

BESHOM HOLDINGS BERHAD



**1HFY2024
Results Update**

21 December 2023

Contents Financial Highlights 1HFY2024

Review by Segment

1HFY2024 vs. 1HFY2023

For the first half of the financial year, the Group recorded revenue and pre-tax profit of RM73.1 million and RM6.7 million, decreasing by 20.9% and 55.1% as compared to the previous year's corresponding period of RM92.3 million and RM15.0 million respectively. Heightened inflationary pressures and interest rate hike have eroded the purchasing power of consumers. According to the Malaysian Institute of Economic Research (MIER), the Consumer Sentiment Index continues its negative trend, dropping further to 78.9 points in the 3rd quarter of 2023 stayed below the threshold of 100 points, indicating the persistency of pessimism among the consumers.

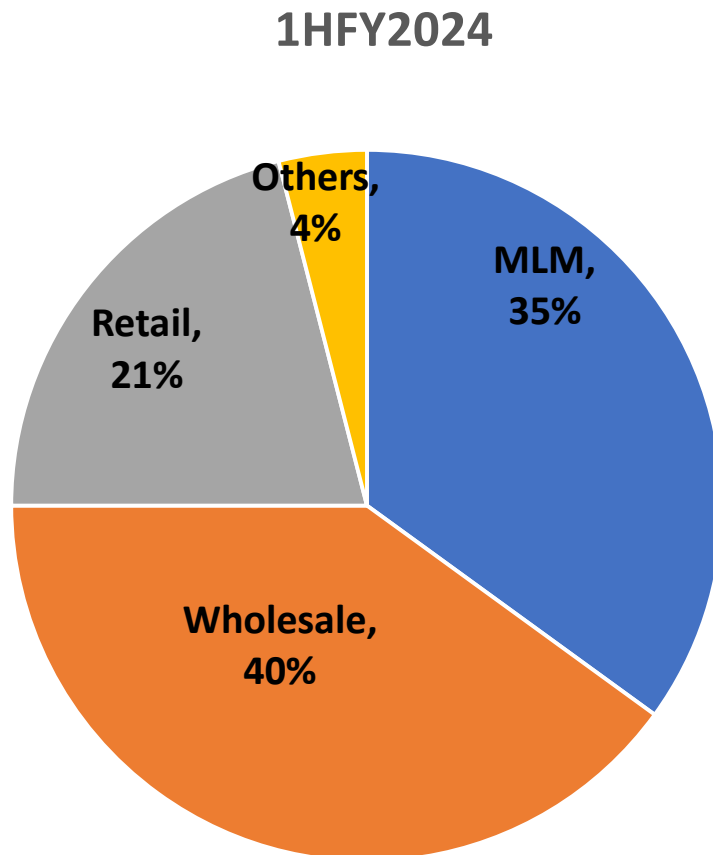
1HFY2024 vs. 1HFY2023

	1HFY2024 31 Oct 2023 (RM'mil)	1HFY2023 31 Oct 2022 (RM'mil)	Variance +/-
Revenue	73.07	92.34	-20.9%
Pre-tax Profit	6.74	15.01	-55.1%
Profit After Tax	4.85	11.12	-56.4%
Net Margin (%)	6.6%	12.0%	-5.4%
EPS (sen)	1.59	3.63	-2.04 sen

Statement of Financial Position

	1HFY2024 31 Oct 2023 (RM'mil)	FYE2023 30 April 2023 (audited) (RM'mil)
Net cash + Short term investment	103.29	95.63
Total assets	353.10	353.18
Total liabilities	33.84	31.41
Shareholders' equity	307.35	309.66
Net assets per share (RM)	1.02	1.03

Segment Revenue



Segment	1HFY2024 31 Oct 2023		1HFY2023 31 Oct 2022	
	(RM'mil)	(%)	(RM'mil)	(%)
MLM	25.77	35%	42.07	46%
Wholesale	28.99	40%	29.77	32%
Retail	15.46	21%	18.20	20%
Others	2.85	4%	2.30	2%
Total	73.07	100%	92.34	100%



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THE BEST STARTS FROM HOME

Review by
Segment

Multi Level Marketing (“MLM”)

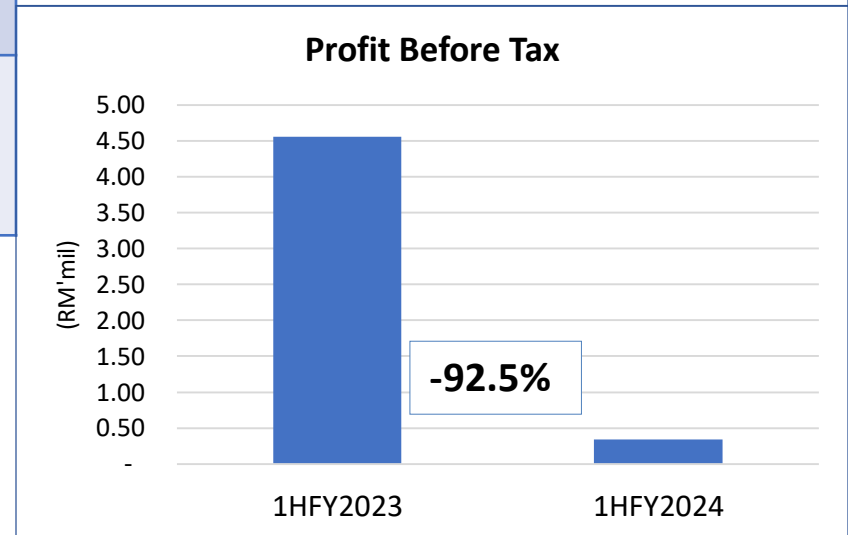
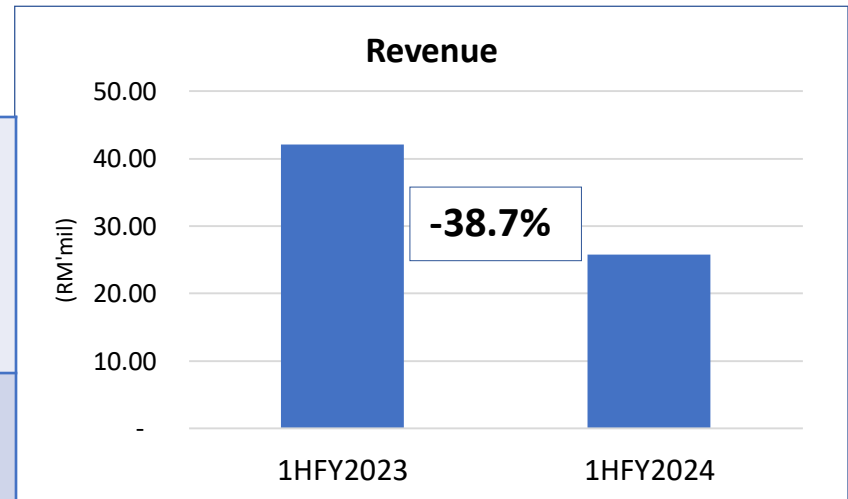
Wholesale

Retail

Others

MLM

MLM Segment	1HFY2024 31 Oct 2023 (RM'mil)	1HFY2023 31 Oct 2022 (RM'mil)	Changes (%)
External Revenue	25.77	42.07	-38.7%
Profit Before Tax	0.34	4.56	-92.5%



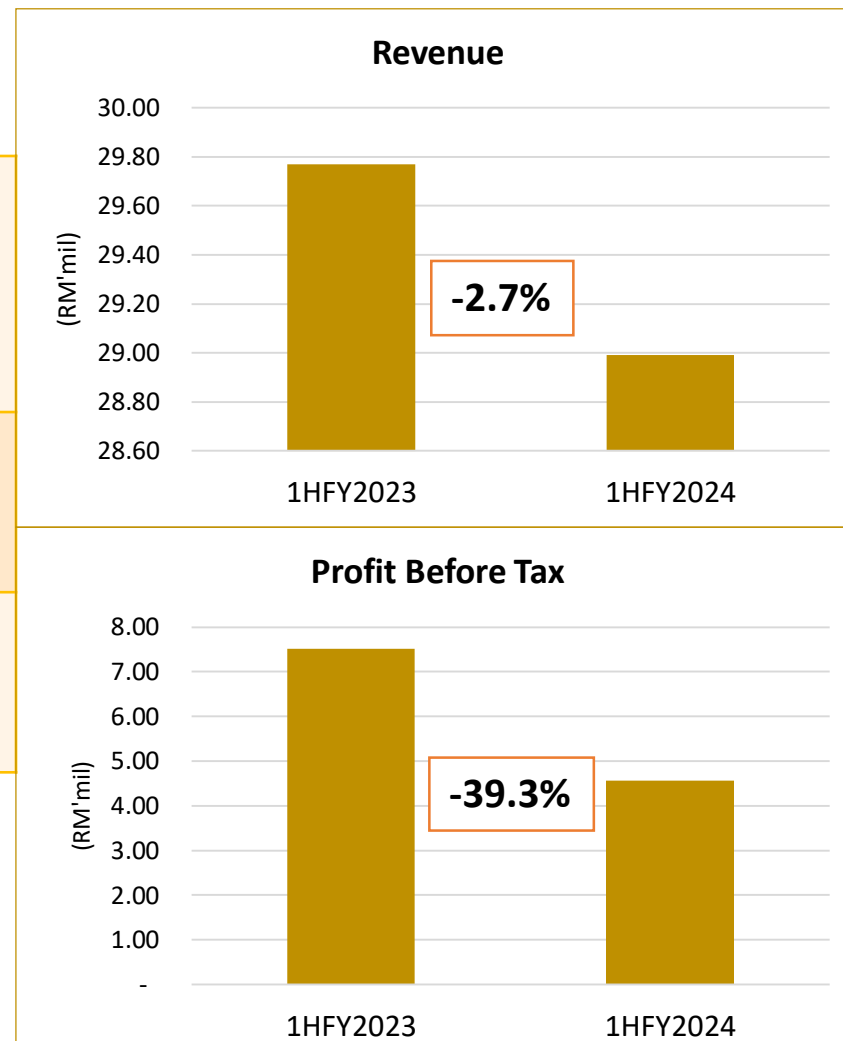
MLM

The MLM division is continuously facing challenges during the period as poor market sentiment has negatively impacted its members, particularly those from low to middle income groups. The elevated cost of living amidst lingering inflation pressures has significantly affected members' productivity and has also eroded the effectiveness of promotion and incentives. This is evident from the less encouraging response to the overseas sales campaign launched in the period under review. Some disheartened members even switched to casual employment to supplement income, further aggravating the already sluggish sales momentum.

In view of the above, MLM registered lower revenue and pre-tax profit of RM25.8 million and RM0.3 million respectively in the period under review.

Wholesale

Wholesale Segment	1HFY2024 31 Oct 2023 (RM'mil)	1HFY2023 31 Oct 2022 (RM'mil)	Changes (%)
External Revenue	28.99	29.77	-2.7%
Profit Before Tax	4.56	7.51	-39.3%



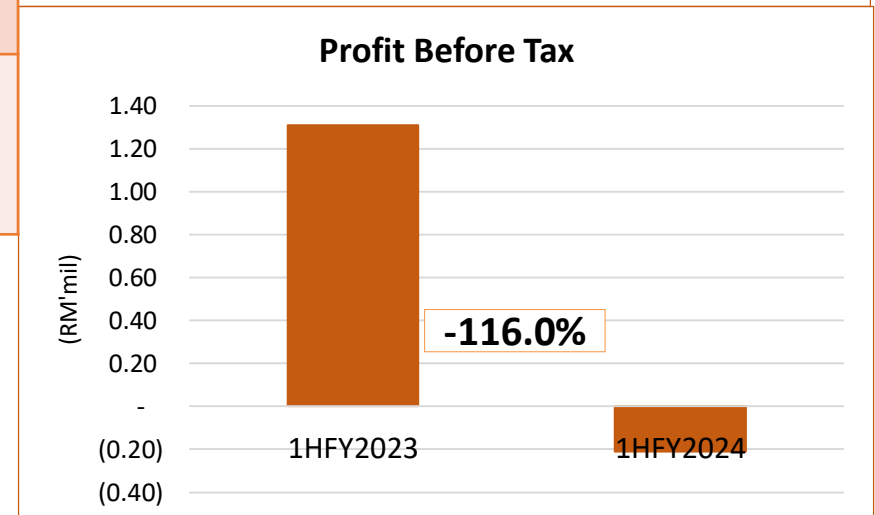
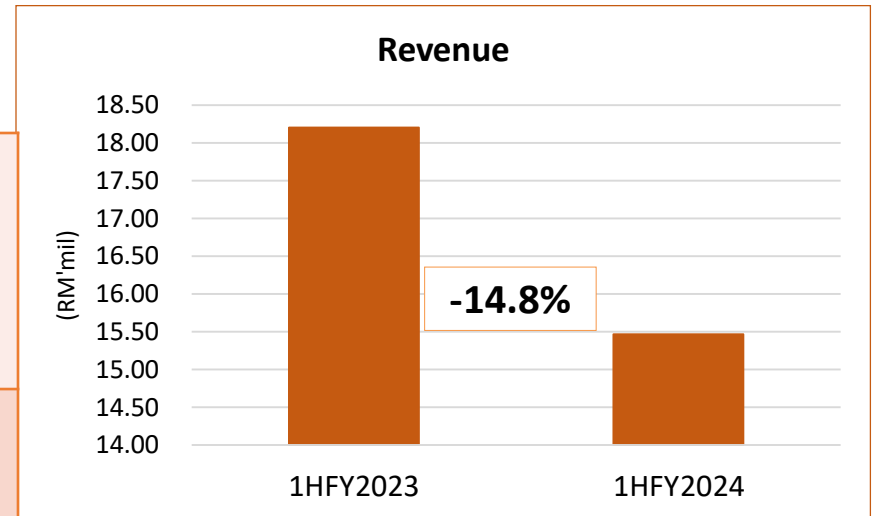
Wholesale

Divisional revenue decreased marginally by about 2.7% to RM29.0 million as compared to RM29.8 million in the previous year's corresponding quarter. In comparison with the previous year's corresponding period, divisional revenue was mainly contributed by the "last-buy" sales promotion prior to the price increase for its selected Chinese medicated tonic and cooking wine.

Pre-tax profit dropped by 39.3% to RM4.6 million. Higher base in the previous year's corresponding period was partly contributed by a gain from the disposal of vintage tea amounting to RM1.7 million and higher contribution from inter-segment sales.

Retail

Retail Segment	1HFY2024 31 Oct 2023 (RM'mil)	1HFY2023 31 Oct 2022 (RM'mil)	Changes (%)
External Revenue	15.46	18.20	-14.8%
Profit Before Tax	-0.21	1.31	-116.0%



Retail

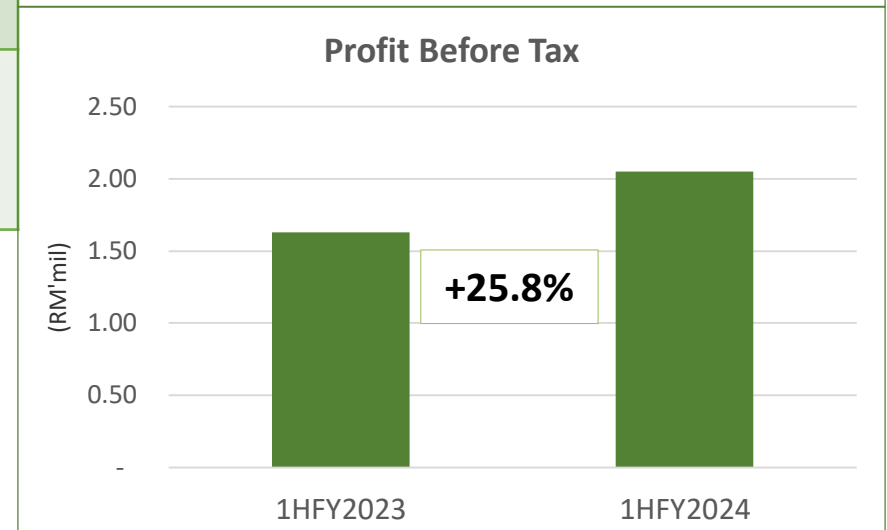
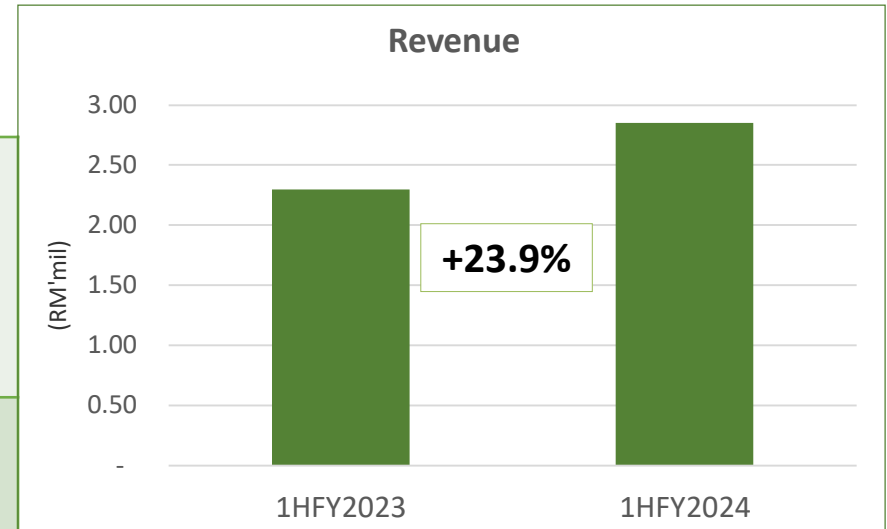
The retail industry in Malaysia continues to face challenges, high cost of living and interest rates have adversely affected the purchasing power of consumers. Recently, the Retail Group Malaysia (RGM) has revised downward the estimated 2023 annual growth rate from 4.8% to 2.7% for the Malaysian retail industry, indicating increased pessimism about consumer spending in the remaining of the year.

The Retail division posted a 14.8% decrease in revenue to RM15.5 million as compared to RM18.2 million in the previous year's corresponding quarter, mainly attributed to lower sales of house brand products. Despite an aggressive on-line and off-line promotion campaign carried out during the period, buying momentum remains subdued amidst of high cost of living. In addition, the return to normalcy post Covid-19 resulted in lower demand for health supplement products, especially immunity-boosting products.

In tandem with lower revenue recorded and high operating costs arose from higher personnel costs following the revision of minimum wages coupled with elevated rental costs, the division recorded a marginal loss of RM0.2 million.

"Others" segment

"Others" Segment	1HFY2024 31 Oct 2023 (RM'mil)	1HFY2023 31 Oct 2022 (RM'mil)	Changes (%)
External Revenue	2.85	2.30	+23.9%
Profit Before Tax	2.05	1.63	+25.8%



"Others" segment

Revenue from the Other division is primarily derived from the rental of investment properties, manufacturing of health supplements and credit & leasing business.

During the period under review, pre-tax profit increased by 25.8% to RM2.1 million mainly due to the improved performance in the manufacturing segment which secured higher OEM health supplement product orders from its OEM customers and lower operating costs recorded for the division.

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T H E B E S T S T A R T S F R O M H O M E

Thank you

Wisma Hai-O, Lot 11995, Batu 2, Jalan Kapar, 41400 Klang, Selangor Darul Ehsan, Malaysia

T. +603-3342 3322 | F. +603-3342 8285 | E. info@beshom.com

www.beshom.com

