Neo Corporate Public Company Limited

Management Discussion and Analysis (MD&A)

For Q1/2025 Operating Results

Passion to be Asia's innovative FMCG company who elevates quality of life with people-centric approach

มุ่งมั่นที่จะเป็นบริษัท FMCG แห่งนวัตกรรมของเอเชีย ที่ช่วยยกระดับคุณภาพชีวิตที่ดีให้กับผู้บริโภค

Q1/2025 Highlights

OPERATING REVENUE	INTERNATIONAL REVENUE	NET PROFIT[1]	BASIC EARNINGS/ SHARE
2,589 Million THB	247 Million THB	256 Million THB	0.85 Baht/Share
▲ 4.7% YoY	▲ 10.3% YoY	▲ 6.7% QoQ	▲ 6.3% QoQ

[1]Net Profit Attributable to the Equity Holders of the Company

Executive Summary

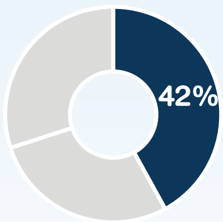
Results Overview (Unit: Million THB)	Q1/2025	Q1/2024	YoY (%)	Q4/2024	QoQ (%)
Operating Revenue	**2,589**	**2,472**	**4.7%**	**2,659**	**(2.6%)**
Gross Profit	**1,082**	**1,136**	**(4.8%)**	**1,139**	**(5.0%)**
Selling and Administrative Expenses (SG&A)	757	780	(2.9%)	827	(8.5%)
Net Profit for the Period	**260**	**272**	**(4.4%)**	**244**	**6.6%**
Net Profit Attributable to the Equity Holders of the Company	**256**	**268**	**(4.5%)**	**240**	**6.7%**
Gross Profit Margin (%)	41.8%	46.0%	-	42.8%	-
Net Profit Margin (%)	10.0%	11.0%	-	9.1%	-
Net Profit Margin Attributable to the Equity Holders of the Company (%)	9.8%	10.8%	-	9.0%	-
Basic Earnings Per Share (Baht/Share)	0.85	1.21	(29.8%)	0.80	6.3%

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

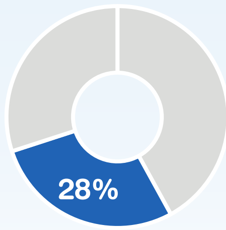
In Q1/2025, Neo Corporate Public Company Limited (the "Company" or "NEO") reported total operating revenue of THB 2,589 million, an increase of THB 117 million or 4.7% from Q1/2024, driven by growth across all product categories of the Company. Revenue from household products, personal care products, and baby & kids products grew by 6.0% YoY, 5.7% YoY, and 2.1% YoY, respectively. In addition, revenue from international business grew by 10.3% YoY. The growth of operating revenue was driven by continuous development of new products and improvement of existing products with better properties, expansion of distribution channels, and the ability to use appropria te strategies in operations. The Company reported a net profit attributable to the equity holders of the Company for 1Q/2025 of THB 256 million, with a net profit margin attributable to the equity holders of the Company at 9.8%, supported by the ability to effectively manage selling and administrative expenses.

In 2025, the Company expects continued growth over the previous year. However, due to ongoing economic challenges that may affect consumer purchasing power, the Company has adjusted its growth projection to reflect current situations. It expects operating revenue to grow in the high single digits, supported by both domestic and international markets. Key growth drivers include new product development, improving existing products, and expanding product portfolio to new customer segments and potential markets (Segment Creator). NEO will maintain the innovation-led premiumization strategy while expanding distribution channels both domestically and internationally, with a focus on online platforms. These channels are expected to grow further through increased e-commerce activities such as live streaming, product pinning, and affiliate marketing. The export market is also expected to recover, supported by expanded distribution in key countries, the launch of new brands, and entry into additional export markets. Furthermore, the Company is expanding its production capacity to support future growth. The investment plan will be adjusted accordingly, with phased factory construction and gradual annual investment in new machinery.

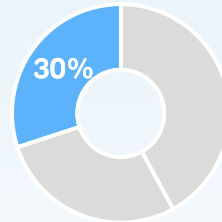
Q1/2025 Operating Revenue Structure



Household Products



Personal Care Products



Baby & Kids Products

YOY: Q1/2025 Operating Revenue Structure and Analysis (Compared to Q1/2024)

Revenue Structure (Unit: Million THB)	Q1/2025	% of Revenue	Q1/2024	% of Revenue	YoY (%)
Operating Revenue – by Segment	**2,589**	**100%**	**2,472**	**100%**	**4.7%**
Household Products	1,085	42%	1,024	42%	6.0%
Personal Care Products	739	28%	699	28%	5.7%
Baby & Kids Products	765	30%	749	30%	2.1%
Operating Revenue – by Geography	**2,589**	**100%**	**2,472**	**100%**	**4.7%**
Domestic	2,342	90%	2,248	91%	4.2%
International	247	10%	224	9%	10.3%

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

Operating Revenue of the Company in 1Q/2025 was THB 2,589 million, increased by THB 117 million or 4.7% YoY, due to the following factors:

- **Revenue from Household Products** was THB 1,085 million, increased by THB 61 million or 6.0% YoY. The increase in revenue was primarily driven by the growth of the Fineline brand, particularly in fabric softener and liquid detergent products, supported by a strategy focused on steadily increasing domestic market share. Internationally, Fineline also experienced growth through the expansion of distribution channels in key export countries. Furthermore, revenue growth was supported by the strong performance of Tomi's mass and premium mass products, especially the 'Tomi Floor Cleaner Natural Essence', which features natural Chamomile Rose Essential Oil extracted during its most fragrant harvest period. This innovative product is designed to clean and dry floors within 25 seconds.

- **Revenue from Personal Care Products** was THB 739 million, increased by THB 40 million or 5.7% YoY. The increase in revenue was mainly driven by the growth of the BeNice brand, particularly its shower cream products, supported by the Company's ongoing efforts to expand market share. This included the continuous development of new offerings, such as the 'BeNice Shower Cream Happy Summer', which features a Cooling Sensation for a clean and refreshing feel, along with Baby Collagen to enhance skin elasticity and restore a youthful appearance. The revenue was further boosted by the successful launch of new products in the BeNice body lotion lines since Q2/2024, which have been consistently well received by consumers. Key products include 'BeNice Glow & Perfume Collagen Body Serum', which brightens the skin and features Blooming Bomb technology for a long-lasting fragrance, developed continuously from the popular 'BeNice Perfume Shower Gel'.

- **Revenue from Baby & Kids Products** was THB 765 million, increased by THB 16 million or 2.1% YoY. The growth was mainly from the increased revenue from shower cream and body lotion products in the mass segment, particularly from 'D-nee Organic Newborn Head & Body Baby Wash', which contains seven specially selected natural ingredients that help boost skin moisture, keeping the skin soft, hydrated, and easy to rinse off. Additional growth came from the D-nee Deluxe product line, a premium mass segment offering, such as the 'D-nee Deluxe Shower Gel'. This special moisturizing formula, suitable for all ages, contains Japanese persimmon extract to help prevent body odor, reduce age-related odor, and leave the skin feeling fresh and comfortable all day. It also includes Micellar Water for deep, gentle c leansing that does not harm the skin and helps retain moisture, keeping the skin soft and hydrated for an extended period. This innovation, designed for the whole family, aligns with the Company's strategy to expand its customer base into new segments.

Gross Profit of the Company in Q1/2025 was THB 1,082 million, decreased by THB 54 million or 4.8% YoY, due to higher cost of sales than the increase in operating revenue. The increase in cost of sales was primarily due to significantly higher raw material costs, re sulting in a **Gross Profit Margin** of 41.8% in Q1/2025, which decreased from 46.0% in Q1/2024.

Net Profit Attributable to the Equity Holders of the Company in Q1/2025 was THB 256 million, decreased by THB 12 million or 4.5% from Q1/2024, mainly due to a decrease in gross profit. However, the Company incurred lower selling and administrative expenses compared to the previous year, largely due to the decrease in sales promotion expenses, including the absence of 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), which was recorded in Q1/2024. During Q1/2025, Selling and Administrative Expenses to Operating Revenue was 29.2%, down from 31.6% in Q1/2024. This decrease was at a lower rate than the decrease in the gross profit margin, resulting in **Net Profit Margin Attributable to the Equity Holders of the Company** being 9.8% in Q1/2025, which decreased from 10.8% in Q1/2024.

QoQ: Q1/2025 Operating Revenue Structure and Analysis (Compared to Q4/2024)

Revenue Structure (Unit: Million THB)	Q1/2025	% of Revenue	Q4/2024	% of Revenue	QoQ (%)
Operating Revenue – by Segment	**2,589**	**100%**	**2,659**	**100%**	**(2.6%)**
Household Products	1,085	42%	1,125	42%	(3.6%)
Personal Care Products	739	28%	701	27%	5.4%
Baby & Kids Products	765	30%	833	31%	(8.2%)
Operating Revenue – by Geography	**2,589**	**100%**	**2,659**	**100%**	**(2.6%)**
Domestic	2,342	90%	2,407	91%	(2.7%)
International	247	10%	252	9%	(2.0%)

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

Operating Revenue of the Company in 1Q/2025 was THB 2,589 million, decreased by THB 70 million or 2.6% QoQ, due to the following factors:

- **Revenue from Household Products** was THB 1,085 million, decreased by THB 40 million or 3.6% QoQ, mainly due to the slowdown in domestic revenue from Fineline and Smart brands. However, the decline was partially offset by growth in international revenue from the Fineline brand through increased distribution channels in the key export markets (Cambodia and Laos) and growth of the Tomi brand in both mass and premium mass product segments.

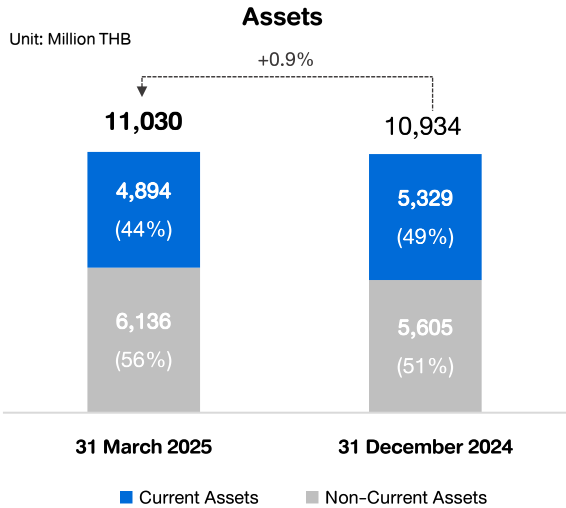
- **Revenue from Personal Care Products** was THB 739 million, increased by THB 38 million or 5.4% QoQ. The increase in revenue was mainly driven by the growth of the BeNice brand, particularly its shower cream products, supported by the Company's ongoing efforts to expand market share. This included the continuous development of new offerings, such as the 'BeNice Shower Cream Happy Summer Icy Pomelo and Sparkling Lychee', which features a Cooling Sensation for a clean and refreshing feel, along with Baby Collagen to enhance skin elasticity and restore a youthful appearance. In addition, BeNice's shower cream products also grew prominently in a major export country, following the strategy to become the leader in the shower cream market.

- **Revenue from Baby & Kids Products** was THB 765 million, decreased by THB 68 million or 8.2% QoQ. The decline was mainly from the decreased revenue from baby liquid detergent products, particularly in Vietnam, due to consumer behavior that favors spending at the end of the year to avoid long holidays in the first quarter. However, this decline was partially offset by the growth of D-nee Deluxe products, which are innovative products designed for the whole family, aligned with the Company's strategy to expand into new customer segments. These include 'D-nee Deluxe Shower Gel', a special moisturizing shower cream, as well as a newly developed 'D-nee Deluxe Concentrated Fabric Softener' enriched with Organic Aloe Vera extract and Malodor Control Technology, combined with Japanese persimmon extract to help reduce musty and age-related odors, leaving fabrics soft and pleasantly scented throughout the day.

Gross Profit in Q1/2025 was THB 1,082 million, decreased by THB 57 million or 5.0% QoQ, corresponding to the decreased operating revenue. Although the cost of sales decreased from lower sales volume, the cost per unit of production increased from the increase in raw material prices, resulting in a **Gross Profit Margin** of 41.8% in this quarter, down from 42.8% in Q4/2024.

Net Profit Attributable to the Equity Holders of the Company in Q1/2025 was THB 256 million, increased by THB 16 million or 6.7% from Q4/2024. The increase was mainly to lower selling and administrative expenses from the previous quarter, largely due to the decrease in marketing and sales promotional expenditures, as well as the absence of the costs of renovating areas around the factory and warehouse, which was recorded in Q4/2024. During Q1/2025, Selling and Administrative Expenses to Operating Revenue were 29.2%, down from 31.1% in Q4/2024. This decrease was at a higher rate than the decrease in the gross profit margin, resulting in **Net Profit Margin Attributable to the Equity Holders of the Company** being 9.8% in Q1/2025, which rose from 9.0% in Q4/2024.

Statement of Financial Position



Assets (Unit: Million THB)	31 MAR 2025	31 DEC 2024	Change	% Change
Cash and cash equivalents	116	169	(53)	(31.4%)
Trade and other current receivables	2,286	2,195	91	4.1%
Inventories	1,060	924	136	14.7%
Other current financial assets	1,337	1,978	(641)	(32.4%)
Other current assets	95	63	32	50.8%
Total current assets	**4,894**	**5,329**	**(435)**	**(8.2%)**
Advance payments for construction	238	8	230	2,875.0%
Property, plant and equipment	5,614	5,329	285	5.3%
Other non-current assets	284	268	16	6.0%
Total non-current assets	**6,136**	**5,605**	**531**	**9.5%**
Total assets	**11,030**	**10,934**	**96**	**0.9%**

As of 31 March 2025, the **Total Assets** of the Company was THB 11,030 million, increased by THB 96 million or 0.9% from 31 December 2024. The increase in total assets was mainly due to the increase in

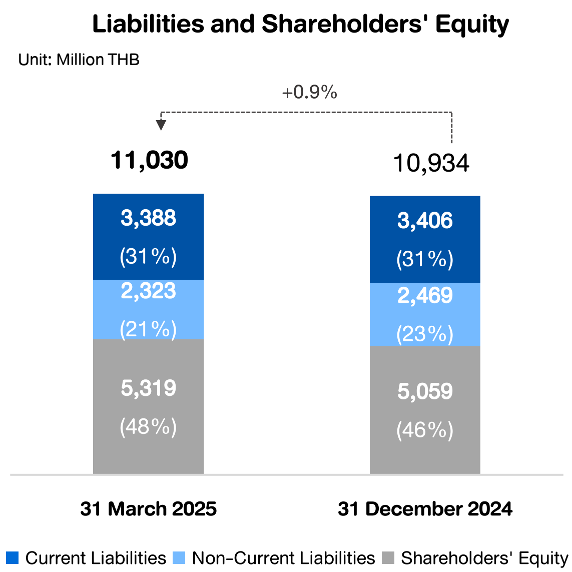
(i) Property, plant and equipment of THB 285 million, mainly from construction investments to expand personal care production capacity

(ii) Advance payments for construction of THB 230 million from construction investments to expand household production capacity, and

(iii) Inventories of THB 136 million to support anticipated sales growth in the upcoming quarter.

However, the increase was partially offset by a decrease in

(i) Other current financial assets of 641 million, primarily from the withdrawal of fixed deposits to invest in construction projects to expand production capacity of household products.



Liabilities and Shareholders' Equity (Unit: Million THB)	31 MAR 2025	31 DEC 2024	Change	% Change
Trade and other current payables[2]	2,558	2,698	(140)	(5.2%)
Current portion of Long-term loans	601	538	63	11.7%
Other current liabilities	229	170	59	34.7%
Total current liabilities	**3,388**	**3,406**	**(18)**	**(0.5%)**
Long-term loans	1,831	1,992	(161)	(8.1%)
Other non-current liabilities	492	477	15	3.1%
Total non-current liabilities	**2,323**	**2,469**	**(146)**	**(5.9%)**
Total liabilities	**5,711**	**5,875**	**(164)**	**(2.8%)**
Issued and paid-up share capital	300	300	-	-
Share premium	2,901	2,901	-	-
Other capital surpluses	414	414	-	-
Retained earnings	1,673	1,417	256	18.1%
Non-Controlling Interest	31	27	4	14.8%
Total shareholders' equity	**5,319**	**5,059**	**260**	**5.1%**
Total liabilities and shareholders' equity	**11,030**	**10,934**	**96**	**0.9%**

[2]including Department of Revenue payables

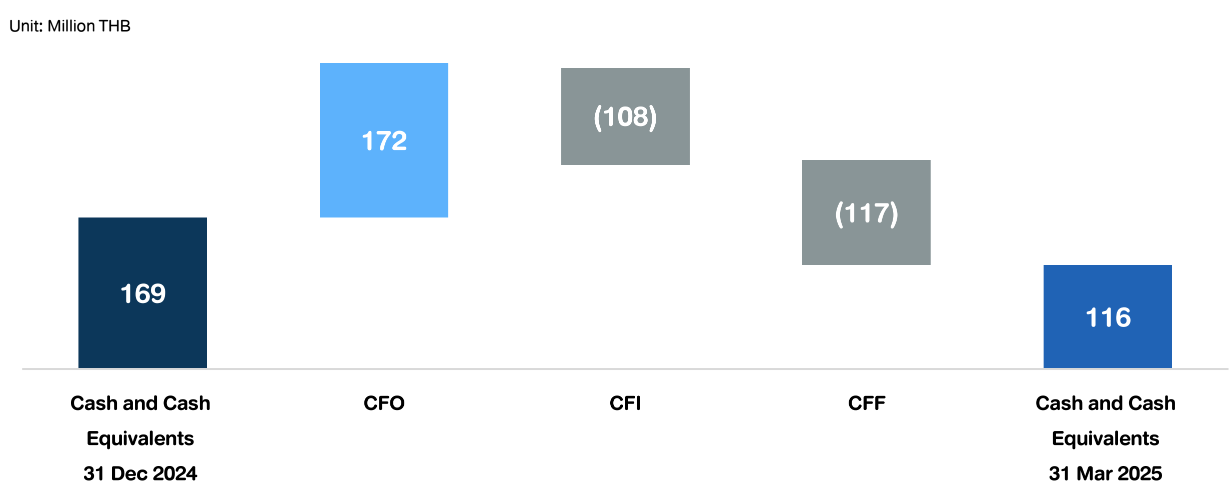
As of 31 March 2025, the **Total liabilities** of the Company was THB 5,711 million, decreased by THB 164 million or 2.8% from 31 December 2024. The decline in total liabilities was mainly due to

(i) A decrease in trade and other current payables of THB 140 million, largely due to the decrease in account payables related to the capacity expansion project of the personal care product, as the factory building construction has been completed, and

(ii) A decrease in net long-term loans from financial institutions (including the current portion of long-term loans) of THB 98 million, resulting from the gradual repayment of debts to financial institutions.

Total shareholders' equity as of 31 March 2025 was THB 5,319 million, increased by THB 260 million or 5.1% from 31 December 2024. The increase was mainly due to an increase in retained earnings of THB 256 million from the realized total comprehensive income attributable to the Company's shareholders in Q1/2025 of THB 256 million.

Statement of cash flows for the three-month period ended 31 March 2025



Net cash from operating activities of the Company for the period ended 31 March 2025 was THB 172 million, driven by the following key changes:

(i) Cash from operating activities of THB 197 million (mainly due to the record of pre-tax profit of THB 325 million and adjustments to pre-tax profit for cash receipts of THB 123 million, partially offset by net decrease in working capital of THB 251 million).

(ii) Interest received of THB 14 million

(iii) Interest paid of THB 27 million, and

(iv) Corporate income tax paid of THB 12 million

Net cash used in investing activities of the Company for the period ended 31 March 2025 was THB 108 million, driven by the following key changes:

(i) Cash paid for the acquisition of plant and equipment of THB 517 million, mainly from construction investments to expand personal care production capacity, and

(ii) Cash paid in advance for construction of THB 238 million from construction investments to expand household production capacity

Partially offset by

(iii) Net proceeds from investment in current financial assets of THB 648 million, primarily from the withdrawal of fixed deposits to invest in construction projects to expand production capacity of household products.

Net cash used in financing activities of the Company for the period ended 31 March 2025 was THB 117 million, driven by the following key changes:

(i) Cash repayment of long-term loans of THB 98 million, and

(ii) Dividend paid to non-controlling interests of subsidiary of THB 11 million

Key Financial Ratio[3]

Profitability Ratios	Q1/ 2025	Q1/ 2024	Q4/ 2024	Liquidity Ratios	Q1/ 2025	Q1/ 2024	Q4/ 2024[3]
Gross profit margin	41.8%	46.0%	42.8%	Working capital ratio (times)	1.4	0.9	1.6
SG&A to operating revenue	29.2%	31.6%	31.1%	Average collection period (days)	75.8	74.9	74.2
Net profit margin	10.0%	11.0%	9.1%	Average inventory period (days)	59.2	56.4	55.9
Net profit margin for the Company	9.8%	10.8%	9.0%	Average payment period (days)	73.8	75.9	71.4
Return on equity	20.0%	74.8%	30.9%[3]	Cash Conversion Cycle	61.2	55.4	58.6

Efficiency Ratios	Q1/ 2025	Q1/ 2024	Q4/ 2024[3]	Financial Policy Ratios	Q1/ 2025	Q1/ 2024	Q4/ 2024
Return on assets	9.5%	14.7%	11.2%	Liability to equity (times)	1.1	4.6	1.2
Asset turnover (times)	0.9	1.3	1.1	Interest-bearing debt to equity (times)	0.5	2.3	0.5

[3] Financial Ratio Formulas

Gross Profit Margin = Gross Profit / Operating Revenue

SG&A to Operating Revenue Ratio = Selling and Administrative Expenses / Operating Revenue

Net Profit Margin = Net Profit / Total Revenue

Net Profit Margin for the Company = Net Profit Margin Attributable to the Equity Holders of the Company / Total Revenue

Return on Equity (ROE) = Net Profit (Annualized) / Average Total Shareholders' Equity

Return on Assets (ROA) = Net Profit (Annualized) / Average Total Assets

Asset Turnover Ratio = Total Revenue (Annualized) / Average Total Assets

Working Capital Ratio = Total Current Assets / Total Current Liabilities

Average Collection Period = 365 / (Operating Revenue (Annualized) / Average Trade Receivables before Allowance (excluding other receivables))

Average Inventory Period = 365 / (Cost of Sales (Annualized) / Average Inventory)

Average Payment Period = 365 / (Cost of Sales (Annualized) / Average Trade Payables (excluding other payables))

Cash Conversion Cycle = (Average Inventory Turnover Period + Average Collection Period) - Average Payment Period

Liability to equity ratio = Total Liabilities / Total Shareholders' Equity

Interest-Bearing Debt to Equity Ratio = Interest-Bearing Liabilities / Total Shareholders' Equity

[4] The figures related to the profit and loss statement in this period are calculated using the 12-month figures for the fiscal year

The Company's Approach to Driving Business towards Sustainability (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)

GHG Emissions Reduction	Reduce	Recyclable	Recycle
20% reducing greenhouse gas emissions **by 2030**	**20%** reducing the use of virgin plastic **by 2025**	**100%** recyclable Packaging **by 2030**	**10%** proportion of recycled content **by 2030**

In Q1/2025 the Company implemented the following activities under its ESG Activity Roadmap:

GHG Emissions Reduction

The Company has assessed its organizational greenhouse gas emissions (Carbon Footprint for Organization: CFO) following the guidelines of the Thailand Greenhouse Gas Management Organization (Public Organization) and the international standard ISO 14064-1, which sets criteria for measuring and reporting greenhouse gas emissions since 2023. In addition, the Company remains committed to reducing greenhouse gas emissions through both short-term and long-term action plans. This includes collecting data on both emissions and carbon sequestration from all business activities, covering all three scopes of greenhouse gas emissions.

Greenhouse gas emissions data of NEO Corporate Public Company

Standard criteria	Unit	2024	Q1/2025
Scope 1	tonCO_2e	4,877	1,006
Scope 2	tonCO_2e	6,858	1,957
Scope 1 and 2	tonCO_2e	11,735	2,963
Scope 3	tonCO_2e	206,991	58,415

Note: The greenhouse gas emission data represents the greenhouse gas emissions for Q1/2025. The data has been collected and assessed in accordance with the guidelines of the Thailand Greenhouse Gas Management Organization (Public Organization) and the international standard ISO 14064-1.

In 2025, the Company transitioned its primary fuel source from fuel oil to liquefied natural gas (LNG), a cleaner energy source that emits significantly less carbon compared to fuel oil. This transition has helped reduce greenhouse gas (CO_2) emissions by approximately 14%. Additionally, it has led to a decrease in air pollutants such as sulfur dioxide (SO_2), nitrogen oxides (NO_x), and particulate matter (PM), benefiting the environment and the health of surrounding communities. This initiative reflect s the Company's commitment to enhancing sustainable energy efficiency and supporting the long-term goal of becoming a Carbon Neutral organization.

Reduce (20% by 2025)

The Company reduced its use of virgin plastic by 1,605 tons or 20.8% of its total plastic packaging usage volume compared to the previous year.

Recyclable (100% by 2030)

The Company has compiled data on recyclable packaging materials, accounting for 83% of the total packaging volume. The remaining 17% consists of non-recyclable packaging materials such as laminated films. In addition, the Company is in the process of developing a system to recycle used laminated film into plastic pellets.

Recycled content (10% by 2030)

In 2023, the Company developed and tested plastic pellets made from recycled plastic bottles, known as Post-Consumer Recycled (PCR). This initiative aims to support a circular economy and maximize the lifespan and value of materials. From Q1/2025, the Company has distributed the Mass Series products under the BeNice brand, using packaging made from PCR plastic pellets, totaling 55.7 tons. This initiative has helped reduce carbon dioxide emissions by 490 tons of CO_2 equivalent (CO_2e), aligning with sustainable development goals and minimizing environmental impact.