



BESHOM HOLDINGS BERHAD

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**9MFY2023
Results Update**

27 March 2023

Contents Financial Highlights 9MFY2023

Review by Segment

9MFY2023 vs. 9MFY2022

For the nine months ended 31 January 2023, the Group recorded lower revenue of RM135.2 million, a decrease of 17.7% as compared to RM164.3 million in the previous financial year's corresponding period, reflecting continued challenges in the MLM division. Gross profit margin improved from 40.6% to 41.4%, mainly lifted by higher sales of selected Chinese medicated tonic and cooking wine during the "last-buy" sales promotion prior to the price revision.

In line with lower revenue and higher marketing costs, Group pre-tax profit decreased by 37.9% to RM19.1 million as compared to RM30.7 million in the previous year's corresponding period.

9MFY2023 vs. 9MFY2022

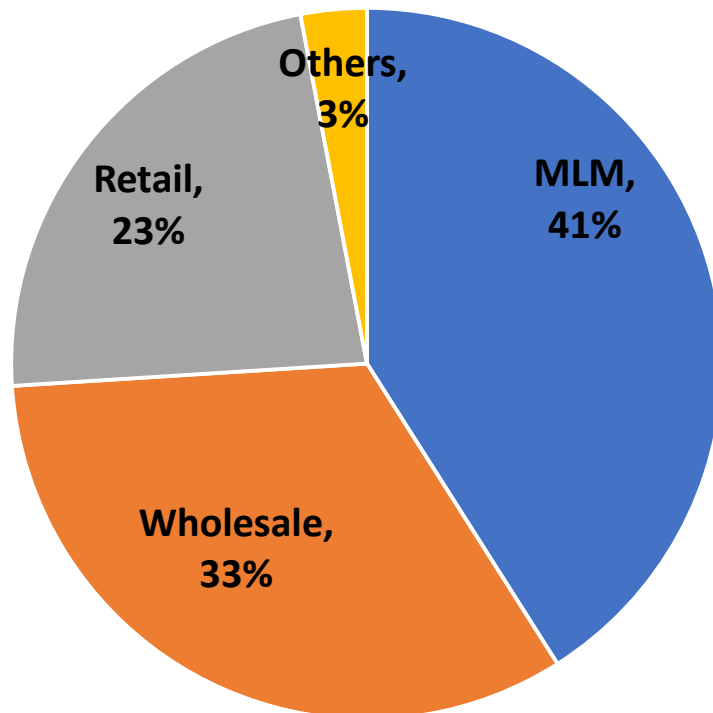
	9MFY2023 31 Jan 2023 (RM'mil)	9MFY2022 31 Jan 2022 (RM'mil)	Variance +/-
Revenue	135.21	164.29	-17.7%
Pre-tax Profit	19.09	30.74	-37.9%
Profit After Tax	14.04	23.10	-39.2%
Net Margin (%)	10.38%	14.06%	-3.68%
EPS (sen)	4.50	7.64	-3.14 sen

Statement of Financial Position

	9MFY2023 31 Jan 2023 (RM'mil)	FYE2022 30 April 2022 (audited) (RM'mil)
Net cash + Short term investment	96.34	117.29
Total assets	359.11	370.14
Total liabilities	40.21	41.04
Shareholders' equity	306.68	317.06
Net assets per share (RM)	1.02	1.06

Segment Revenue

9MFY2023



Segment	9MFY2023 31 Jan 2023		9MFY2022 31 Jan 2022	
	(RM'mil)	(%)	(RM'mil)	(%)
MLM	55.34	41%	93.59	57%
Wholesale	45.12	33%	39.42	24%
Retail	31.11	23%	28.25	17%
Others	3.64	3%	3.03	2%
Total	135.21	100%	164.29	100%



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Review by
Segment

Multi Level Marketing (“MLM”)

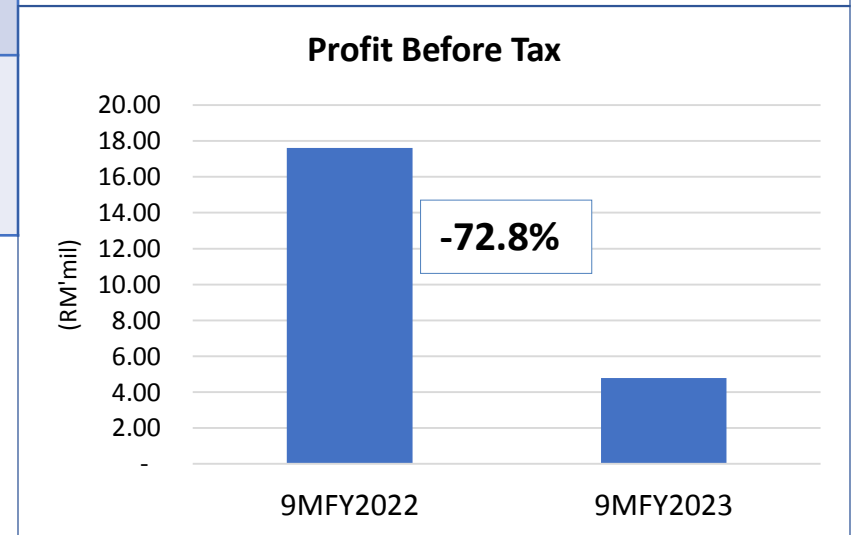
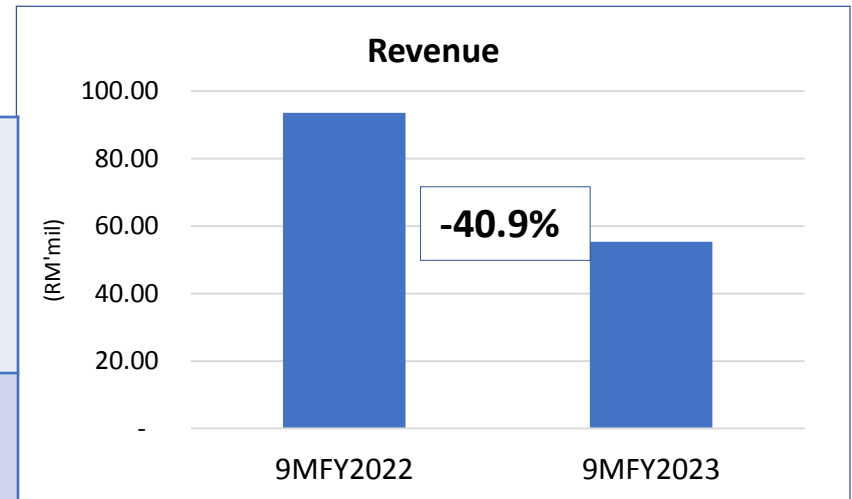
Wholesale

Retail

Others

MLM

MLM Segment	9MFY2023 31 Jan 2023 (RM'mil)	9MFY2022 31 Jan 2022 (RM'mil)	Changes (%)
External Revenue	55.34	93.59	-40.9%
Profit Before Tax	4.78	17.60	-72.8%



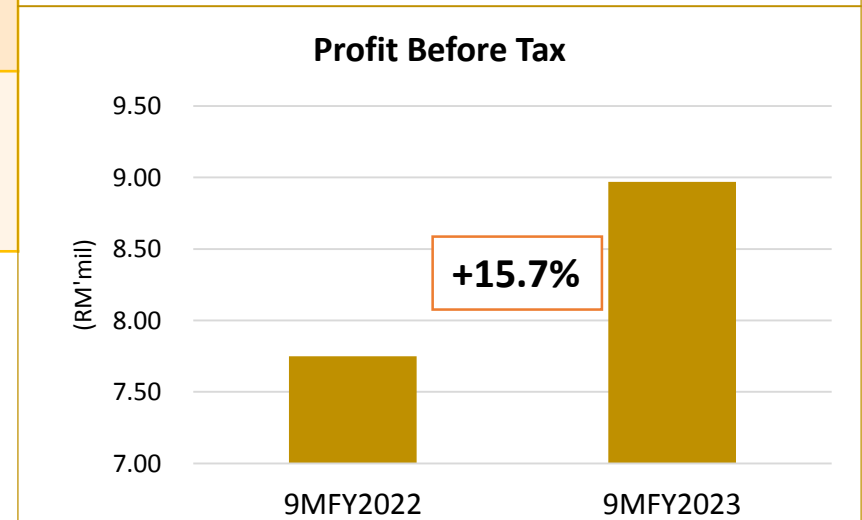
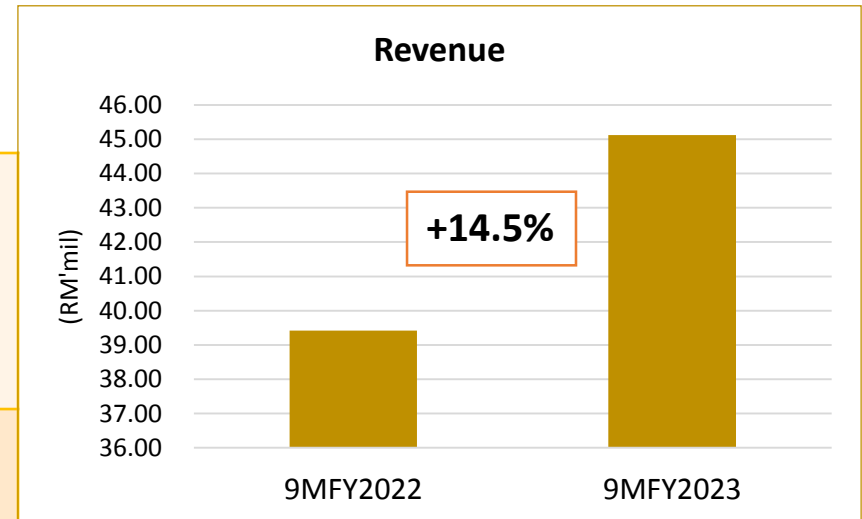
MLM

Against the challenging backdrop, the MLM division revenue and pre-tax profit decreased from RM93.6 million and RM17.6 million in the preceding year's corresponding quarter to RM55.3 million and RM4.8 million respectively.

The division has faced continuous challenges during the period under review. Members' recruitment and renewal have slowed amidst weak purchasing power, and members have remained cautious in spending especially for non-essential goods. Uncertainties on many fronts, coupled with persistent inflationary pressures, have hurt members' ability and willingness to spend, and efforts to revive spending have become less effective as a result, as evident in the disappointing response to the recent overseas incentive trip campaign. To rejuvenate business momentum, the division has carried out various physical events (including the 30th anniversary) to rebuild drive and re-instil confidence among distributors, thus incurring additional marketing and promotion expenditure.

Wholesale

Wholesale Segment	9MFY2023 31 Jan 2023 (RM'mil)	9MFY2022 31 Jan 2022 (RM'mil)	Changes (%)
External Revenue	45.12	39.42	+14.5%
Profit Before Tax	8.97	7.75	+15.7%



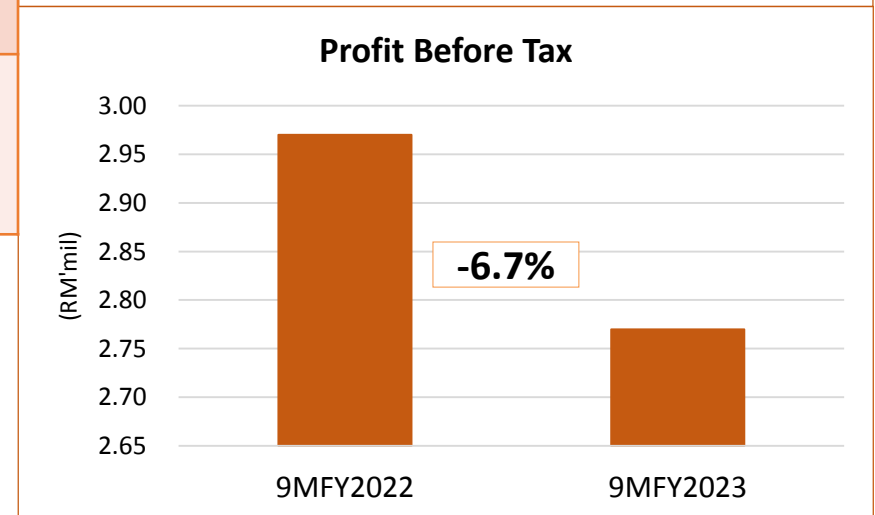
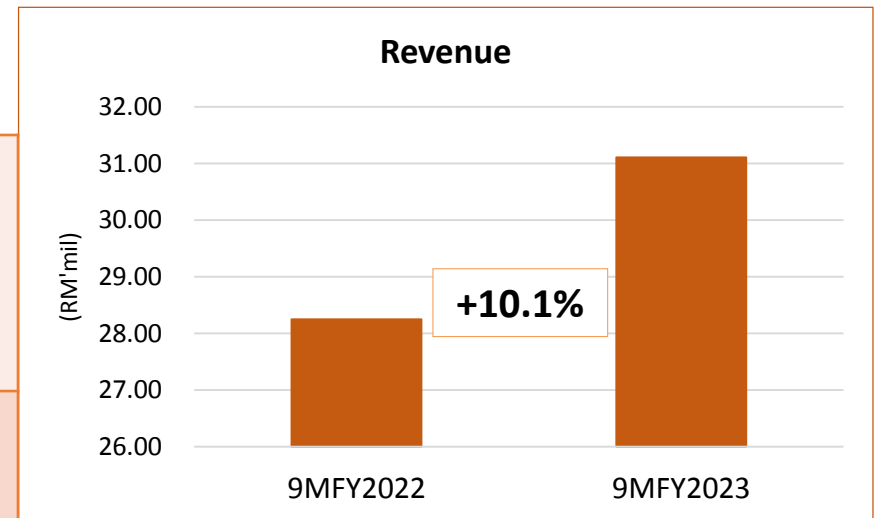
Wholesale

The Wholesale revenue increased by 14.5% to RM45.1 million as compared to the preceding year's corresponding period of RM39.4 million. Higher revenue was mainly boosted by the “last-buy” sales promotion prior to the price increase for selected Chinese medicated tonic and cooking wine in the nine-month period ended 31 January 2023. In addition, sales to duty free shops increased substantially following the reopening of border and resumption of tourism activities.

Pre-tax profit increased by 15.7% to RM9.0 million in tandem with higher revenue and margin, and further aided by a gain from disposal of vintage tea amounting to RM1.7 million.

Retail

Retail Segment	9MFY2023 31 Jan 2023 (RM'mil)	9MFY2022 31 Jan 2022 (RM'mil)	Changes (%)
External Revenue	31.11	28.25	+10.1%
Profit Before Tax	2.77	2.97	-6.7%



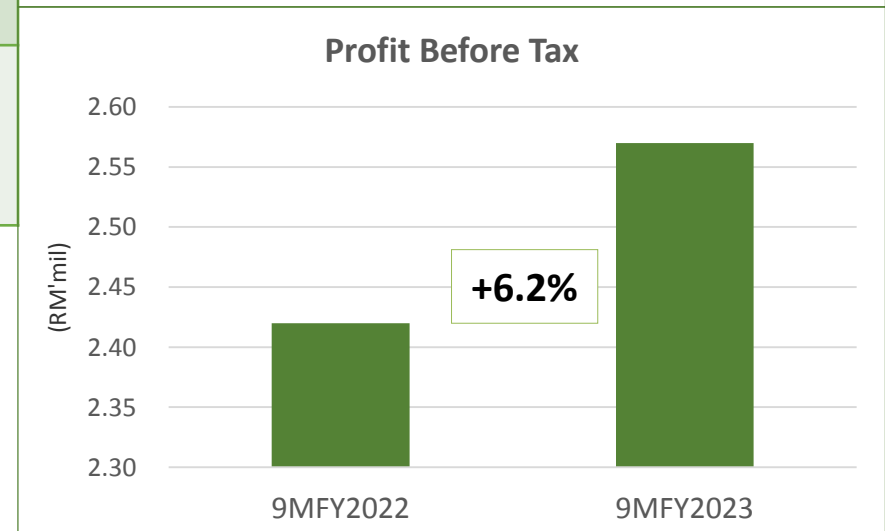
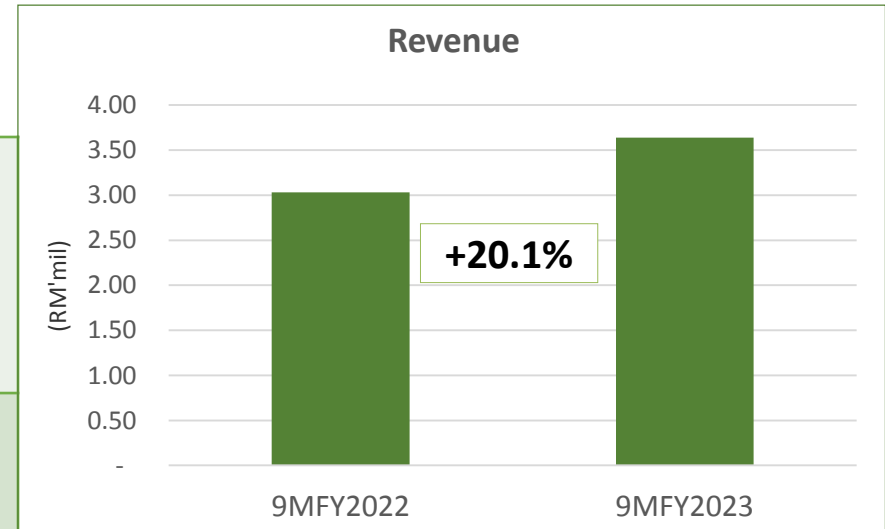
Retail

The Retail division revenue of RM31.1 million was 10.1% higher as compared to RM28.3 million in the previous year's corresponding quarter. The comparison was against a lower base in the previous year's corresponding quarter which was affected by the imposition of various phases of MCOs.

Pre-tax profit fell by 6.7% to RM2.8 million mainly attributable to higher A&P and operating costs as all outlets have resumed business with normal operating hours. Reinstatement to full rentals and the revision of minimum wages have further elevated operating costs for the division.

"Others" segment

"Others" Segment	9MFY2023 31 Jan 2023 (RM'mil)	9MFY2022 31 Jan 2022 (RM'mil)	Changes (%)
External Revenue	3.64	3.03	+20.1%
Profit Before Tax	2.57	2.42	+6.2%



"Others" segment

Revenue comprises mainly rental income from investment properties, manufacturing of health supplements and credit & leasing business. The main revenue contributor is income from the rental of investment properties.

Higher rental income generated from investment properties was offset by lower manufacturing contribution as a result of reduced inter-segment sales. Hence, pre-tax profit increased marginally by 6.2% to RM2.6 million.

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THE BEST STARTS FROM HOME

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

