



BESHOM HOLDINGS BERHAD

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**1HFY2022
Results Update**

21 Dec 2021

Contents Financial Highlights 1HFY2022

Review by Segment

1HFY2022 vs. 1HFY2021 **B E S H O M**

For the first half of the current financial year, the Group recorded lower revenue and pre-tax profit of RM104.9 million and RM19.9 million, as compared to RM137.4 million and RM27.2 million, representing a decrease of 23.7% and 26.9% respectively from the corresponding period of the preceding year. The Group's revenue was affected by the re-imposition of MCOs in 2021 to combat the resurgence of the COVID-19 pandemic. The decrease in revenue was mainly attributed to lower sales contribution from all three main divisions.

Gross profit margin improved to 40.0% from 38.0% in the previous corresponding period, thanks to a favourable change of sales mix and price adjustments on selected products for the Wholesale division during the period under review.

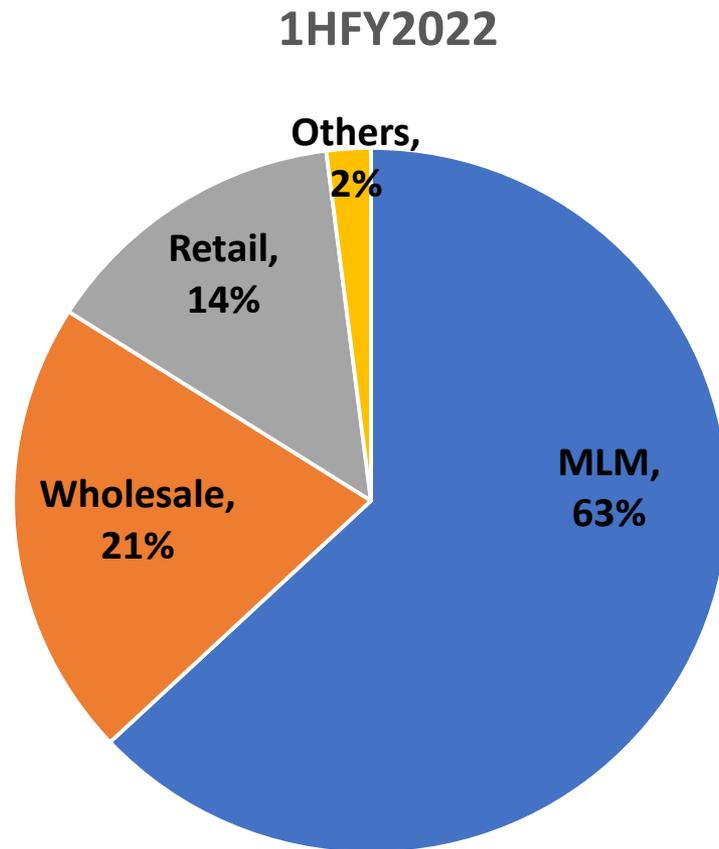
1HFY2022 vs. 1HFY2021

	1HFY2022 31 Oct 2021 (RM'mil)	1HFY2021 31 Oct 2020 (RM'mil)	Variance +/-
Revenue	104.88	137.38	-23.7%
Pre-tax Profit	19.88	27.20	-26.9%
Profit After Tax	14.97	20.44	-26.8%
Net Margin (%)	14.3%	14.9%	-0.6%
EPS (sen)	5.07	7.10	-2.03 sen

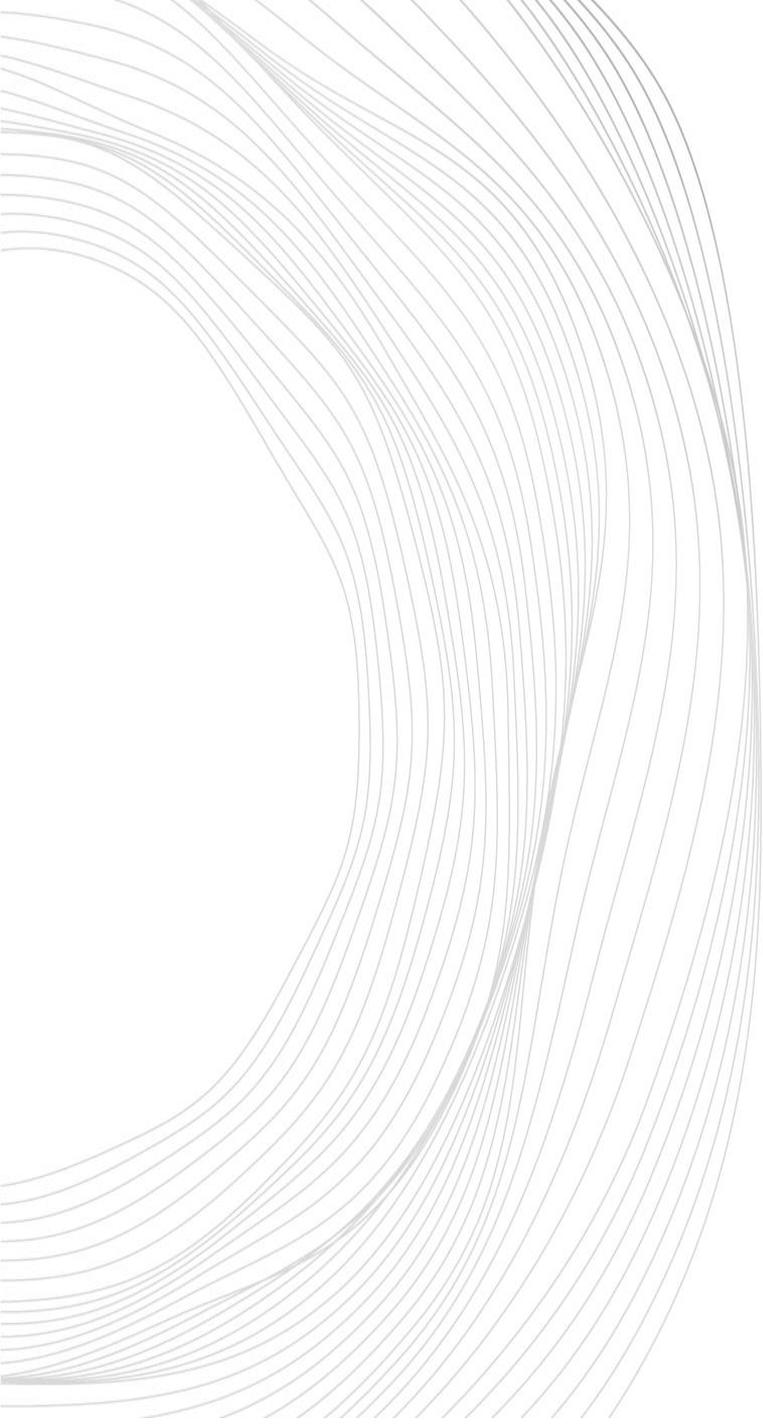
Statement of Financial Position

	1HFY2022 31 Oct 2021 (RM'mil)	FYE2021 30 April 2021 (audited) (RM'mil)
Net cash + Short term investment	117.38	113.45
Total assets	372.27	371.50
Total liabilities	47.72	48.40
Shareholders' equity	312.99	312.76
Net assets per share (RM)	1.04	1.08

Segment Revenue



Segment	1HFY2022 31 Oct 2021		1HFY2021 31 Oct 2020	
	(RM'mil)	(%)	(RM'mil)	(%)
MLM	65.57	63%	93.51	68%
Wholesale	22.24	21%	25.91	19%
Retail	15.11	14%	16.07	12%
Others	1.96	2%	1.89	1%
Total	104.88	100%	137.38	100%



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Review by
Segment

Multi Level Marketing (“MLM”)

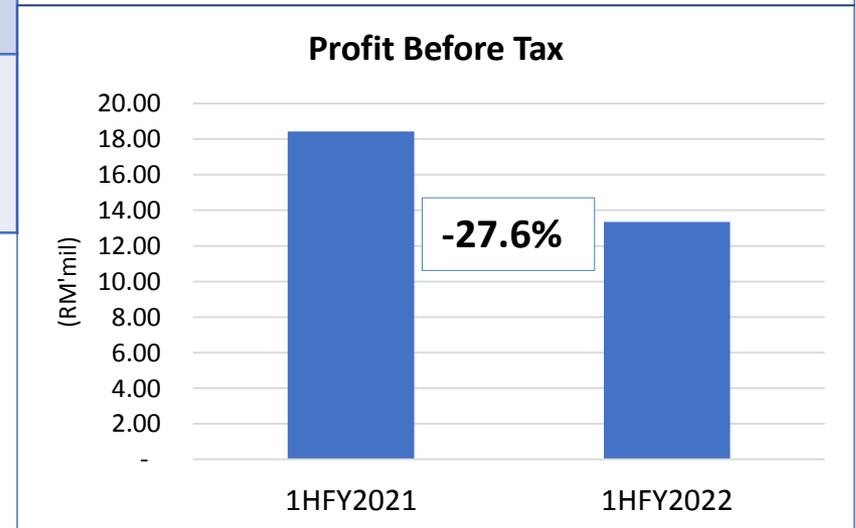
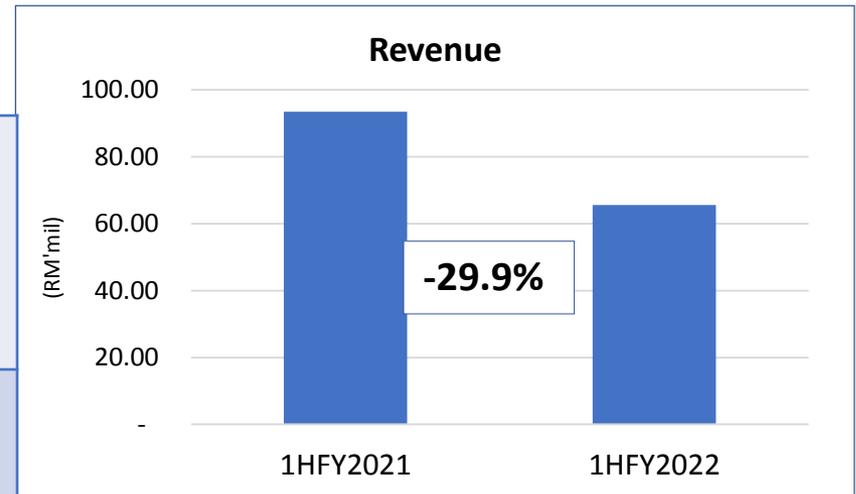
Wholesale

Retail

Others

MLM

MLM Segment	1HFY2022 31 Oct 2021 (RM'mil)	1HFY2021 31 Oct 2020 (RM'mil)	Changes (%)
External Revenue	65.57	93.51	-29.9%
Profit Before Tax	13.35	18.43	-27.6%



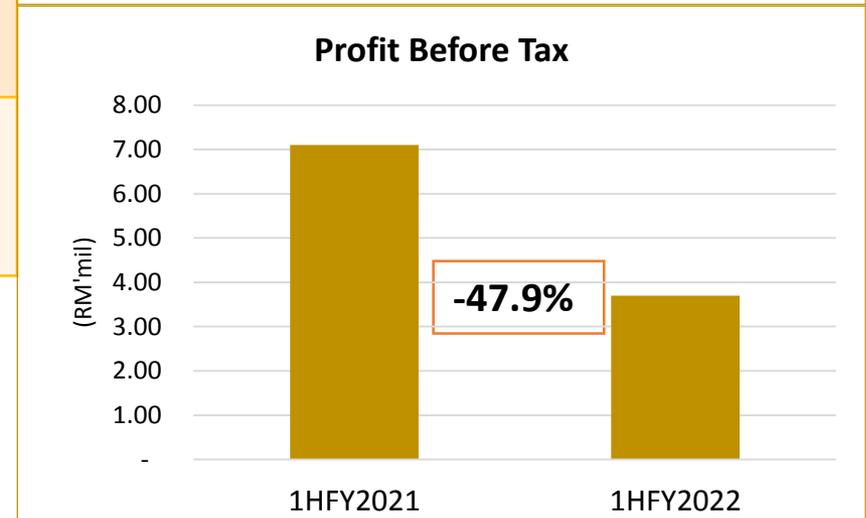
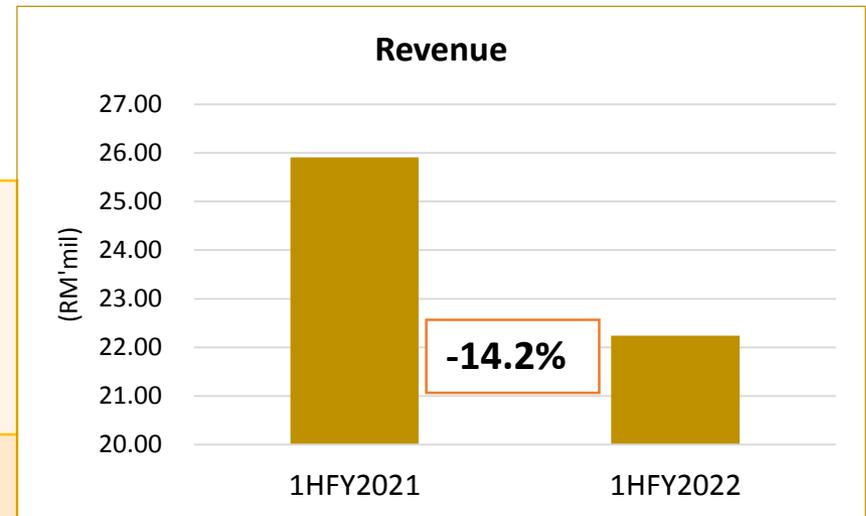
MLM

The MLM revenue and pre-tax profit decreased by 29.9% and 27.6% to RM65.6 million and RM13.4 million, as compared to the preceding year's corresponding period of RM93.5 million and RM18.4 million respectively. The comparison was against a higher base in the previous year's corresponding period, when rebounding sales following the reopening of economy activities after the first lockdown were further boosted by aggressive promotion campaigns such as the Duit Raya sales campaign.

The MLM division was badly affected when the pandemic dragged on and stringent SOPs imposed by the Government to disallow marketing activities and mega events to be conducted physically. To mitigate the negative impact, the division has actively leveraged on e-commerce platforms to communicate, market and reach out to members.

Wholesale

Wholesale Segment	1HFY2022 31 Oct 2021 (RM'mil)	1HFY2021 31 Oct 2020 (RM'mil)	Changes (%)
External Revenue	22.24	25.91	-14.2%
Profit Before Tax	3.70	7.10	-47.9%



Wholesale

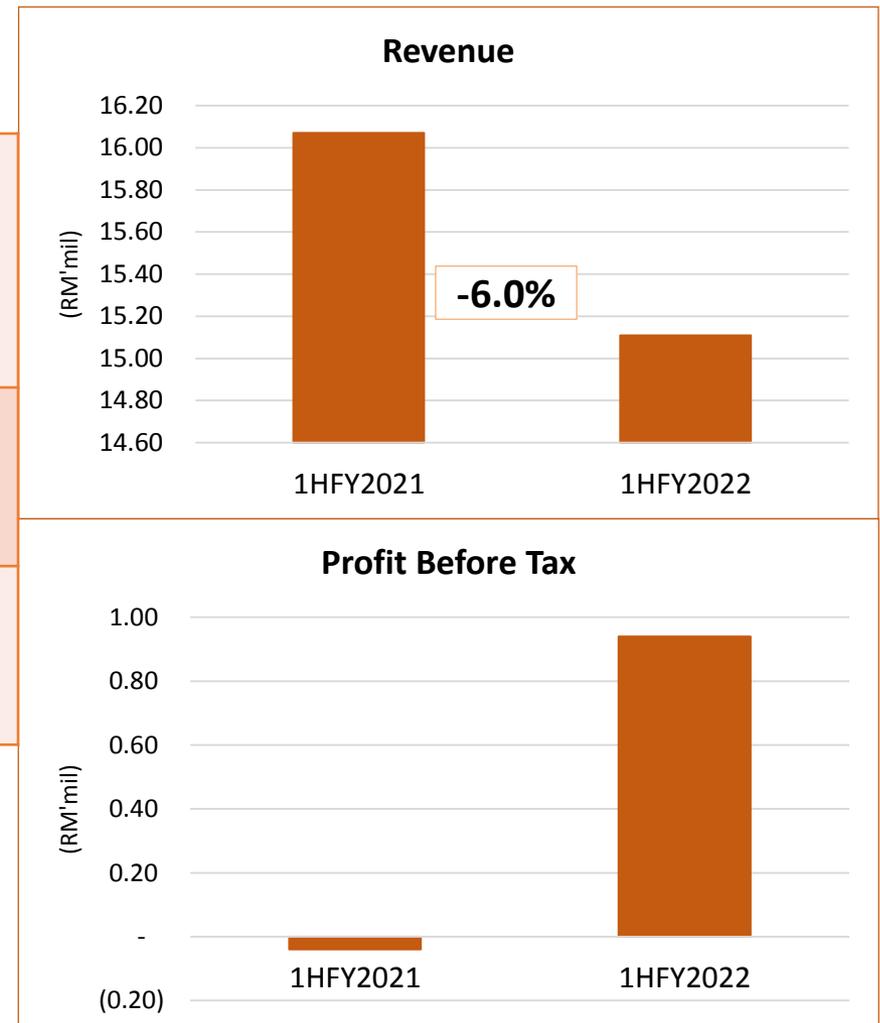
The Wholesale division posted a 14.2% decline in revenue to RM22.3 million, compared to the preceding year's corresponding period of RM25.9 million. The performance of the Wholesale division was badly hit by various MCOs imposed since the beginning of the financial year. Despite the reopening of business activities in the 2nd quarter of the financial year, it would take time for many businesses to return to their pre-pandemic levels. Moreover, most Chinese medical halls and restaurants remained cautious and only slowly reopened in stages in view of continued uncertainties.

Divisional pre-tax profit decreased from RM7.1 million to RM3.7 million due to lower revenue and the absence of an one-off gain from the disposal of vintage tea amounting to RM0.8 million in the preceding year's corresponding period .

Retail

Retail Segment	1HFY2022 31 Oct 2021 (RM'mil)	1HFY2021 31 Oct 2020 (RM'mil)	Changes (%)
External Revenue	15.11	16.07	-6.0%
Profit Before Tax	0.94	-0.04	*

*Not applicable due to a loss position in last financial period.



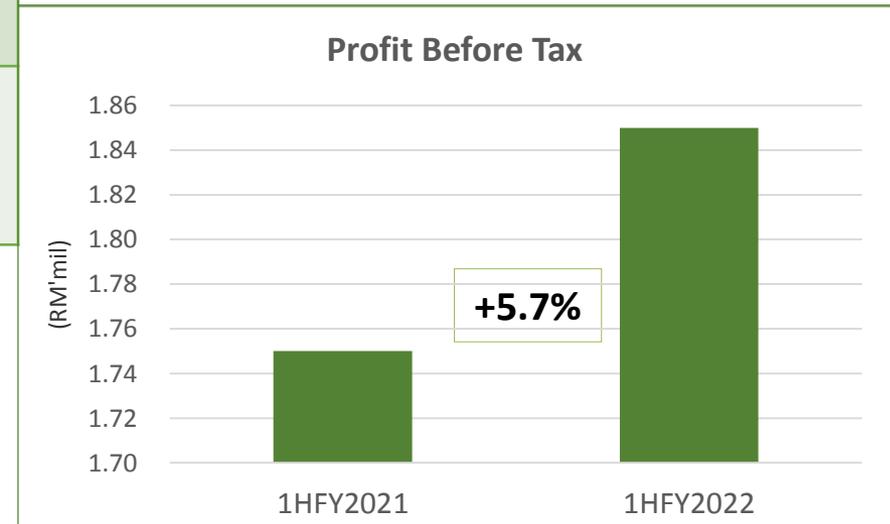
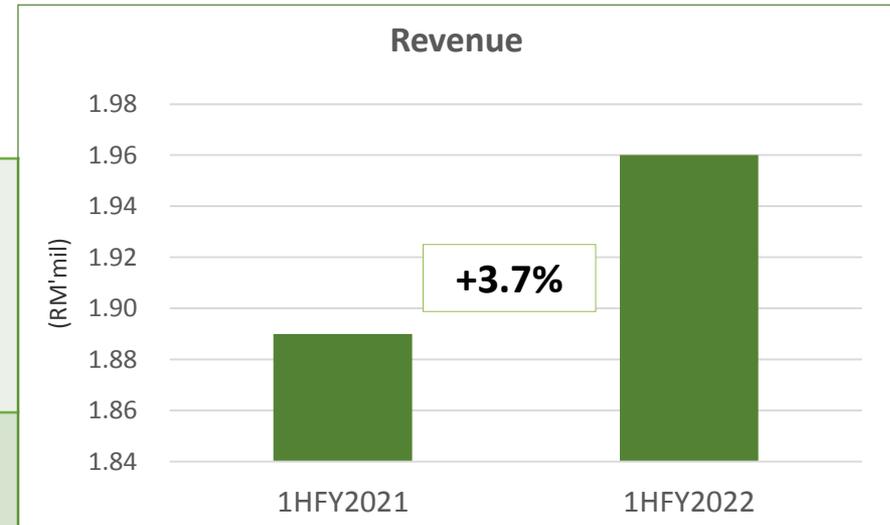
Retail

The Retail division was similarly afflicted by a series of lockdowns and stringent SOPs imposed by the government. Amidst the nascent domestic economic recovery, consumers remained highly cautious in spending as rising inflationary pressures further dampened already weak purchasing power. In order to sustain business momentum, the division has carried out various sales campaigns and aggressive promotions at its physical outlets as well as online platforms.

Despite the division suffering a 6.0% drop in revenue to RM15.1 million, it managed to turn around to post a profit of RM0.9 million, thanks to various cost optimization measures during the period under review and higher margins for house brand products.

"Others" segment

"Others" Segment	1HFY2022 31 Oct 2021 (RM'mil)	1HFY2021 31 Oct 2020 (RM'mil)	Changes (%)
External Revenue	1.96	1.89	+3.7%
Profit Before Tax	1.85	1.75	+5.7%



“Others” segment

Revenue comprises mainly rental income from investment properties, health supplement manufacturing and credit & leasing business. The main contributors are manufacturing and rental income from investment properties.

During the period under review, pre-tax profit improved marginally by 5.7% to RM1.9 million, thanks to higher contribution from the manufacturing division which enjoyed greater demand for health supplement products.

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THE BEST STARTS FROM HOME

Thank you

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