



BESHOM HOLDINGS BERHAD

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**9MFY2022
Results Update**

25 March 2022

Contents Financial Highlights 9MFY2022

Review by Segment

9MFY2022 vs. 9MFY2021

The Group's revenue was affected by the re-imposition of MCOs in the first half of the current financial year to combat the resurgence of the COVID-19 pandemic. For the nine months ended 31 January 2022, the Group recorded lower revenue of RM164.3 million, a decrease of 19.7% as compared to the previous corresponding period of RM204.6 million. The increase in Retail revenue was not able to offset with the drop in Group revenue.

Gross profit margin improved to 40.6% from 38.3% in the previous corresponding period, thanks to a favourable change of sales mix and price adjustments on selected Wholesale products and higher margin contribution from house brand products in Retail division during the period under review.

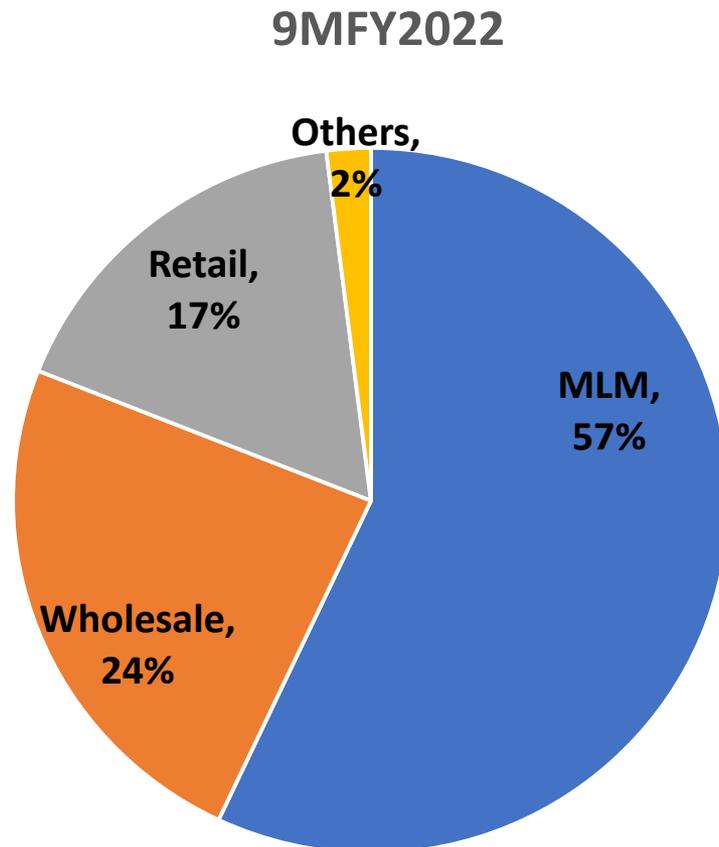
9MFY2022 vs. 9MFY2021

	9MFY2022 31 Jan 2022 (RM'mil)	9MFY2021 31 Jan 2021 (RM'mil)	Variance +/-
Revenue	164.29	204.61	-19.7%
Pre-tax Profit	30.74	40.90	-24.8%
Profit After Tax	23.10	30.88	-25.2%
Net Margin (%)	14.06%	15.09%	-1.03%
EPS (sen)	7.64	10.65	-3.01 sen

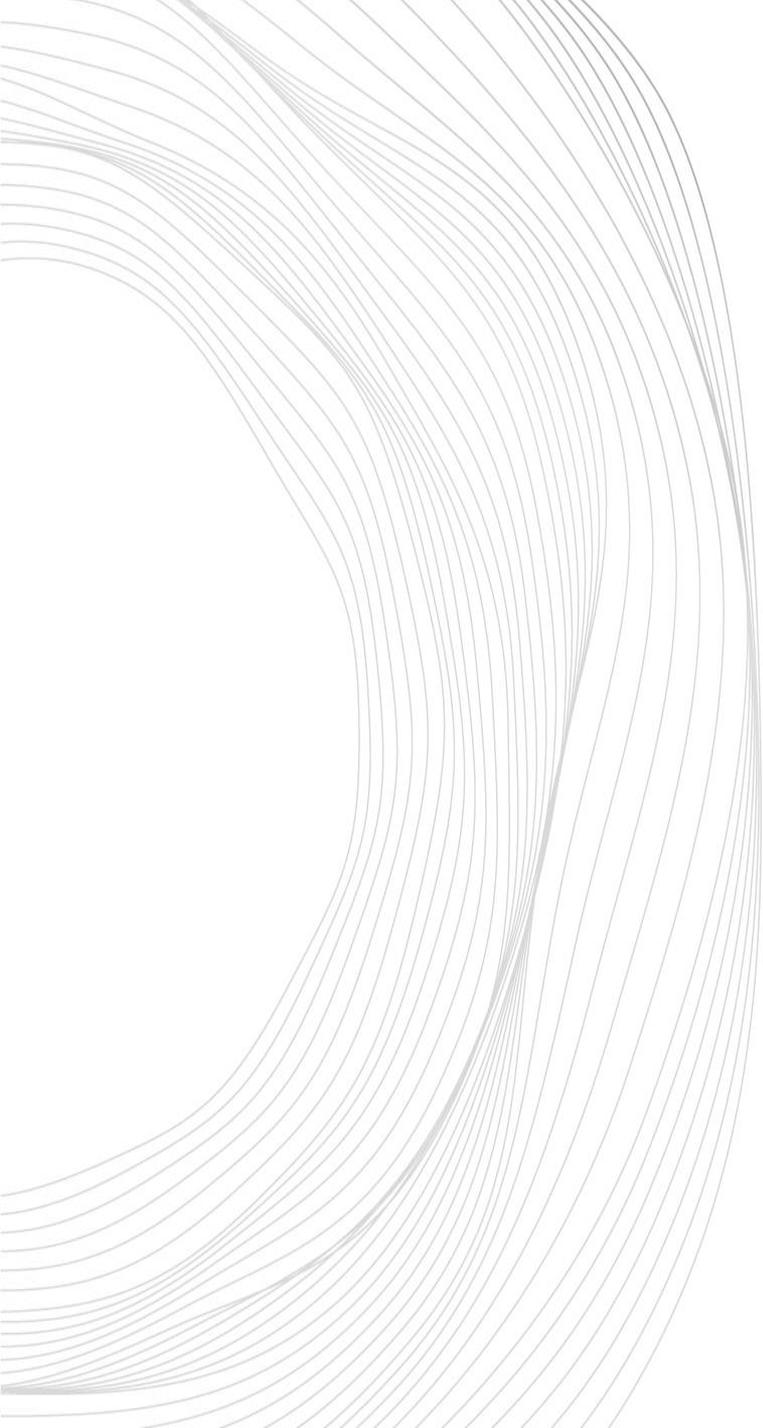
Statement of Financial Position

	9MFY2022 31 Jan 2022 (RM'mil)	FYE2021 30 April 2021 (audited) (RM'mil)
Net cash + Short term investment	107.36	113.45
Total assets	362.75	371.50
Total liabilities	39.39	48.40
Shareholders' equity	311.60	312.76
Net assets per share (RM)	1.04	1.08

Segment Revenue



Segment	9MFY2022 31 Jan 2022		9MFY2021 31 Jan 2021	
	(RM'mil)	(%)	(RM'mil)	(%)
MLM	93.59	57%	133.00	65%
Wholesale	39.42	24%	42.45	21%
Retail	28.25	17%	25.64	12%
Others	3.03	2%	3.52	2%
Total	164.29	100%	204.61	100%



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Review by
Segment

Multi Level Marketing (“MLM”)

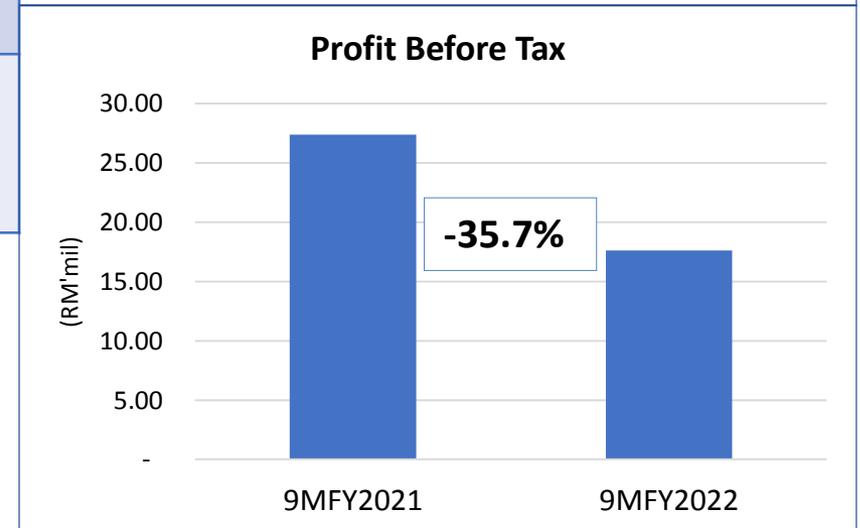
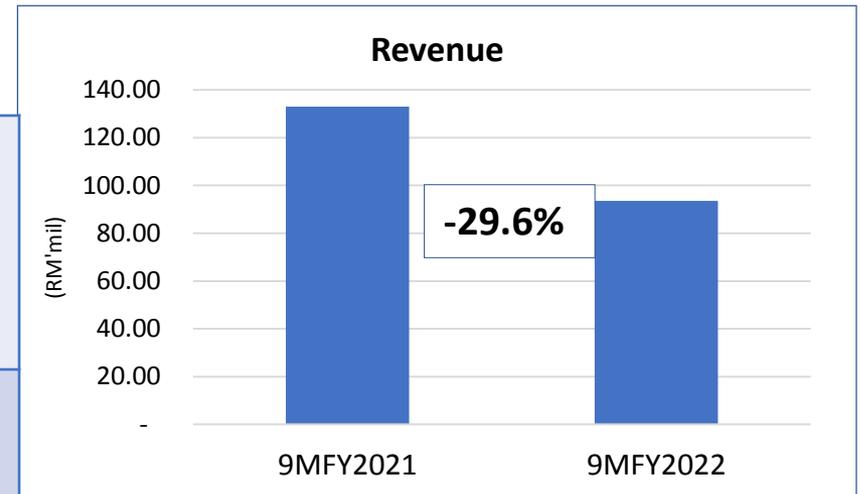
Wholesale

Retail

Others

MLM

MLM Segment	9MFY2022 31 Jan 2022 (RM'mil)	9MFY2021 31 Jan 2021 (RM'mil)	Changes (%)
External Revenue	93.59	133.00	-29.6%
Profit Before Tax	17.60	27.37	-35.7%



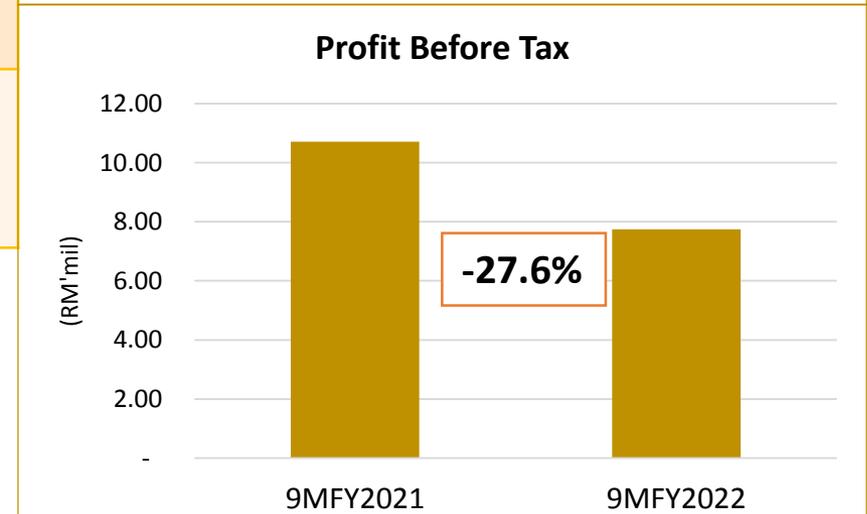
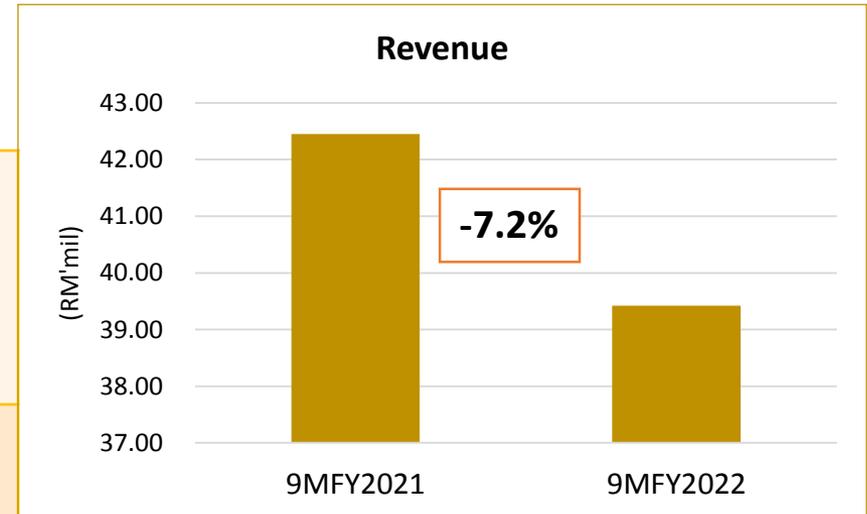
MLM

The MLM division revenue and pre-tax profit decreased by 29.6% and 35.7% to RM93.6 million and RM17.6 million, as compared to the preceding year's corresponding period of RM133.0 million and RM27.4 million respectively. Revenue in the previous year's corresponding period was boosted by the overwhelming response to Duit Raya and other sales campaigns, coupled with a higher distributor base.

The weak performance reflected the extremely challenging environment with persistent market uncertainties, fragile sentiment and rising inflationary pressures which took a toll on the purchasing power of members. The division was also hit by a spate of COVID-19 cases among members which further curtailed business activity. To mitigate the impact, the division will re-strategize its marketing activities to motivate and energize members' productivity. Meanwhile, the division will continue to explore cost optimization measures and further leverage on e-commerce platforms which contributed about 28% of the total revenue.

Wholesale

Wholesale Segment	9MFY2022 31 Jan 2022 (RM'mil)	9MFY2021 31 Jan 2021 (RM'mil)	Changes (%)
External Revenue	39.42	42.45	-7.2%
Profit Before Tax	7.75	10.71	-27.6%



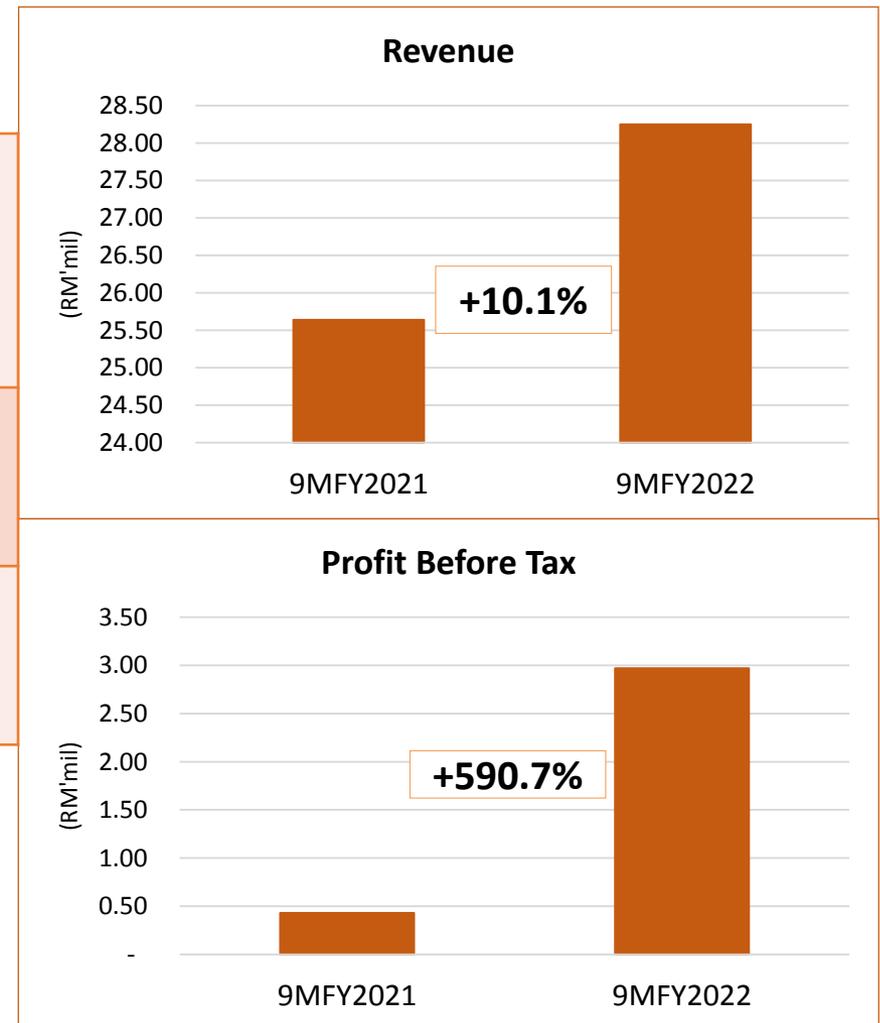
Wholesale

The Wholesale division posted a 7.2% decline in revenue to RM39.4 million in the nine months ended 31 January 2022, compared to the preceding year's corresponding period of RM42.5 million. The performance of the Wholesale division was affected by various restrictions imposed during the first half of the financial year, and was further dampened by disruptions in supply and logistic globally. However, with the relaxation of movement restrictions, all Chinese medical halls and restaurants have resumed business with normal operating hours and consumer sentiment has also started to improve. The division has launched extensive sales promotion campaigns especially during CNY which helped to offset the drop in revenue in the first half of the financial year.

Despite the improved third quarter, pre-tax profit for the nine months ended 31 January 2022 still decreased from RM10.7 million to RM7.8 million due to the depressed first half and the absence of an one-off gain from the disposal of vintage tea amounting to RM0.9 million in the preceding year's corresponding period.

Retail

Retail Segment	9MFY2022 31 Jan 2022 (RM'mil)	9MFY2021 31 Jan 2021 (RM'mil)	Changes (%)
External Revenue	28.25	25.64	+10.1%
Profit Before Tax	2.97	0.43	+590.7%



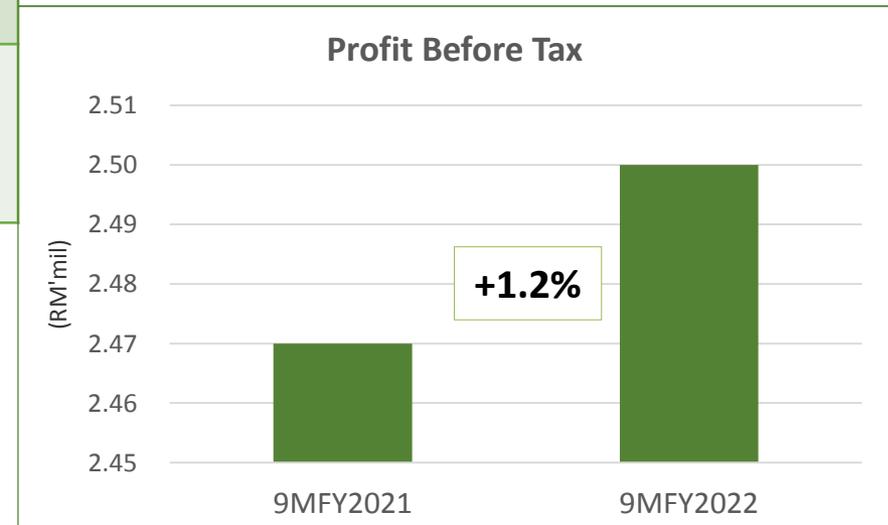
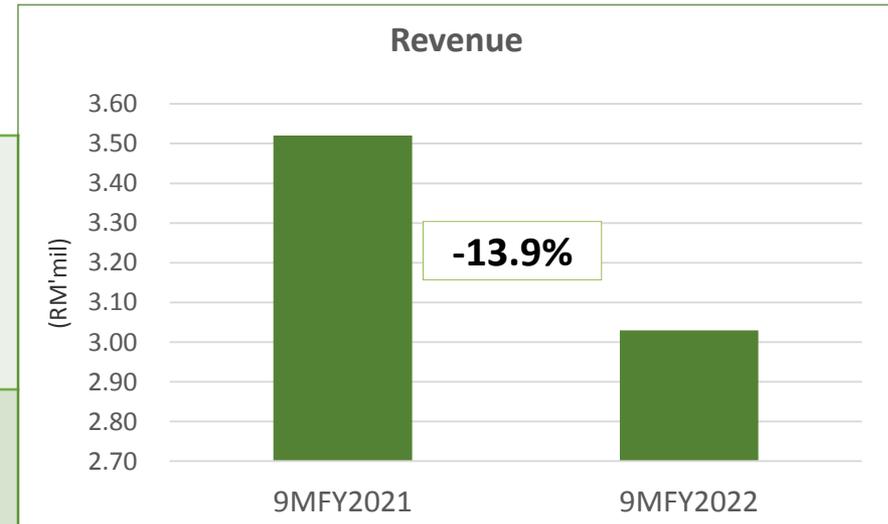
Retail

For the nine months ended 31 January 2022, the Retail division revenue of RM28.3 million was 10.1% higher than the depressed base in the previous year's corresponding period, mainly driven by higher sales generated from CNY and other sales campaigns carried out at the outlets and via various e-commerce platforms. In addition, extensive sales promotion for a premium house brand product was very well received by its Loyalty Friendship members. Consumers have become more health conscious especially during the pandemic and hence are more willing to spend on health supplements.

Pre-tax profit increased more than five-fold to RM3.0 million in tandem with higher revenue and higher margin for house brand products and was further aided by cost optimization measures carried out during the period under review.

"Others" segment

"Others" Segment	9MFY2022 31 Jan 2022 (RM'mil)	9MFY2021 31 Jan 2021 (RM'mil)	Changes (%)
External Revenue	3.03	3.52	-13.9%
Profit Before Tax	2.50	2.47	+1.2%



"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, despite higher contribution from the manufacturing division which enjoyed greater demand for health supplement products, pre-tax profit was maintained at RM2.5 million after offsetting operating costs for the newly formed investment holding company which was classified under this division.

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THE BEST STARTS FROM HOME

Thank you

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