



NEO



Be Nice



fineline



D-nee



TROS



Evelsense



Vivite



TOM



Smart

Neo Corporate Public Company Limited

Management Discussion and Analysis

(MD&A)

For Q1/2024 Operating Results



Executive Summary

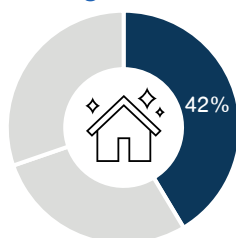
Results Overview	Q1/24	Q1/23	Q4/23	Change +/-	
Unit: Million THB				%YoY	%QoQ
Operating Revenue	2,472	2,278	2,455	8.5%	0.7%
Cost of Goods Sold	1,336	1,390	1,381	(3.9%)	(3.3%)
Gross Profit	1,136	888	1,074	27.9%	5.8%
Other Income	8	6	11	33.3%	(27.3%)
Selling and Distribution Expenses	488	413	514	18.2%	(5.1%)
Administrative Expenses	292	241	364	21.2%	(19.8%)
Financial Cost	24	9	20	166.7%	20.0%
Profit (Loss) before Income Tax Expense	340	231	187	47.2%	81.8%
Income Tax expenses	68	49	37	38.8%	83.8%
Net Profit (Loss)	272	182	150	49.5%	81.3%

Notes: Values may differ by one decimal point due to rounding

In Q1/2024, Neo Corporate Public Company Limited (the “Company” or “NEO”) reported the operating revenue of THB 2,472 million, increased by THB 194 million or 8.5% from Q1/2023, mainly due to the increase in revenue from personal care and baby and kids product categories. In Q1/2024, the Company reported the net profit of THB 272 million, increased by THB 90 million or 49.5%, due to the Company’s ability to effectively implement its business strategies, including marketing activities, customer base expansion, new product development, as well as effective raw material cost management and developing new packaging to reduced plastic usage.

In 2024, the Company projects a continuous growth trend driven by favorable industry outlook, as well as the continuous strategic adjustments to support the Company’s growth targets including developing new products, enhancing existing products, and exploring new growth opportunities. In addition, the Company will implement a comprehensive marketing and sales promotion strategies (360 degrees Marketing) through the year and expanding its distribution channels both domestically and internationally. These initiatives are expected to enhance the Company’s competitiveness, increase market share, and reinforce its position as a leading manufacturer and distributor of high-quality FMCG (Fast-moving consumer goods) products. The Company maintains its forecast for a double-digit sales growth rate in 2024.

Operating Revenue Structure



Household Products

Total solutions for fabric care and home cleaning products that are effective and safe



Fabric Care

"Total Solutions For Your Beloved Clothes"



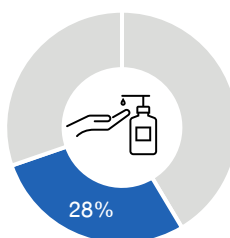
Fabric Care

"Anti bacterial Specialist"



Home Cleaning

"Home Cleaning Expert"



Personal Care Products

Extensive and distinctive personal care products to fulfill everyday needs of consumers



Fragrances & Deodorant

"Support Every Beauty Identity"



Body Care

"Entire Skincare Solution"



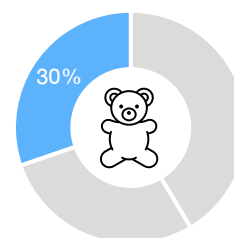
Fragrances & Deodorant/ Hair Care / Body Care

"Men's Complete Grooming Products"



Fragrances & Deodorant Body Care

"Gentle for Your Skin and Nature"



Baby and Kids Products

High quality baby and kids products with gentleness proven by international standards



"Trusted Brand For Mildness That The Whole Family Will Enjoy"

- Laundry Care
- Utensil Wash
- Body Care
- Others

Q1/2024 Operating Results

1. Revenue Breakdown by Product Category

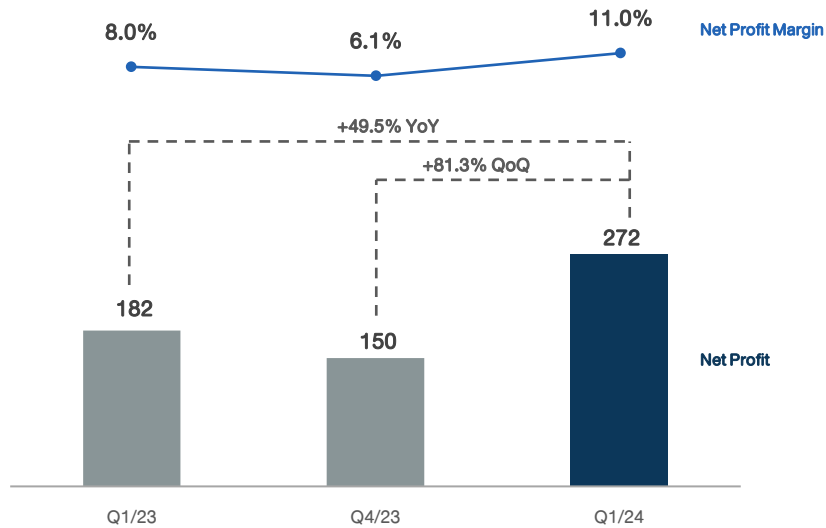
Revenue Structure	Q1/24	Q1/23	Q4/23	Change +/-	
Unit: Million THB				%YoY	%QoQ
Revenue from Sales of Household Products	1,024	1,027	1,065	(0.3%)	(3.8%)
Revenue from Sales of Personal Care Products	699	574	553	21.8%	26.4%
Revenue from Sales of Baby & Kids Products	749	677	837	10.6%	(10.5%)
Total Operating Revenue	2,472	2,278	2,455	8.5%	0.7%

Notes: Values may differ by one decimal point due to rounding

2. Net Profit and Net Profit Margin

Net Profit and Net Profit Margin

Unit: Million THB, %



YoY: Q1/2024 vs Q1/2023

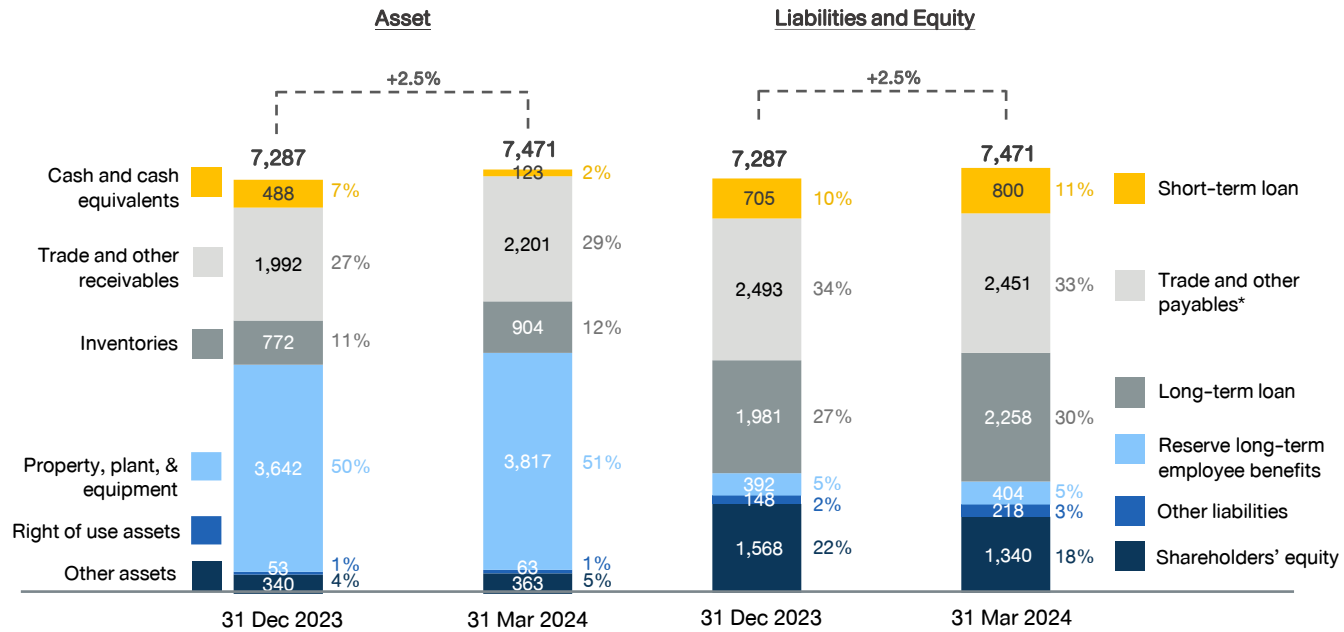
In **Q1/2024**, the Company reported a net profit of THB 272 million, an increase of THB 90 million or 49.5% from Q1/2023. This growth was mainly due to the increase in revenue from the personal care and baby and kids product categories. This was driven by effective operational strategies that enhanced competitiveness in marketing, customer base expansion, and new product development, as well as by effectively managing raw material costs through the development of new packaging that reduced plastic usage. However, the Company experienced an increase in Selling and Administrative Expenses compared to Q1/2023. This increase was largely due to special remuneration given to directors, executives, and employees of the Company and its subsidiaries who received the right to subscribe to the Company's newly issued ordinary shares (ESOP), and the depreciation from the automated finished goods warehouse and automated storage and retrieval systems (ASRS), which have been operational since Q3/2023. As a result, the **net profit margin** in Q1/2024 was 11.0%, up from 8.0% in Q1/2023.

QoQ: Q1/2024 vs Q4/2023

Net Profit: In Q1/2024, the Company reported net profit of THB 272 million, increased by THB 122 million or 81.3% from Q4/2023, mainly due to the revenue growth in key domestic personal care product category including liquid soap, roll-on, and powders. In addition, cost of goods sold (COGS) decreased, resulting in lower average unit COGS, while selling and administrative expenses (SG&A) also decreased due to lower out-of-home advertising expenses and the absence of special bonus expenses, which was recorded in Q4/2023. As a result, **net profit margin** in Q1/2024 was 11.0%, increased from 6.1% in Q4/2023.

Statement of Financial Position

Unit: Million THB, %



*Note: Trade and other payables, including Department of Revenue payables

Total Assets

As of 31 March 2024, the Total Assets of the Company was THB 7,471 million, increased by THB 184 million or 2.5% from 31 December 2023, driven by the following key changes:

- **Cash and cash equivalents:** was THB 123 million, decreased by THB 365 million, due to the use of cash for investments for the production capacity expansion of personal care and baby and kids products, and paying out dividend payment for 2023. The decrease was partially offset by cash generated from operating during the quarter, short-term loans, and long-term loans from financial institutions.
- **Trade and other receivables:** was THB 2,201 million, increased by THB 209 million, corresponding to the growth in sales.
- **Inventories:** was THB 904 million, increased by THB 132 million, due to higher inventory to support anticipated sales growth in the coming quarter.
- **Property, plant, & equipment:** was THB 3,817 million, increased by THB 175 million, due to the investments for the expansion of production capacity for personal care and baby and kids products.

Total Liabilities

As of 31 March 2024, the Total Liabilities of the Company was THB 6,131 million, increased by THB 412 million or 7.2% from 31 December 2023, driven by the following key changes:

- **Short-term loans:** was THB 800 million, increased by THB 95 million, used as working capital for the Company's operations.
- **Long-term loans:** was THB 2,258 million, increased by THB 277 million, due to the investments for the expansion of production capacity for personal care and baby and kids products.

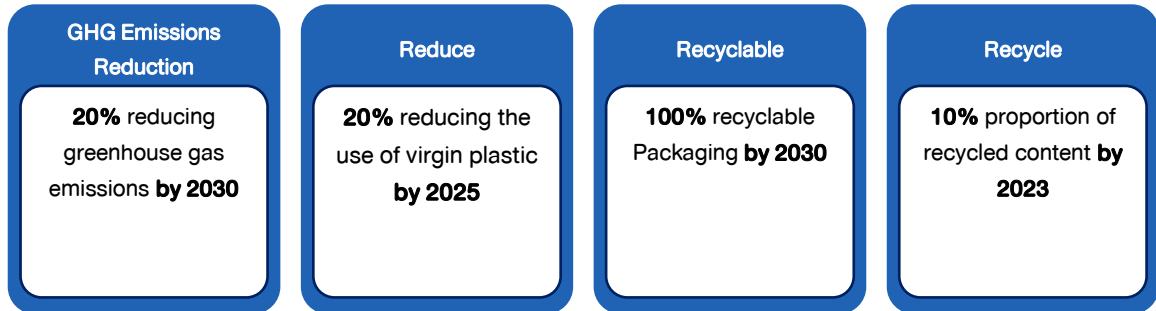
Total Shareholders' Equity

As of 31 March 2024, the Total Equity of the Company was THB 1,340 million, decreased by THB 228 million or 14.5% from 31 December 2023, mainly due to the reduction in retained earnings due to the Company's payment of the annual dividend of THB 500 million to its shareholders on March 20, 2024, partially offset by an increase in net profit to shareholders' equity in Q1/2024 of THB 272 million.

NEO: Driving Sustainable Business Practices (ESG)

The Company has developed a sustainable operations roadmap (ESG Activity Roadmap) to align with its circular economy policy and short-term and medium-term goals. The Company has plans and goals for promoting and developing sustainability, which aim to reduce environmental impact as follows:

Sustainable Operations Roadmap (ESG Activity Roadmap)



The Company implemented the following activities under its ESG Activity Roadmap:

GHG Emissions Reduction

In March 2024, the Company conducted an evaluation of its organizational greenhouse gas emissions of 2023 (Carbon Footprint for Organization: CFO) to assess the amount of greenhouse gas emitted from its business operations and to identify significant sources of greenhouse gas emissions in order to develop strategies for reducing the Company's greenhouse gas emissions to achieve the goal of reducing emissions by 20% by 2030 and achieving the Company's carbon neutrality goal. The Company's carbon footprint was assessed in accordance with the greenhouse gas management organization's (Public Organization) guidelines for evaluating organizational carbon footprints and ISO 14064-1, an international standard for organizational principles and requirements for measuring and reporting greenhouse gas emissions. To prepare the Company's carbon footprint, the Company collected data on greenhouse gas emissions and absorptions from the Company's business operations and activities. This data covered information from all three scopes of greenhouse gas emissions. The details of the evaluation results are as follows:

Greenhouse gas emissions data of NEO Corporate Public Company Limited

Standard criteria	Unit	Year 2023
Scope 1	tonCO ₂ e	4,953
Scope 2	tonCO ₂ e	6,601
Scope 1 and 2	tonCO ₂ e	11,554
Scope 3	tonCO ₂ e	187,828

Reduce (20% by 2025)

The Company has reduced its use of virgin plastic by a total of 85 tons, which accounts for 3.6% of its total plastic packaging volume.

Recyclable (100% by 2030)

The Company has compiled data on recyclable packaging materials, which account for 81% of the total packaging volume. The Company is currently in the process of developing and improving packaging to make the remaining 19% of the Company's total packaging recyclable.

Recycled content (10% by 2030)

In 2023, the Company developed and tested plastic pellets derived from recycled post-consumer plastic bottles to be used as Post-Consumer Resin (PCR) in support of the circular economy and to extend the lifespan of materials for maximum value. The Company has also designed and tested the strength of packaging to effectively maintain product quality. In Q1/2024, the Company launched the BeNice brand Mass Series products, which used 6.5 tons of PCR plastic pellets in their packaging.