5	1.7	15.0%	13.3	11.5	1.7	15.0%
5. Growing More	38.1	61.3	(23.2)	-37.8%	104.6	(66.5)	-63.6%	38.1	104.6	(66.5)	-63.6%
6. Smart Creation	3.7	4.1	(0.4)	-10.3%	5.8	(2.1)	-36.4%	3.7	5.8	(2.1)	-36.4%
Total Revenue from Sales	156.6	227.6	(71.0)	-31.2%	243.7	(87.1)	-35.7%	156.6	243.7	(87.1)	-35.7%

Operating Results

Unless otherwise stated, the change (increase + / decrease -) (%) shall refer to the change vs the same period of 2023.

Revenues from Sales

Revenue from sales through local businessmen for 3-month period ended 31 March 2024 decreased by THB 87.0 million (-35.7%). This was mainly due to the decline in domestic sales from supplementary products according to the economic slowdown situation and the purchasing power of consumers coupled with the increasing competition in the food supplement market, and the decline in domestic sales from company's agricultural product due to the situation of fertilizer prices both in the world market and in Thailand, which have decreased by 30 - 40% and leads the company's agricultural products price become the same level and not different compared to the same product in the market. However, when considering sales volume by product groups in the first quarter of 2024 compared to the first quarter of 2023 (YoY), it will be found that the group of cosmetic products have been increased in sales volume +15.0%

Revenue from export to overseas distribution agents for 3-month period ended 31 March 2024 increased by THB 4.1 million (+216.5%) because of the economic situation and the purchasing power of consumers in countries where the company has distributors especially Malaysia, which has begun to recover. As a result, sales of distributors in Malaysia increased and causing the number of new orders from Thailand to be increased as well.

Revenue from services for 3-month period ended 31 March 2024 increased by 0.7 million (+206.7%) due to marketing activities such as training and seminar are more organized in the form of Offline activity and company charge fees from these Offline activities. However, the company still organized Online activities which reach a wide number of participants and charge no fee, to encourage members both domestically and abroad to access various activities set up by company continuously.

Other Income

Other income for 3-month period ended 31 March 2024 decreased by THB 4.4 million (-30.2%). This was a result of a decrease in member register fee due to a decrease in the company's new membership, a decrease in revenue from overseas distributors using the brand (Brand using fee) that decreased in line with the sales of distributors in each country, and the decrease of revenue from sale of souvenirs that declined as well.

Distribution costs (Selling Expenses)

Most of the selling expenses are the commissions that the company paid to businessmen and expenses for marketing promotion activities, consisting of advertising expenses. Selling expenses for 3-month period ended 31 March 2024 decreased by THB 59.4 million (-40.8%) in the same direction as sales decreased. However, when considering the proportion of the decrease in selling expenses that decreased at a rate more than the decrease in sales volume, because the adjustment in commission payment plan that has been approved by the Office of the Consumer Protection Board (OCPB) to balance and be consistent with company's sales volume which effective from January 2024 onwards. Reduction in commission payout rate leads the selling expenses to decreased at a rate more than the decrease in sales volume.

Administrative Expenses

Administrative expenses for 3-month period ended 31 March 2024 decreased by THB 5.1 million (+13.1%) as a result of the reduction in employee expenses of Chadhai Leasing Co., Ltd., a subsidiary which the company holds 100% of shares. During the same period of the previous year, the subsidiary company was in the process of ceasing business operations. Therefore, there are employee expenses in terms of monthly compensation. and employee compensation from business cessation which such expenses did not occur during the first quarter of 2024, as a result, administrative expenses decreased. However, when considering administrative expenses in the 1st quarter of 2024 compared to the 4th quarter of 2023 (QoQ), it was found that administrative expenses increased by THB 2.5 million (+8.0%), because the Company has set up an allowance for expected credit losses of hire-purchase receivables of the subsidiaries and the recognition of losses from the sale of car seized from hire purchase debtors, resulting in an increase in administrative expenses.

Net Profit

The company's net profit for the 1st quarter of 2024 was THB 11.6 million, decreased by THB 11.8 million (-50.5%) from the 4th quarter of 2023, which was THB 23.4 million. However, compared to the 1st quarter of 2023 (YoY), net profit decreased by THB 8.4 million (-42.1%). The net profit margin for the first 3-month of 2024 was 6.8%, lower than the net profit margin for the first 3-month of 2023 which was 7.7% and lower than the net profit margin for the 4th quarter of 2023 which was 9.4% mainly due to lower sales volume but increased in administrative expenses as described in the previous section.

Balance Sheet

Consolidated	For period ended					
	31 March 2024		31 December 2023		Change	
	THB MIn	%	THB MIn	%	THB MIn	%
Total Assets	863.3	100.0%	887.6	100.0%	(24.3)	-2.7%
Total Liabilities	154.1	17.8%	184.0	20.7%	(29.9)	-16.2%
Shareholders' Equity	709.2	82.2%	703.6	79.3%	5.6	0.8%

Total Assets

Total assets as of 31 March 2024 decreased by THB 24.3 million (-2.7%), mainly due to the decrease of cash and cash equivalents, and a decrease in hire purchase receivables. Some of the reduction in cash was converted into increasing in inventories, according to the company's business plan to drive online channel and the plan of product ordering from suppliers at an appropriate cost before there is an increase in costs. Some of cash was paid to company's trade accounts payables.

Total Liabilities

Total liabilities as of 31 March 2024 decreased by THB 29.9 million (-16.2%), mainly due to the decrease of trade and other current payables.

Shareholders' Equity

Shareholders' equity as of 31 March 2024 increased by THB 5.6 million (+0.8%), mainly due to the increase of retained earnings according to the company's performance.

Sincerely yours,

(Mr. Noppakrit Nithilertvijit)

Chief Executive Officer