

Miss Grand International Public Company Limited



Management Discussion and Analysis (MD&A)

Q1/2024

Summary of operating result in quarter 1 of 2024

Unit: THB million

Operating result Q1 2024	Q1 2566	Q1 2567	Change (%)
Total revenues	83.03	151.02	81.89%
Gross profit	32.40	67.12	107.16%
Net profit (loss)	7.66	21.20	176.76%
Gross profit margin	39.02%	44.44%	5.42%
Net profit (loss) margin	9.23%	14.04%	4.81%

Total revenues:

- Miss Grand International Public Company Limited (the "Company") recorded total revenues of THB 151.02 million in the first quarter of the fiscal year 2024, representing an increase of 81.89 percent from the first quarter of the fiscal year 2023. This significant growth is attributed to the current expansion trend across all sectors of the company's businesses, whether it be revenue from commerce, revenue from artists, revenue from media and entertainment

Gross profit and gross profit margin:

- In the first quarter of the fiscal year 2024, the company achieved an initial profit of THB 67.12 million, marking an increase of 107.16 percent from the first quarter of the fiscal year 2023. This growth is in line with the proportional increase in revenue and improved cost control measures.

- The company continues to effectively manage its initial profit margin, with a profit margin of 44.44 percent in the first quarter of fiscal year 2024, an increase from 39.02 percent in the first quarter of fiscal year 2023. This improvement is attributed to the company's enhanced management of service cost and the introduction of new products, resulting in higher initial profits.

Net profit and net profit margin:

- In the first quarter of fiscal year 2024, the company achieved a net profit of THB 21.20 million ,an increase of 176.76 percent from the first quarter of fiscal year 2023. This remarkable growth can be attributed to the expansion of the company's commercial business through increased participation in Miss Grand competitions, resulting in higher sales of the company's products. Leveraging platforms like TikTok has significantly boosted product sales. Additionally, the company has received positive responses in sales across its media and entertainment business sectors, as well as in artist management. Artists such as Aoom Thaweporn Pongjaras, Meena Rina Chatamonchai, Snack Atchari Srisuk, Phailue Kamonwalee Prajaksrat, Engfa and Chalote Austin
- In the first quarter of fiscal year 2024, the company achieved a net profit margin of 14.04 percent, an increase from 9.23 percent in the first quarter of fiscal year 2023. This improvement in net profit margin is attributed to the increase in revenue from product sales and services, which has resulted in a better net profit margin.

Activities in quarter 1 of 2024

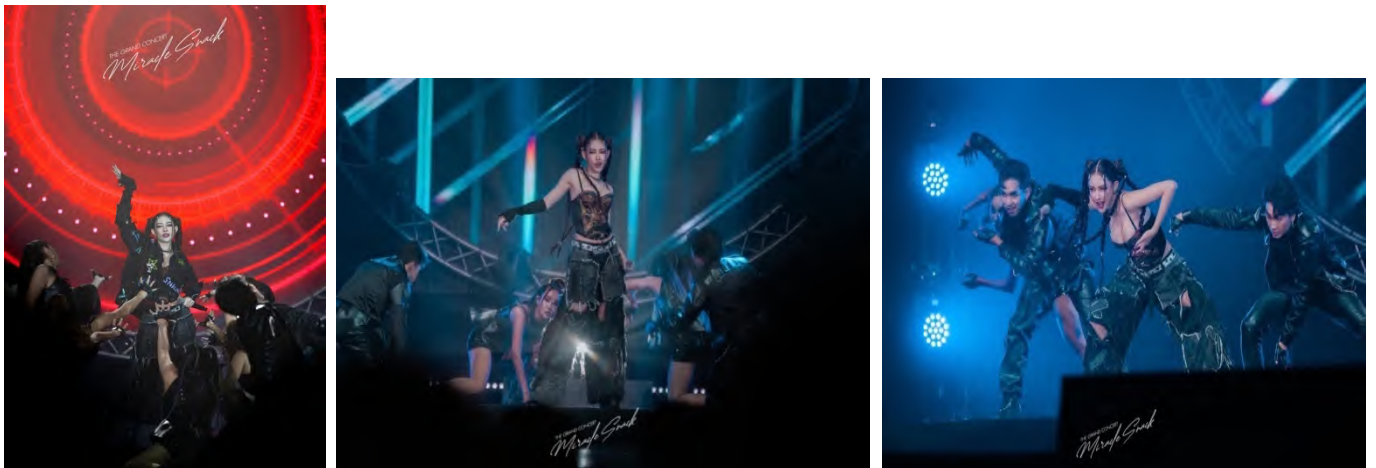
- Company’s products best selling Top 5 in quarter 1 of 2024



1. NangNgam Numprick – Plaslit
2. NangNgam Sun Screen Serum
3. Finver Perfume 4 Scents
4. NangNgam Neck Serum
5. NangNgam Anti – Melasma & Dark Spot Cream



- On January 21, 2024, at Maya Shopping Center in Chiang Mai p, Fanmeet MGT 2023 Northern Region was held. The event featured 11 artists from the Miss Grand Thailand 2023 , along with the artist Chalote Austin. The objective of the event was to foster relationships between the company's artists and their fan clubs.



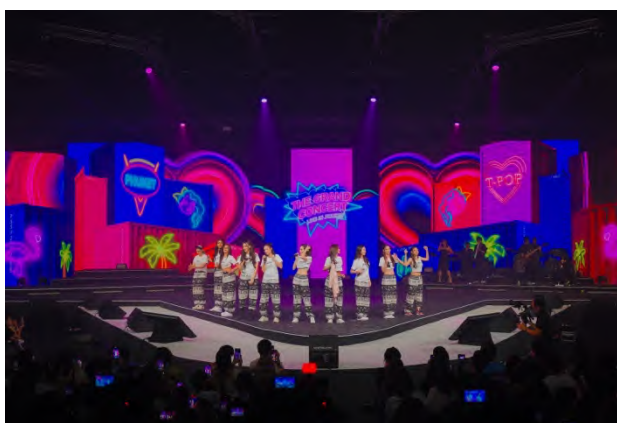
- The grand concert "Miracle Snack" on February 2, 2024, at MGI Hall. The leading artist for the concert was Snack Atchariya Srisuk. It was Snack's first major concert and attracted a large number of fans to attend.



- On February 17, 2024, there was a birthday event for Engfa at MGI Hall. Artists under the company and fan clubs joined together to celebrate Engfa's birthday. The event featured activities throughout the day aimed at fostering relationships among attendees.



- In March 2024, the company began the casting for Miss Grand Thailand 2024. This year, the casting took place in Phuket province and featured numerous activities to encourage participation. A total of 77 provinces participated in the activities, which were broadcasted for free on Grand TV's YouTube channel.



- The grand concert "The Grand Concert Live in Phuket" was held in Phuket province on March 20, 2024. The main artists included Engfa Waraha, Chalotte Austin, Snack Atchariya Srisuk, and Aoom Thaweporn Pongjaras, along with the top 24 contestants who received the highest votes. They were designated as T-POP artists.



- The Fanmeet event featuring Mina and Um Thipawan was held on March 24, 2024, at MGI Hall. The objective of the event was to create activities that would strengthen the bond between the company's artists and their fan clubs.

Financial analysis

Unit: THB million

Operating result Q1/2024	Q1 2023	Q1 2024	Change (%)
Revenues from sales and services	82.46	150.55	82.57%
Cost of sales and services	50.06	83.43	66.66%
Gross profit	32.40	67.12	107.16%
Other income – including finance income	0.67	1.35	101.49%
Selling expenses	9.30	25.79	177.31%
Administrative expenses	14.14	14.91	5.45%
Share of loss from investment in joint venture	0.00	0.96	100.00%
Finance expenses	0.01	0.00	(100.00)%
Operating profit	9.61	26.81	178.98%
Income tax expenses	1.95	5.61	187.69%
Net profit (loss)	7.66	21.20	176.76%

Total revenues:

The Company has revenues from business operation which can be divided into 5 categories as follows:

1. Revenues from sales of products which can be divided into 2 groups, i.e.:

1.1 In the first quarter of 2024, consumer product (non-edible) generated revenue of THB 55.03 million, marking an increase of 181.48 percent from the same period in 2023.

1.2 Consumer product (edible) generated revenue of THB 37.44 million in the first quarter of 2024, marking an increase of 97.05 percent from the same period in 2023.

The company's revenue from product sales increased significantly because the company organized the Miss Grand Thailand 2024 beauty pageant, where contestants competed in selling the company's products through the TikTok platform. This initiative led to a substantial increase in sales.

2. Revenues from media and xperiences business

The company's revenue from the media and Xperiences business amounted to THB 23.96 million in the first quarter of 2024, representing an increase of 21.50 percent from the first quarter of 2023. This growth is attributed to the company organizing various events such as the Fan Meeting MGT 2023 in the Northern region, The Grand Concert Miracle Snack, Engfa's birthday event, and The Grand Concert Live in Phuket. Compared to the previous year, there were more events organized and a larger following, resulting in increased revenue.

3. Revenues from talent business

The company's revenue from artist management business amounted to THB 27.08 million in the first quarter of 2024, marking a 35.33 percent increase from the first quarter of 2023. This revenue was derived from artists under the company's management, including Engfa Warapha, Chalotte Austin, Aoom Thaweporn Pongjaras, Meena Rina Chatomchai, Snack Atchariya Srisuk, and Phailue Kamonwalee Prajaksrat, among others. These artists, who are diverse and well-liked by the company's audience, provide excellent value for the services rendered. As a result, revenue from artist management has seen significant growth.

4. Revenues from Pageant business

In the first quarter of 2024, there was no recorded revenue from competitions.

5. Revenues from sub-lease of MGI Hall business

The company's revenue from renting out the MGI Hall amounted to THB 6.07 million in the first quarter of 2024, representing an increase of 56.85 percent from the first quarter of 2023. The company increased the rental rates per day to align with the current market demand, which is high. This adjustment led to a significant increase in revenue.

Unit: THB million

Revenues by businesses	Q1 2023	Q1 2024	Change (%)
Consumer product (non-edible)	19.55	55.03	181.48%
Consumer product (edible)	19.00	37.44	97.05%
Revenues from media and x-periences			
- Revenues from media and x-periences	19.72	23.96	21.50%
- Revenues from artist management	20.01	27.08	35.33%
Revenues from Pageant	-	-	0.00%
Other incomes			
- Revenues from sub-lease of MGI Hall	3.87	6.07	56.85%
- Income from other services	0.31	0.97	212.90%
Other incomes – excluding finance income	0.57	0.47	-17.54%
Total revenues	83.03	151.02	81.89%

Selling expenses:

The company's distribution expenses amounted to THB 25.79 million in the first quarter of 2024, marking an increase of 177.31 percent from the first quarter of 2023. The primary reason for this increase was the expenses related to platforms, primarily TikTok, used as a sales channel. The service fees associated with selling through these platforms resulted in significantly higher distribution expenses, aligning with the increased revenue.

Administrative expenses:

The company incurred management expenses totaling THB 14.91 million in the first quarter of 2024, representing an increase of 5.45 percent from the first quarter of 2023. The increase was primarily due to expenses related to employee salaries. There were adjustments made to the annual salaries in line with the company's standards, resulting in a moderate increase that was not significantly impactful.

Share of loss from joint venture:

The company jointly invested with Karmart Public Company Limited in establishing the "KMGi Company Limited," a joint venture. The joint venture commenced its operations and began selling products in September 2023. However, after deducting costs and expenses related to various operations, the joint venture incurred a loss in the first quarter of 2024. The company's share of the loss from the joint venture amounted to THB 0.96 million.

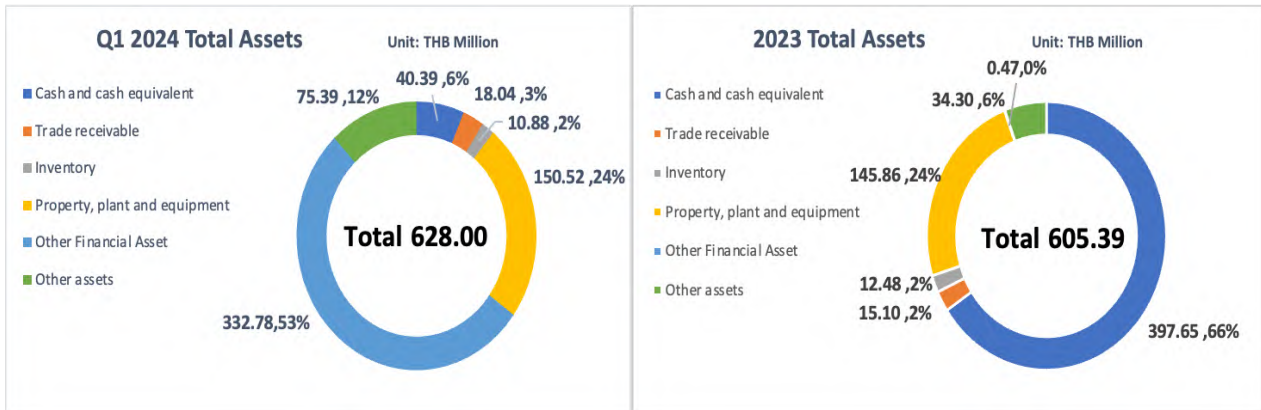
Finance incomes and finance expenses:

The Company's finance income is came from interest of deposit only. In this regard, the Company operates its business with its own capital. The Company records interest from finance agreement in accordance with TFRS16. The Company does not have loan and interest-bearing liabilities and has no effect on substance of the financial statements.

Net profit and net profit margin:

The company achieved a net profit of THB 21.20 million in the first quarter of 2024, representing an increase of 176.76 percent from the first quarter of 2023. This significant increase was primarily driven by higher sales of products and services, resulting in higher profits. Additionally, the net profit margin increased due to the company's efficient management of costs and expenses related to sales.

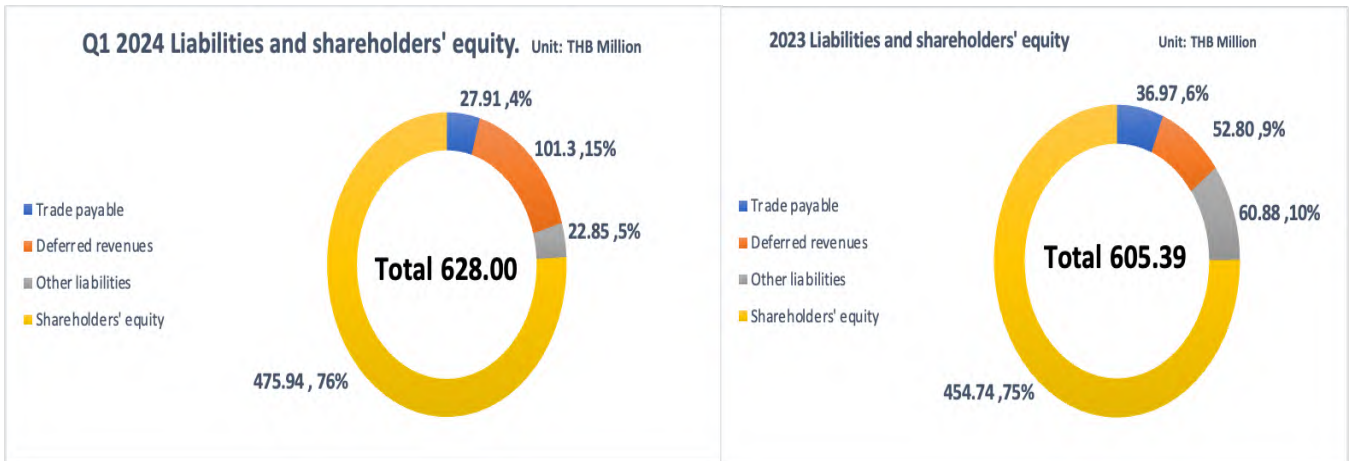
Analysis of the Company's financial position



Asset :

In the first quarter of 2024, the company's total assets amounted to THB 628.00 million , increasing by THB 22.6 million , or 3.73 percent, from the end of 2023. The assets that increased and decreased are as follows:

1. Cash and cash equivalents decreased by THB 357.36 million as the company invested the funds in government bond funds to enhance returns.
2. Trade receivables increased by THB 2.94 million due to the company's higher sales volume from TikTok compared to the previous year, 2024.
3. Inventory decreased by THB 1.60 million because the company efficiently managed its inventory, such as through promoting sales of the "Enga Collagen" product. This led to a reduction in the value of remaining collagen products.
4. Land, buildings, and equipment increased by THB 4.66 million because the company was undergoing building renovations, leading to increased refurbishment costs. Additionally, the company purchased computers to accommodate the increased number of employees.
5. Other financial assets increased by THB 332.31 million because the company invested money in funds to seek higher returns than before.



Liabilities:

In the first quarter of 2024, the company's total liabilities amounted to THB 152.06 million, increasing by THB 1.41 million , or 0.94 percent, from the balance as of December 31, 2023. This increase in liabilities occurred despite a decrease in revenue, which is as follows:

1. Trade and other payable decreased by THB 9.06 million due to the company's timely payments for various events, resulting in a reduction compared to December 31, 2024.
2. Deferred revenues increased by THB 48.50 million due to the company's heightened customer confidence, resulting in advance payments for copyrights, MGT and MGI event sponsorships, as well as artist management fees. Consequently, the revenue awaiting recognition in the accounts has significantly increased. Additionally, as the company is currently participating in the MGT2024 competition, there is anticipated revenue to be recognized in the second quarter compared to the period ending December 31, 2565.
3. Other liabilities remained materially unchanged.

Shareholders' equity:

In Quarter 1 of 2024, the company's shareholders' equity amounted to THB 605.39 million , increasing by THB 22.61 million , or 3.73 percent, from December 31, 2023. This increase in shareholders' equity resulted from the profits generated from the company's operations.

Analysis of the Company's cash flow

Unit: THB million

Statement of cash flow	Q1 2023	Q1 2024
Net cash flow from (used in) operating activities	14.92	26.46
Net cash flow from (used in) investing activities	(2.45)	(341.58)
Net cash flow from (used in) financing activities	(0.20)	(42.14)
Net increase (decrease) in cash flow	(12.27)	(357.26)

Net cash flow:

In Quarter 1 of 2024, the company experienced a decrease in cash flow by THB 357.26 million. This reduction was due to the company's distribution of dividends during the third quarter of 2023, totaling THB 42 million, and the company's investment in reserve funds to seek returns amounting to THB 332.31 million.

Cash flow from operating activities:

In Quarter 1 of 2024, the company had a cash inflow of THB 26.46 million, derived from the company's overall operational profit.

Cash flow from investing activities:

In Quarter 1 of 2024, the company had a cash outflow of THB 341.58 million. This expenditure was primarily due to the company's investment activities, amounting to THB 332.31 million, which involved short-term fund investments to seek favorable returns. These investments did not affect the financial liquidity of the company. Additionally, there were expenses related to building renovations, computer purchases, and other assets, totaling THB 9.45 million.

Cash flow from financing activities:

First quarter of the year 2024, the company had a cash outflow in fundraising activities amounting to THB 42.14 million. This was due to the company paying dividends to shareholders totaling THB 42.00 million on January 23, 2024.