



SUCCESSMORE

Inspiration for your Being

OPPORTUNITY DAY PRESENTATION

Q1/2023

24 May 2023





Q1/2023 KEY HIGHLIGHTS



GROWING MORE RECEIVED "BEST FARMER PRODUCTS"

- Received the first pride award of the year in the category "**Best Farmer Products**" under the Growing More brand from the Siamrath online award 2023



CONTINUOUSLY LAUNCHED NEW PRODUCTS

- Launch new products in Q1/23 such as liquid NPK 2 formulas, B4 (burn Build Boost Balance), and Multi Vitamin and Mineral to serve customer needs



SUCCESSMORE

Inspiration for your Being

01 COMPANY OVERVIEW

Displays the business nature of the Company with breakdown of product and service portfolio

02 Strategic Direction & Strategy

Illustrates the growth direction of the Company and how the Company is planning on achieving the target

03 Financial Performance

Displays the Company's financial performance of the latest quarter

04 2023 Outlook

Outlines the Company's growth target and activities for the upcoming quarter and year

GETTING TO KNOW SCM



► 1st Network Marketing Company Listed on SET

- Among the 32 Network Marketing Companies in Thailand, SCM is the *only one* that listed in SET

► 7 Countries of Operation

- 7 countries in AEC including KH, MM, LA, VN, MY, SG, PH

► 177k Active Members

INSPIRATION FOR YOUR BEING

"We believe every change will lead to success in upgrading your status in terms of wealth, happiness and lifetime achievements"



HAPPINESS

- Creating inspiration for the soul
- Health Conscious



WEALTH

- Obtaining Income
- Better way of Living



LIFETIME ACHIEVEMENT

- Prioritize the success of our SCM member
- Human development: mind-set and skill-set for members to create unity and be successful with the company through "SCM Leadership Academy (SLA)"

GROWING BUSINESS AS AN ECOSYSTEM

Leveraging Members

Consulting Services

Operated by “SPT” and “SPM” to provide network business-related advice.

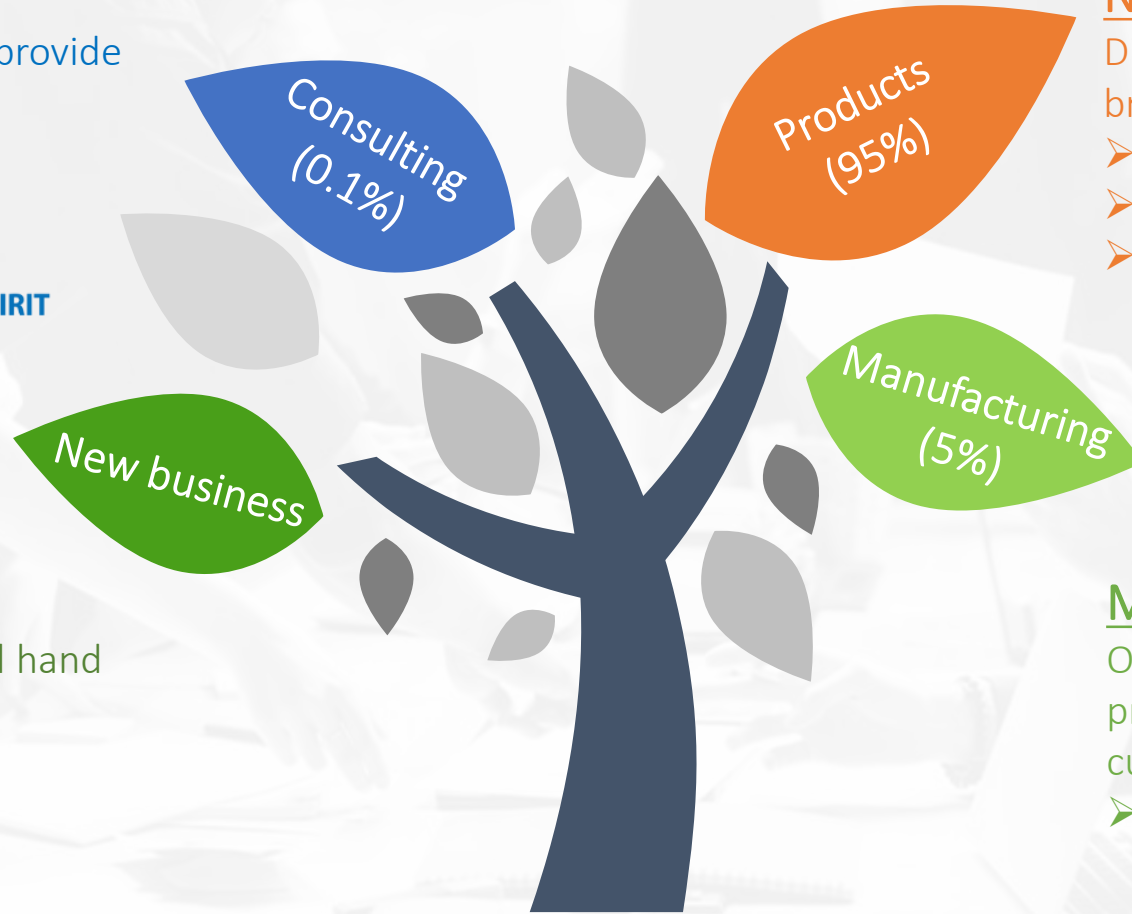
- Service income



New Business

Operated by “CHL” to provide 2nd hand car hire purchase services

- Leasing
- Other business



Network Marketing

Distributing variety of products through branches and overseas distribution agents

- Local sales
- Export to distributors
- Brand Using Fee

Manufacturing Business (OEM)

Operated by “SMI” to manufacture products for the company group's customers.

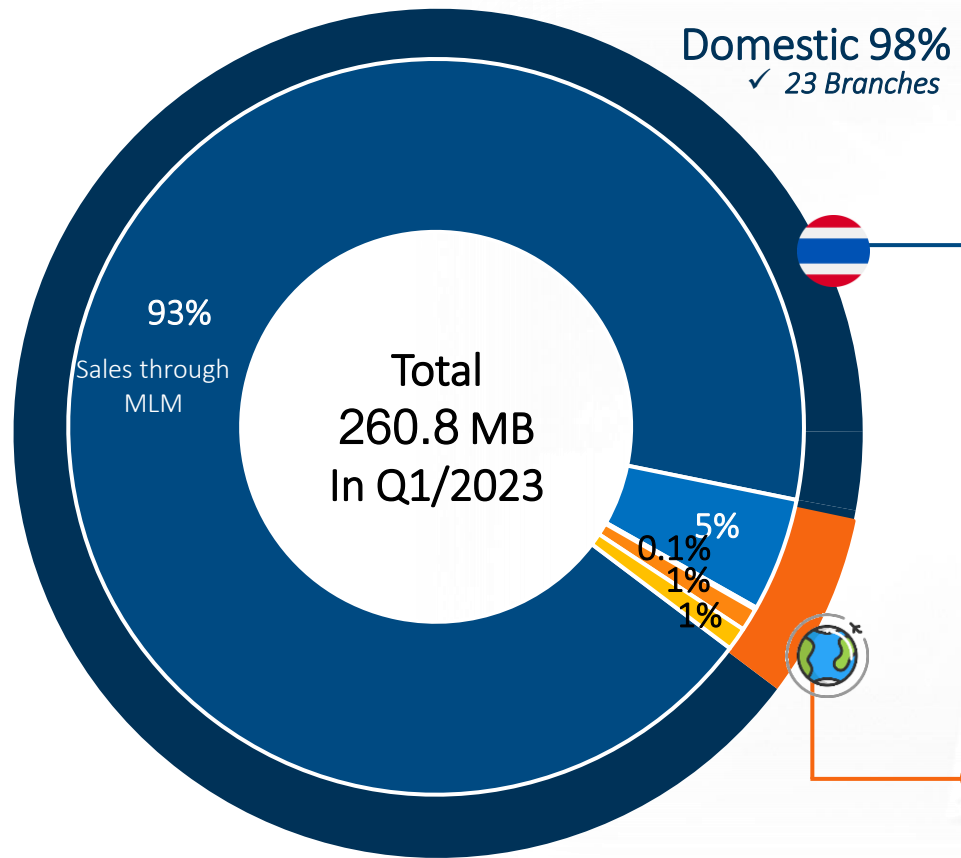
- Other income

SCM Core Values & Skill Sets



BUSINESS OVERVIEW BY BUSINESS UNIT

Revenue Structure by Business Unit



Domestic 98%
✓ 23 Branches

93% Sales through MLM

Network Marketing: Networking business to distribute nutritional products and consumer products which is the main business of the group of companies.

5% Other Income

Manufacturing Business: Manufacturing business that has been operated by SMI. It has a production capacity of approximately 15,000 pieces per month, with the production of 5 SKUs including F4, Orysamin, Right, Phytaplex and Vistaplex.

0.1% Service Income

Consulting Services for Networking Business Operation and Seminar Organization: Consulting services business in operating networking business is operated by SPT and SPM to provide network business-related advice.

1% Export to Distributor

Distributing products through a network of overseas dealers which include 6 countries, Cambodia, Laos, Myanmar, Vietnam, Malaysia, and Singapore.

1% Brand Using Fee

Using brands of the overseas dealers that have managed branches and businessman by themselves.

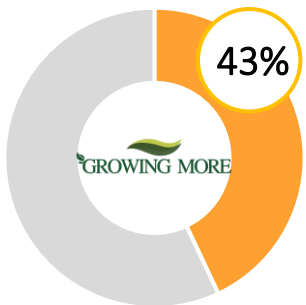
International 2%

✓ 7 countries in AEC including KH, MM, LA, VN, MY, SG, PH



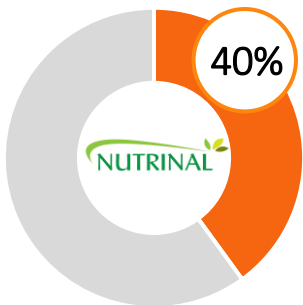
SUCCESSMORE PRODUCT PORTFOLIO

Revenue Structure by Brand



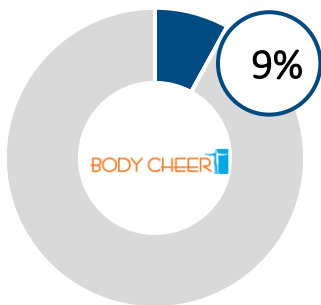
Growing More

Agricultural Products



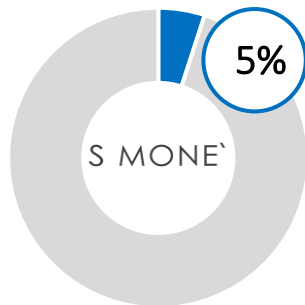
Nutrinal

Dietary Supplementary Products



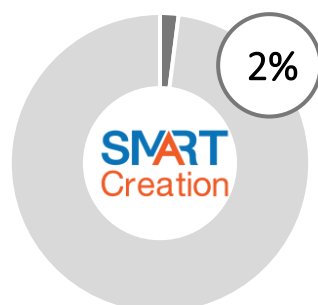
Body Cheer

Daily Products



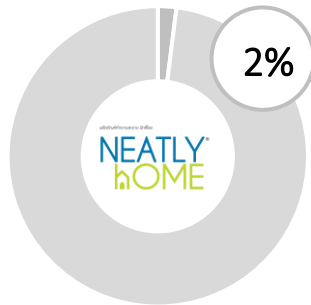
S Mone'

Facial Skin Products



Smart Creation

Modern Innovative Products



Neatly Home

Home Products



Product Examples:



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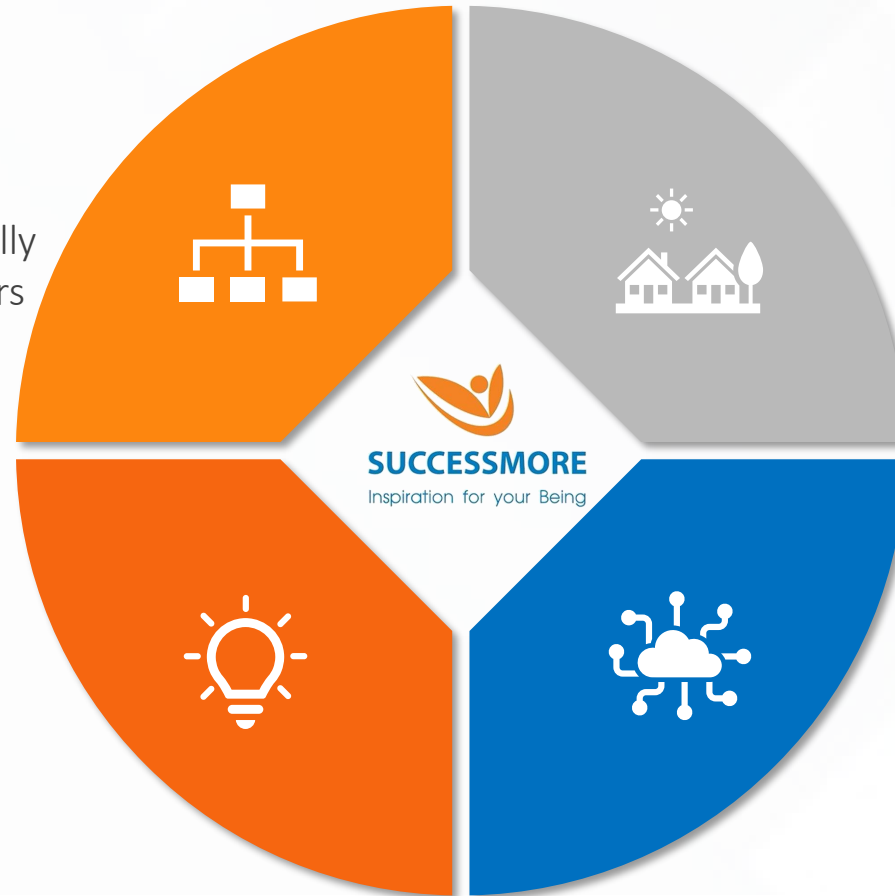
Outlines the Company's growth target and activities for the upcoming quarter and year

SCM STRATEGIC DIRECTION

Network to build success, happiness and goal achievement



SCM Strategy



1

STRENGTHENING CORE BUSINESS

- Expanding membership base domestically and internationally
- Developing quality of members
- Maximizing order size

2

SEEK FOR NEW BUSINESSES

- Leveraging existing customer base for new business
- Identify new investment opportunities for growth

4

CONTINUOUS CARE FOR COMMUNITY

- CSR activities
- Recognized as a sustainable Company

3

TECHNOLOGICAL INTELLIGENCE

- Applying Big Data to MLM business to expand market and penetrate tech-savvy customers



1. Strengthening Core Business Through 3 Core Pillars (1/2)

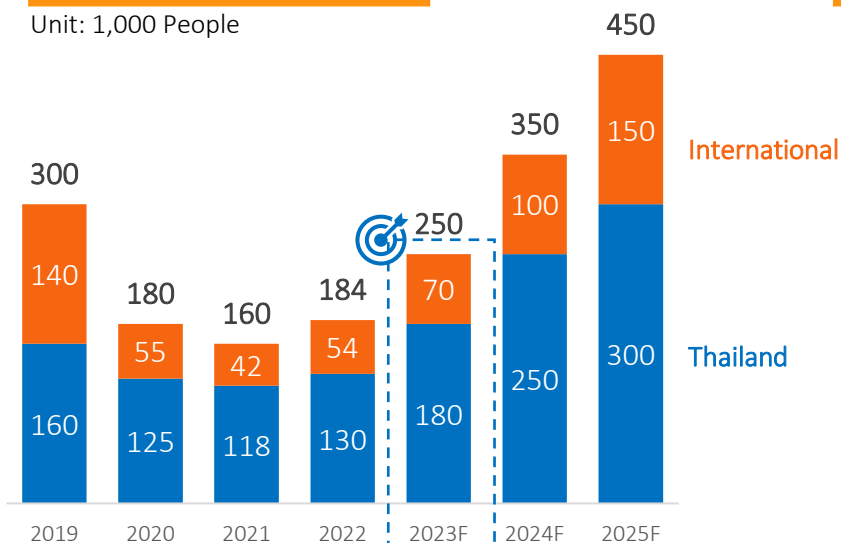
SCM plans to grow MLM business through expanding membership community as well as increasing performance per member

X: EXPANDING MEMBERSHIP

01

Number of Members

Unit: 1,000 People



✓ Total 177,000 members as of Q1/23

- ✓ Expand sales channel to online with supportive system
- ✓ Attractive Incentive Schemes
- ✓ Increase Awareness of Brands
- ✓ Retention schemes

Y: RELATIONSHIPS

02

Quality of Members



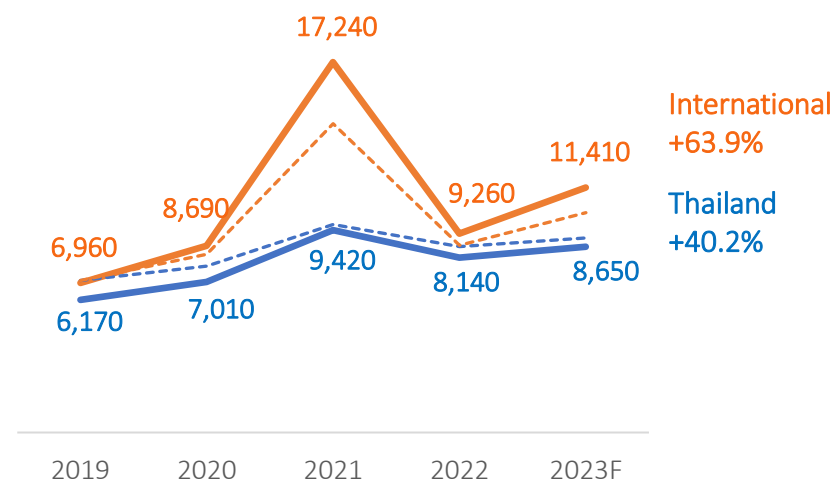
- ✓ Consistent training
- ✓ Enhancing Leadership
- ✓ Digital Marketing Practices
- ✓ Increasing Quality of Members through Leadership Programs

Z: MAXIMIZE ORDER SIZE

03

Average Sales Value per Member

Unit: Baht per Person



✓ Average sales value per member as of Q1/23

- Thailand : 7,680 Baht per person
- International : 7,840 Baht per person
- ✓ Introducing new products Increasing Product Mix: Expanding Agricultural and the Silver Age Market

Strengthening Domestic Team and Networks: 10-15 teams per Region

1. Strengthening Core Business Through 3 Core Pillars (2/2)

Expand to online platforms

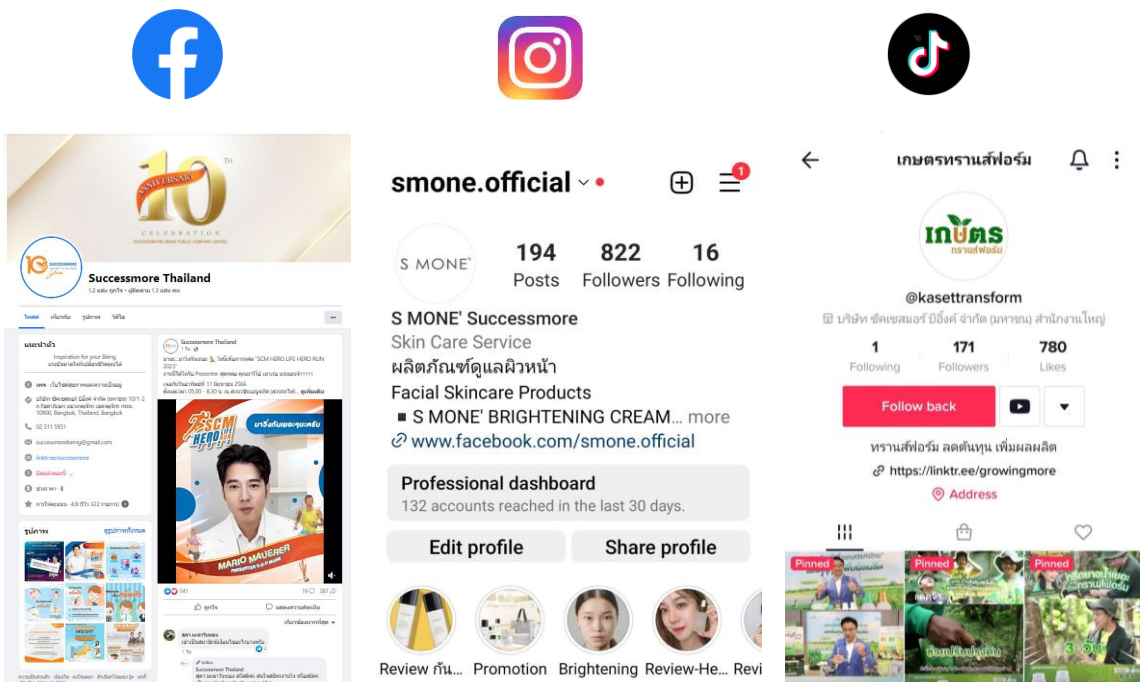
- Expand from offline strategies to digital platforms by training members to be influencers to reach customers effectively

Positioning corporate brand as a "Hero Brand"

- Be a hero brand to grow and become top-of-mind for consumers

"SCM Hero Life Hero Run"

Every step of your run will turn into a contribution to the National Cancer Institute Foundation and the Paralympic Foundation of Thailand





2. Seek For New Businesses

SCM has launched leasing since Q3-22 and is continuously exploring new business to generate growth

Leasing Profile



234 cars were approved and delivered



105.7 Million Baht of total loan amount



52% of total customers are **company employees** receiving salary through bank account



35% of total customers had **average income of 30,000-50,000** baht per month

Note: Data as of 15 February 2023 and no more additional leasing

Explore other opportunity



- ✓ Operation management
- ✓ Focus on quality of debtor
- ✓ Debt collection for the existing loan outstanding amount to prevent NPL
- ✓ Exploring other potential new businesses that have synergy with SCM by leveraging existing members and utilizing the skills of employees to generate an additional revenue stream
- ✓ Considering seeking collaboration with strategic partners in related business



3. Technological Intelligence

SCM developed a big data system and has used it in sales planning and management since 2021. This is an important factor that will boost SCM's sales value in 2021, including using a warehouse management system to increase SCM's long-term competitiveness



Analytics for Marketing Strategies

- ✓ Using big data for customer relationship management and analyzing marketing and sales
- ✓ Using Big Data to analyze and create a good brand experience for customers



Warehouse Management System (WMS)

- ✓ The system used for controlling goods entering and leaving the warehouse by using web application platform, handheld computer, and QR code tracking



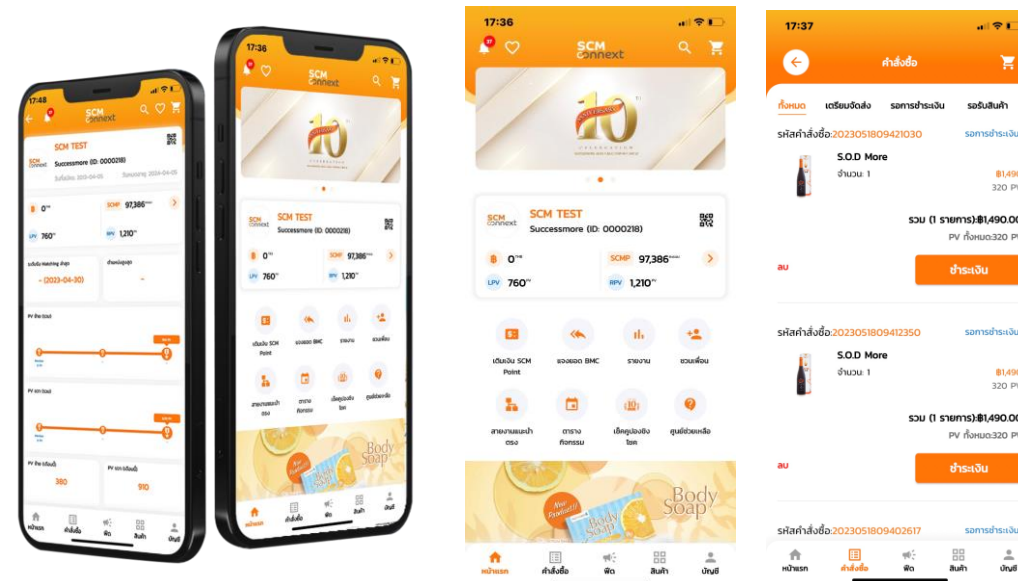
- Plan product distribution and storage
- Reduce shipping problems
- Calculate the warehouse management cost
- Check inventory and shelf life of products



Application Development

“SCM CONNEXT”, a sales platform on Mobile Application to increase convenience to members in purchasing products and receiving news

“My Success Shop”, is an online store system that helps members boost sales through sharing on various social media and trading 24 hours a day.





4. Continuous Care for Community

SCM conducts business with transparency and accountability to the community and environment.

Environmental

- ✓ SCM conducts its business by **prioritizing the environment** and avoiding activities that can have a negative impact on the surrounding communities.



"reBox to School" project

- Joining with Thailand Post to donate 300 kilograms of unused cardboard boxes to produce table and chair sets for children

Social

- ✓ SCM has a policy to encourage all stakeholders to be involved in being **responsible for society and community** through continuous CSR activities.



- ✓ SCM focused on delivering value through personal development through the Successor Leadership Academy



Governance

- ✓ SCM has been certified by various agencies as an **anti-corruption organization**.
- ✓ SCM was assessed at the level of "Excellent" from the Good Corporate Governance Assessment.
- ✓ SCM obtained a **full score of 100 points** from the assessment of the **quality of the 2022 Annual General Meeting of Shareholders** by the Thai Investors Association.





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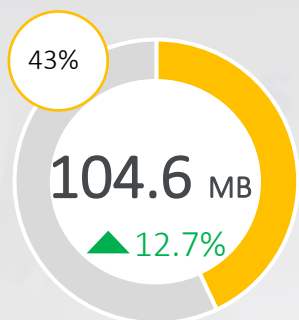
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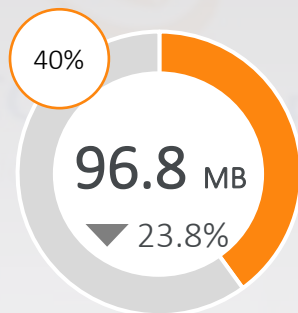
Outlines the Company's growth target and activities for the upcoming quarter and year

Q1/2023 Financial Highlights

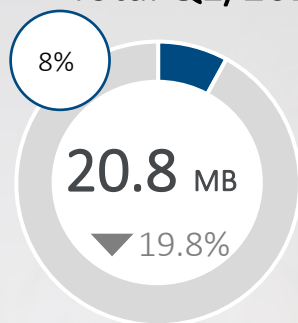
Total Q1/2023 Sales 562.80 MB



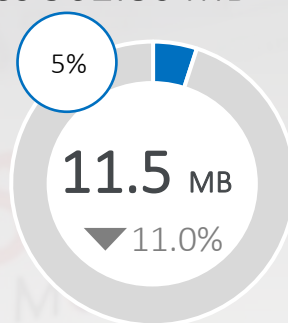
Growing More



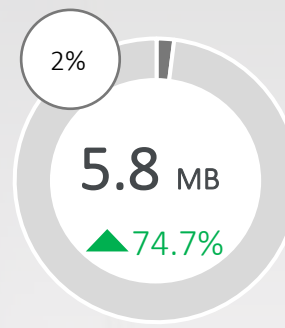
Nutrinal



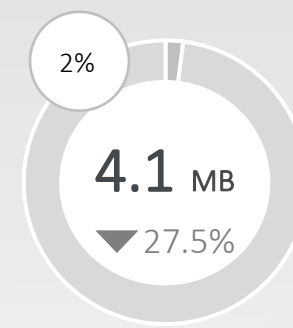
Body Cheer



S Mone'



Smart Creation



Neatly Home

GPM

81.5%

NPM

7.7%

ROA

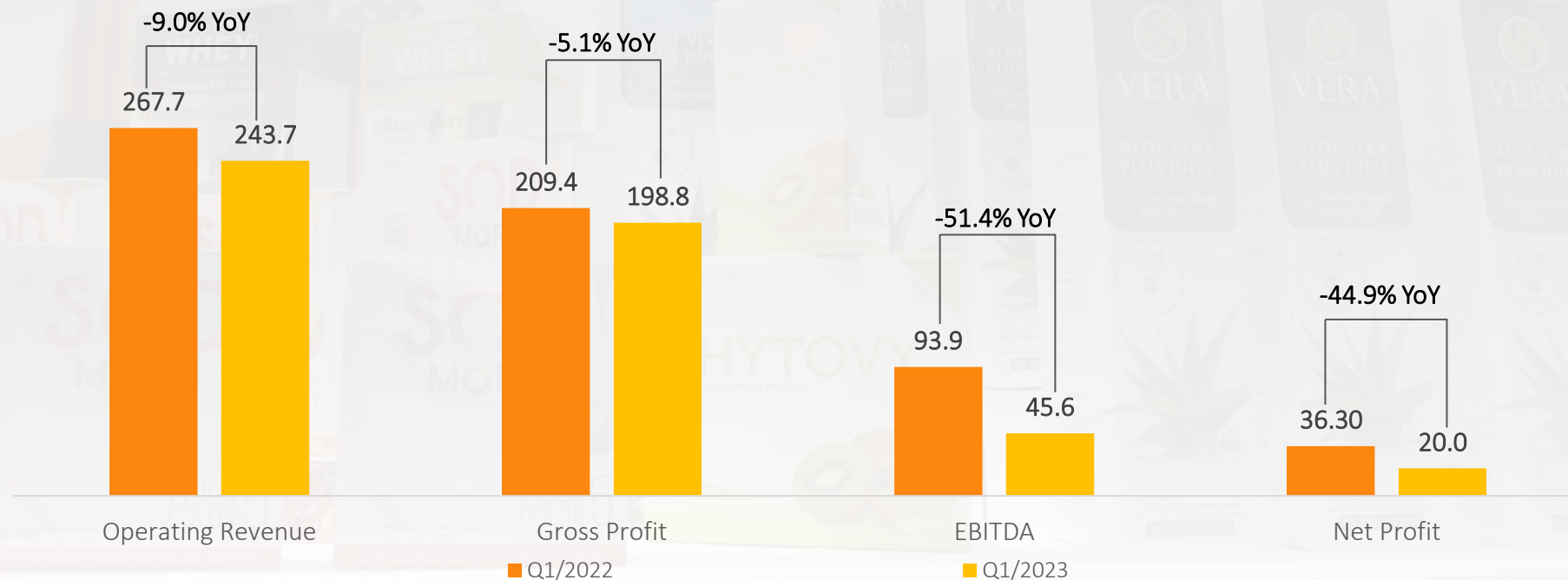
19.2%

ROE

21.3%

Financial Summary

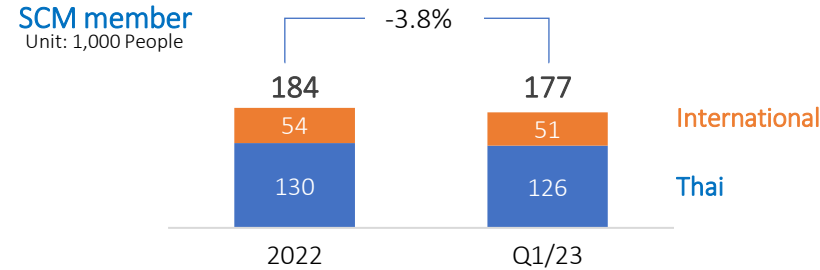
Unit: Million Baht, %



Q1/2023 Revenue and Cost Impact



- High competition from market players and the **decrease in new SCM members**



Impact to SCM

Revenue from sales in Q1/23 dropped from YE/22



- Marketing cost by using celebrities as brand presenter to promote brand awareness and product sales
- Training and seminars organizing cost to enhance members capabilities

Ongoing Marketing activities from Q1/23 to Q3/23 will stimulate better sales performance in later quarters of the year



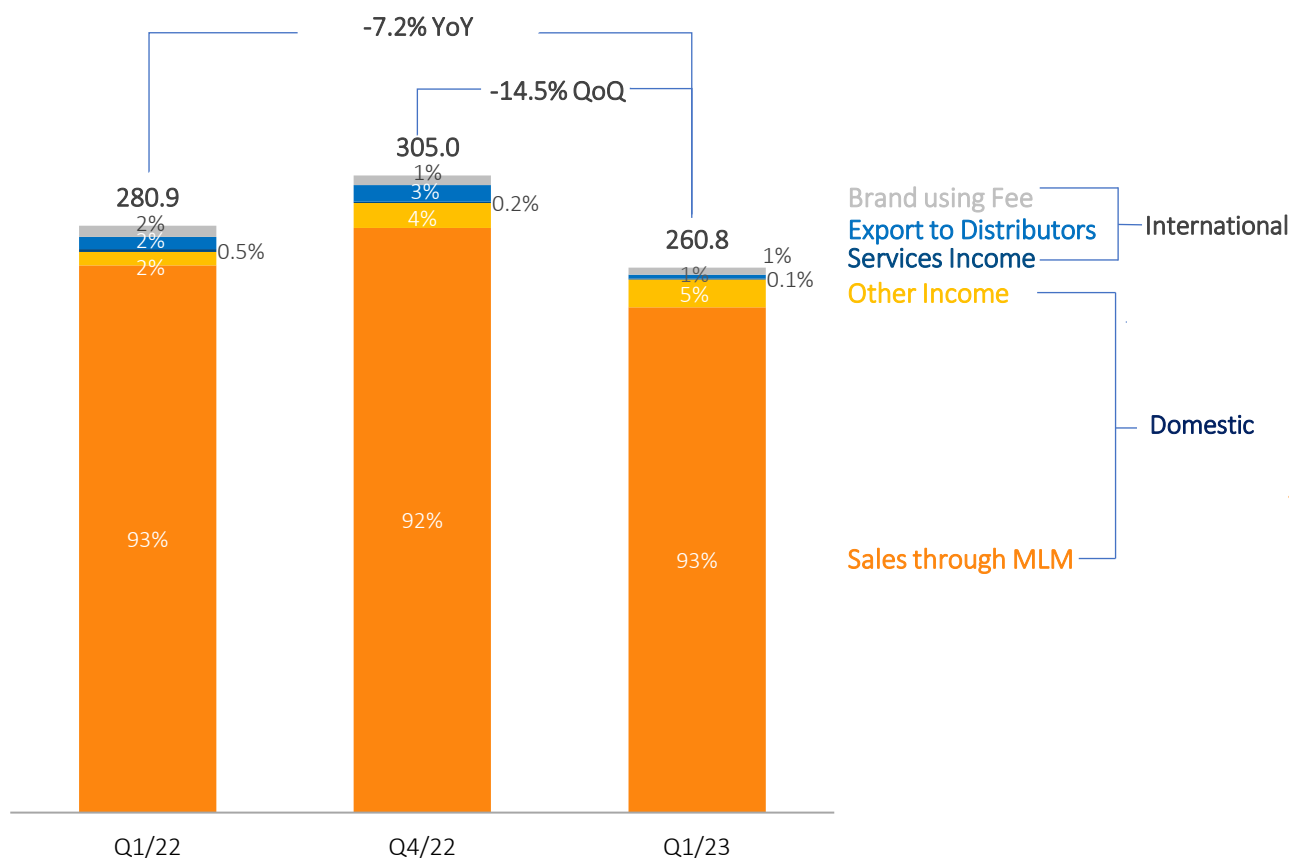
- Employee-related expenses for Chadhai Leasing Co., Ltd.
- The record allowance for expected credit losses of hire-purchase receivables

Increased in employee-related expense in Q1/23 and will not occur again in Q2/23

Total Revenue Breakdown by Type of Income

Revenue Breakdown by Type of Income

Unit: Million Baht



-7.2% YoY : Q1/2023 vs Q1/2022

Operating revenue was Baht 260.8 million, decreased by Baht 20.1 million or 7.2% mainly due to:

- **Domestic revenue:** decreased by Baht 14.1 million, mainly due to the decrease in revenue from supplement products such as aloe vera beverages, while the sales value of agricultural products continuously increased since the situation of increase in fertilizer prices
- **International revenue:** decreased by Baht 6.0 million, mainly due to the decrease in export sales to distributors, causing the number of new orders from Thailand to be reduced, and a decrease in brand using fee

-14.5% QoQ : Q1/2023 vs Q4/2022

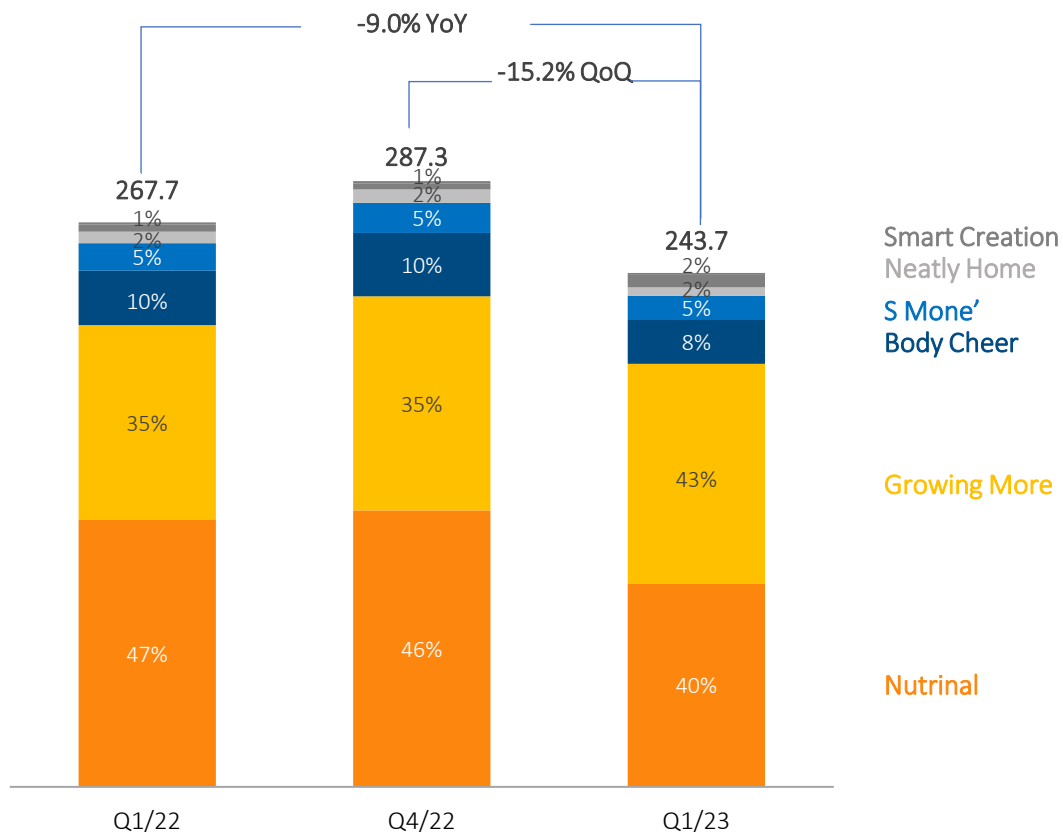
Operating revenue was Baht 260.8 million, decreased by Baht 44.2 million or 14.5% mainly due to:

- **Domestic revenue:** decreased by Baht 36.8 million, mainly due to the decrease in revenue from supplement products such as aloe vera beverages, while the sales value of agricultural products continuously increased since the situation of increase in fertilizer prices
- **International revenue:** decreased by Baht 7.4 million, mainly due to the decrease in export sales to distributors, causing the number of new orders from Thailand to be reduced, and a decrease in brand using fee

Operating Revenue Breakdown by Brand

Operating Revenue Breakdown by Brand

Unit: Million Baht



-9.0% YoY : Q1/2023 vs Q1/2022

Operating revenue was Baht 243.7 million, decreased by Baht 24.0 million or 9.0% mainly due to:

- Nutrinal:** decreased by Baht 30.2 million, mainly due to the decrease in revenue from aloe vera beverages in line with the decline in purchasing power of consumers following the relaxing of the COVID-19 situation
- Growing More:** increased by Baht 11.8 million, due to the increase in volume and more competitiveness as a result of the situation of increased fertilizer prices

-15.2% QoQ : Q1/2023 vs Q4/2022

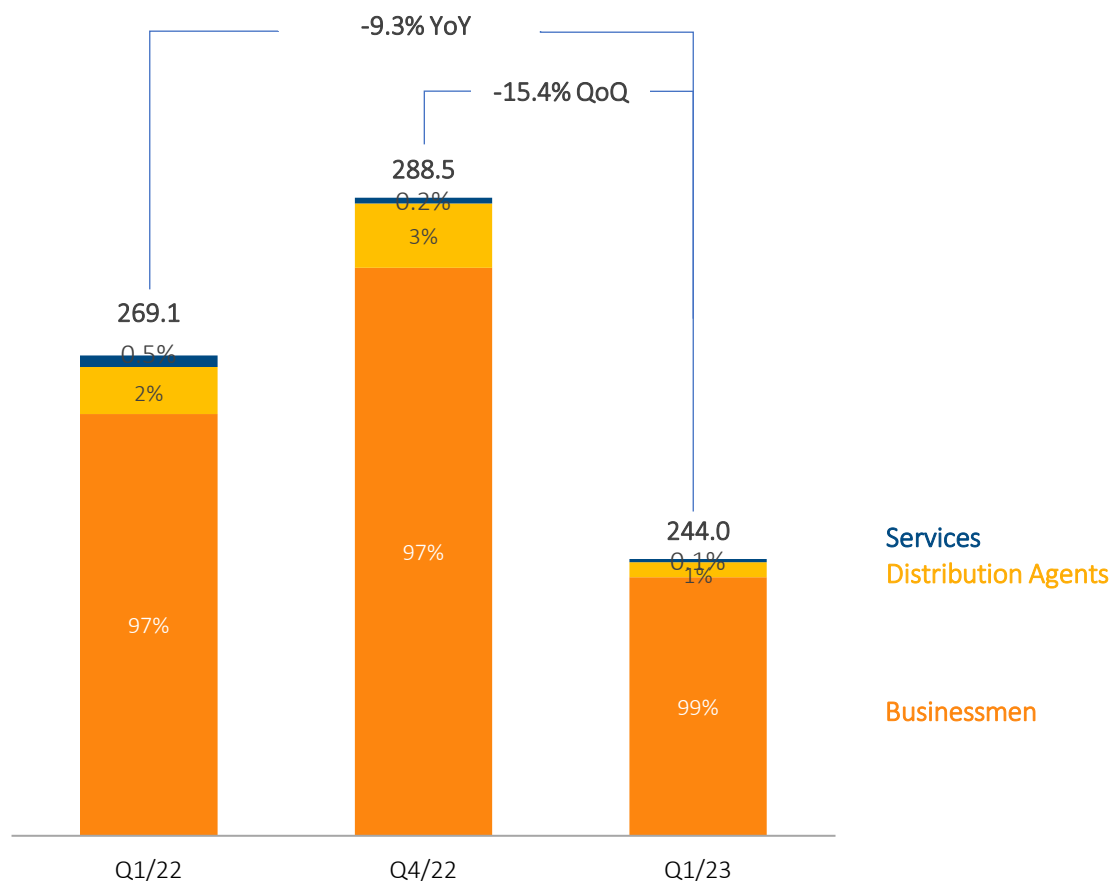
Operating revenue was Baht 243.7 million, decreased by Baht 43.6 million or 15.2% mainly due:

- Nutrinal:** decreased by Baht 34.7 million, mainly due to the decrease in revenue from aloe vera beverages in line with the decline in demand following the relaxing of the COVID-19 situation
- Body Cheer:** decreased by Baht 9.3 million, mainly due to the decrease in volume. In addition, Body Cheer products are low-margin products. However, the company plans to adjust the product portfolio by adding more high-margin products

Operating Revenue Breakdown

Operating Revenue by Channel

Unit: Million Baht



-9.3% YoY : Q1/2023 vs Q1/2022

Operating revenue was Baht 244.0 million, decreased by Baht 25.1 million or 9.3% mainly due to:

- **Businessmen:** decreased by Baht 20.1 million, mainly due to the decrease in domestic sales from supplement products and the increasing competition in the food supplement market, while the sales value of agricultural products continuously increased since the situation of increase in fertilizer prices
- **Distribution Agents:** decreased by Baht 3.9 million due to the economic situation and the purchasing power of consumers, causing the number of new orders from Thailand to be reduced
- **Service:** decreased by Baht 1.0, mainly due to the company reduced service fee in 2022 to encourage overseas distributors to access more online marketing activities and a decrease in brand using fee

-15.4% QoQ : Q1/2023 vs Q4/2022

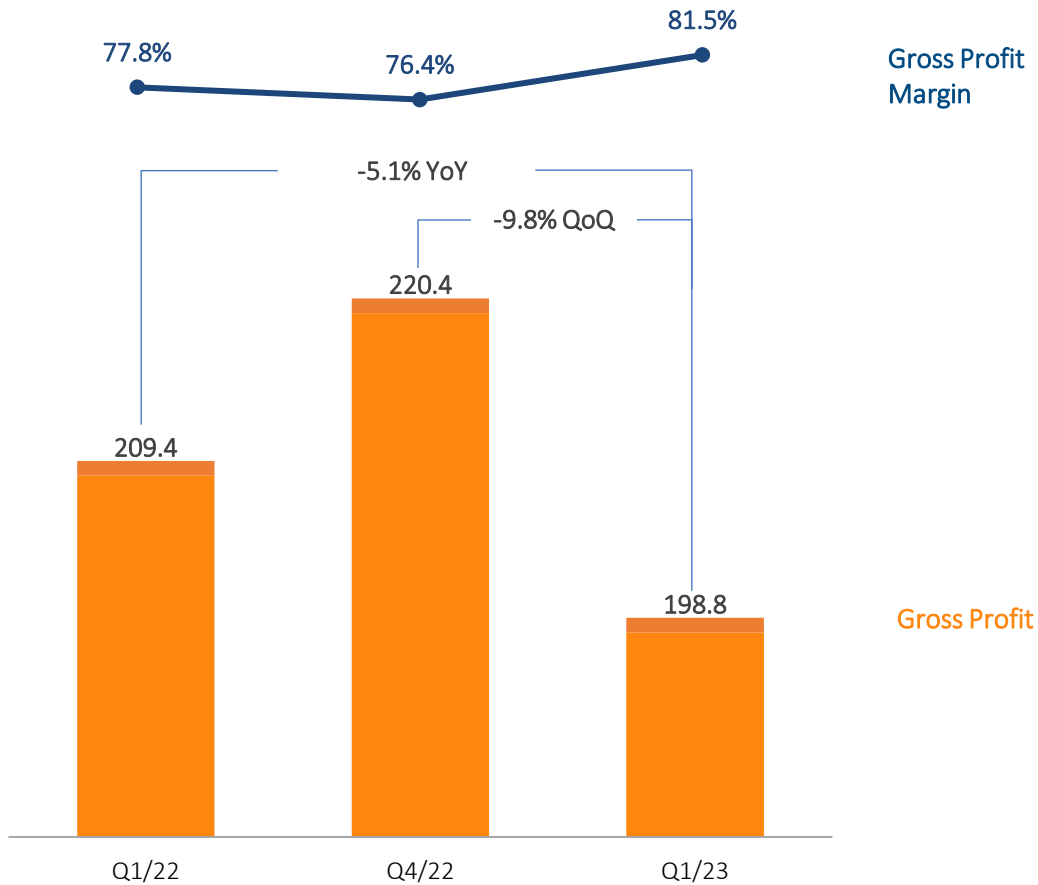
Operating revenue was Baht 244.0 million, decreased by Baht 44.5 million or 15.4% mainly due to:

- **Businessmen:** decreased by Baht 38.1 million, due to a decrease in domestic sales from supplement products and the increasing competition in the food supplement market, while the sales value of agricultural products continuously increased since the situation of increase in fertilizer prices as well as the seasonal effect
- **Distribution Agents:** decreased by Baht 6.1 million due to a decrease in export sales to distributors, causing the number of new orders from Thailand to be reduced
- **Service:** slightly decreased by Baht 0.3 million mainly due to the company reduced service fee in 2022 to encourage overseas distributors to access more online marketing activities and a decrease in brand using fee

Gross Profit

Gross Profit and Gross Profit Margin (GPM)

Unit: Million Baht, %



-5.1%

YoY : Q1/2023 vs Q1/2022

- Gross Profit was Baht 198.8 million, decreased by Baht 10.6 million or 5.1% mainly due to the decrease in both domestic and export sales
- Gross Profit Margin** was 81.5% increased from 77.8%, mainly due to the increase in sales proportion of Growing More, which is a high-margin product

-9.8%

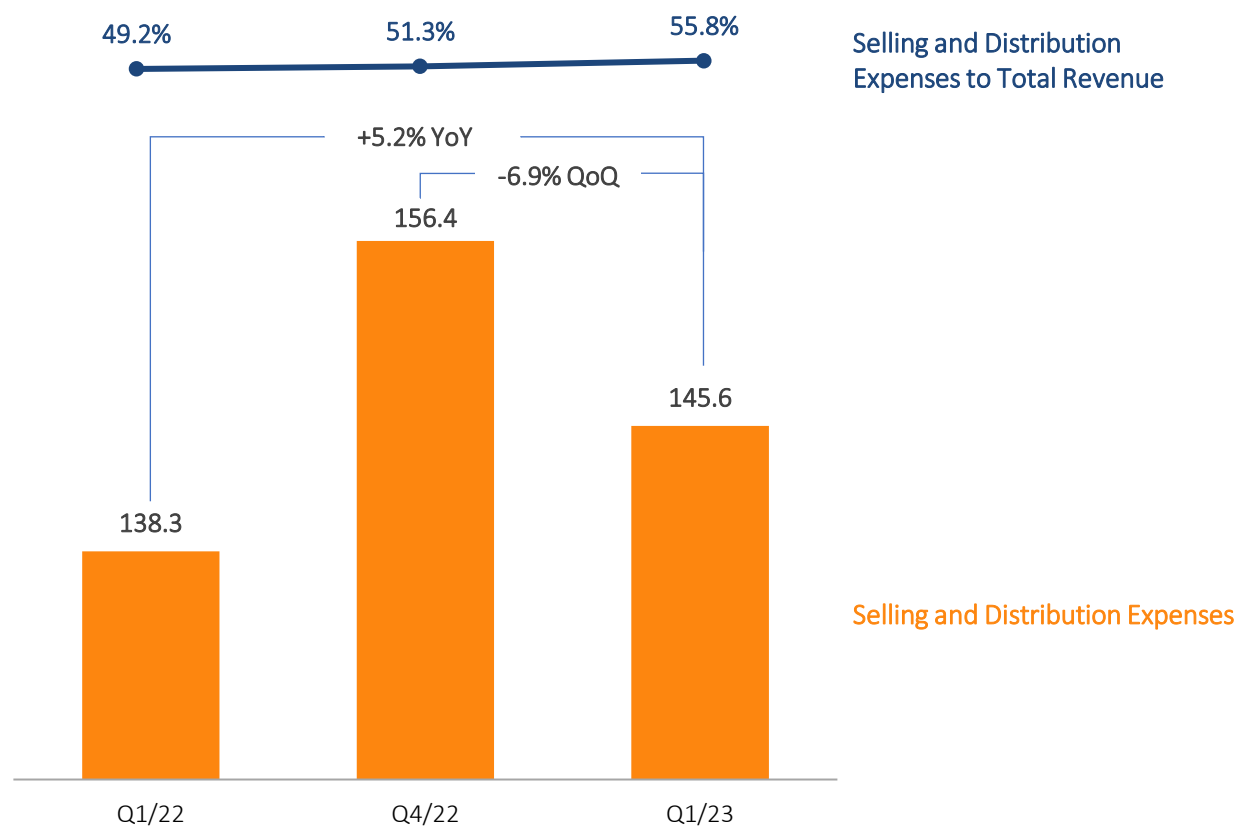
QoQ : Q1/2023 vs Q4/2022

- Gross Profit was Baht 198.8 million, decreased by Baht 21.6 million or 9.8% mainly due to the decrease in both domestic and export sales
- Gross Profit Margin** was 81.5% increased from 76.4%, mainly due to the increase in sales proportion of Growing More, which is a high-margin product

Selling and Distribution Expenses

Selling and Distribution Expenses

Unit: Million Baht, %



+5.2% YoY : Q1/2023 vs Q1/2022

- **Selling and Distribution Expenses** was Baht 145.6 million, increased by Baht 7.3 million or 5.2% due to the increase in marketing promotion, advertising expenses and costs associated with hiring famous people, while commissions decrease according to the decrease in sales
- **Selling and Distribution Expenses to Total Revenue** was 55.8%, increased from 49.2%, mainly due to marketing promotion, advertising expenses, and costs associated with hiring famous people to be presenters to create awareness of the company's products

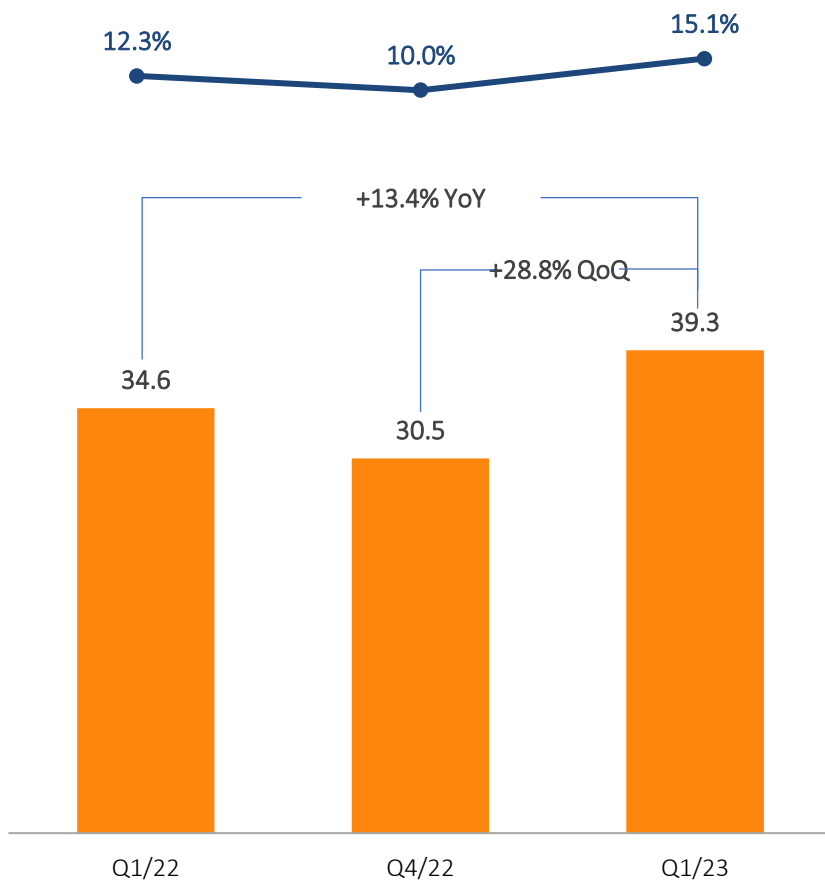
-6.9% QoQ : Q1/2023 vs Q4/2022

- **Selling and Distribution Expenses** was Baht 145.6 million, decreased by Baht 10.8 million or 6.9% mainly from the decrease in commission fees according to the decrease in sales
- **Selling and Distribution Expenses to Total Revenue** was 55.8%, increased from 51.3%, mainly due to marketing promotion, advertising expenses, and costs associated with hiring famous people to be presenters to create awareness of the company's products

Administrative Expenses

Administrative Expenses

Unit: Million Baht, %



Administrative Expenses to Total Revenue

Administrative Expenses

+13.4% YoY : Q1/2023 vs Q1/2022

- **Administrative Expenses** was Baht 39.3 million, increased by Baht 4.7 million or 13.4% mainly due to the increase in employee-related expenses and the record allowance for expected credit losses of hire-purchase receivables of Chadhai Leasing Co., Ltd., which starts business in Q4/2022
- **Administrative Expenses to Total Revenue** was 15.1%, increased from 12.3%, mainly due to the increase in employee-related expenses and the record allowance for expected credit losses of hire-purchase receivables

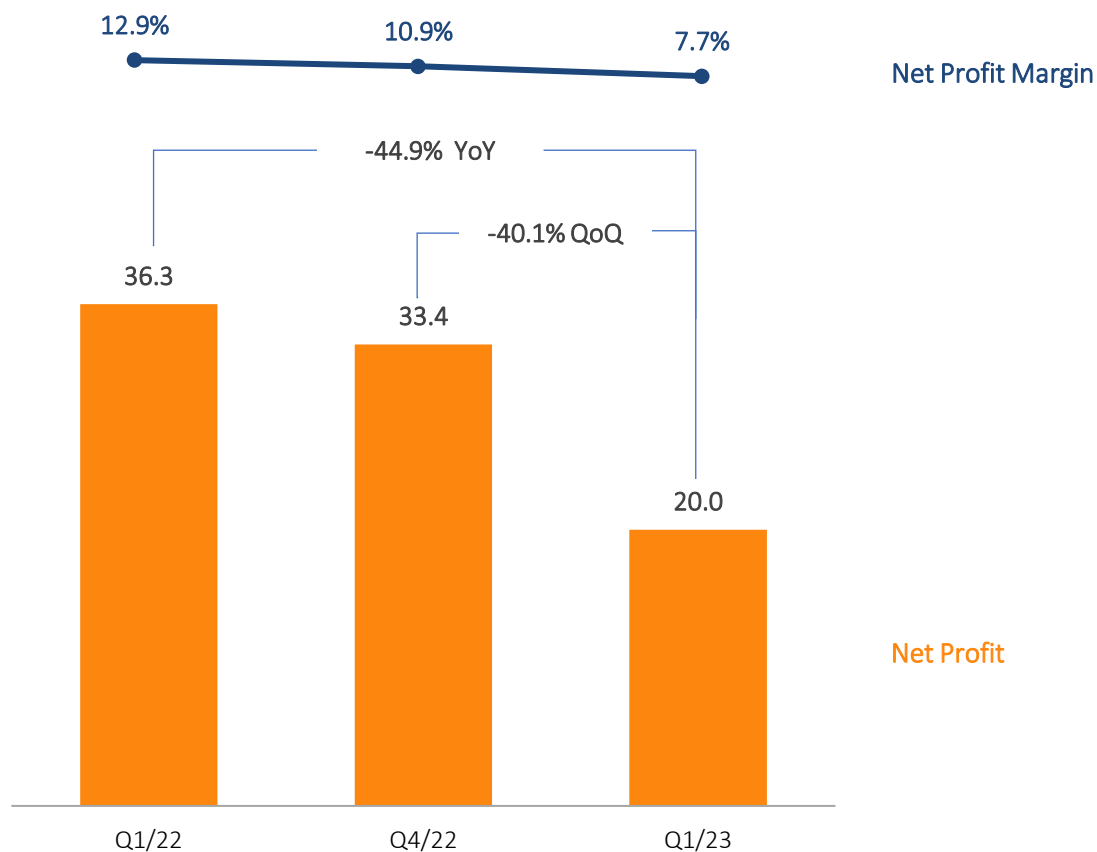
+28.8% QoQ : Q1/2023 vs Q4/2022

- **Administrative Expenses** was Baht 39.3 million, increased by Baht 8.8 million or 28.8%, mainly due to the increase in employee-related expenses, and the record allowance for expected credit losses of hire-purchase receivables of Chadhai Leasing Co., Ltd., which starts business in Q4/2022
- **Administrative Expenses to Total Revenue** was 15.1%, improved from 10.0%, mainly due to the increase in employee-related expenses and the record allowance for expected credit losses of hire-purchase receivables

Net Profit

Net Profit and Net Profit Margin

Unit: Million Baht, %



-44.9%

YoY : Q1/2023 vs Q1/2022

- **Net Profit** was Baht 20.0 million, decreased by Baht 16.3 million or 44.9%, mainly due to the decrease in sales and the increase in selling and administration expenses from marketing promotion, advertising expenses, and costs associated with hiring famous people as well as employee-related expenses and the record allowance for expected credit losses of hire-purchase receivables
- **Net Profit Margin** was 7.7%, decreased from 12.9%, mainly due to the decrease in sales, and increase in selling and administration expenses

-40.1%

QoQ : Q1/2023 vs Q4/2022

- **Net Profit** was Baht 20.0 million, decreased by Baht 13.4 million or 40.1% mainly due to the decrease in sales and the increase in administration expenses from employee-related expenses, and the record allowance for expected credit losses of hire-purchase receivables
- **Net Profit Margin** was 7.7%, decreased from 10.9%, mainly due to the decrease in sales, and increase in administration expenses

Statement of Financial Position

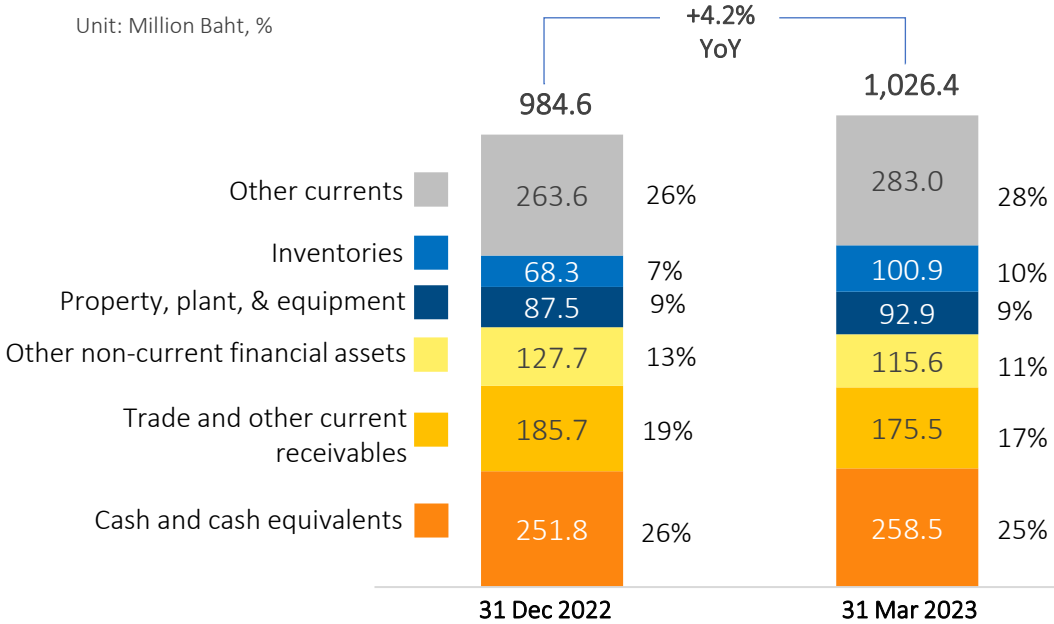


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Inspiration for your Being

Unit: Million Baht, %

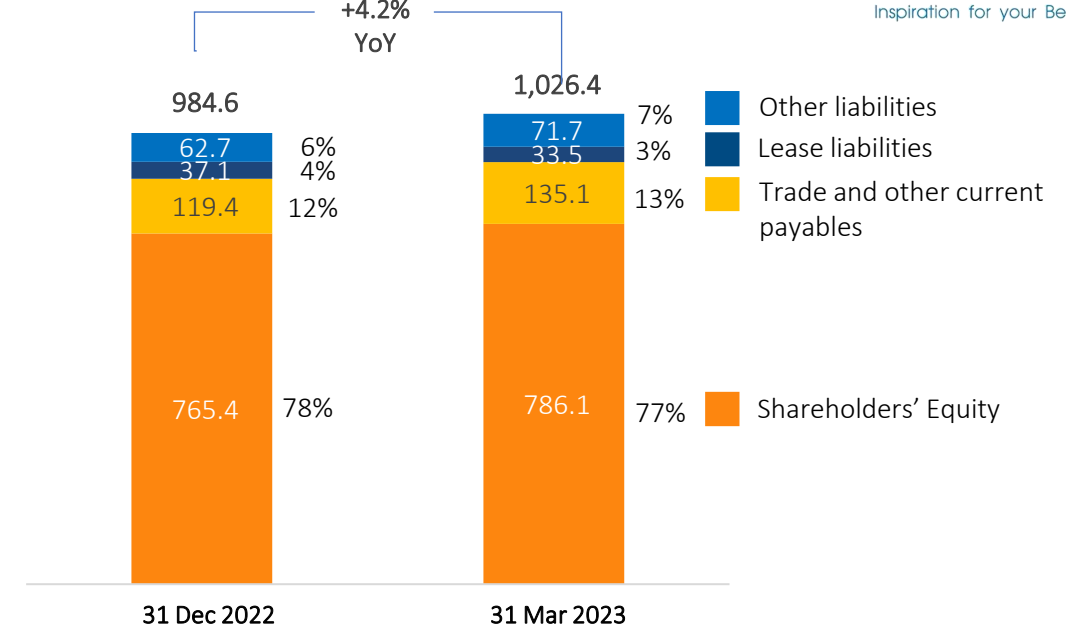
Assets

+4.2%
YoY



Liabilities and Equity

+4.2%
YoY



+4.2%

Total Assets

As of 31 March 2023, the total assets were Baht 1,026.4 million, increased by Baht 41.8 million from 31 December 2022, mainly due to:

- **Cash and cash equivalents:** increased by Baht 6.7 million from normal operation
- **Trade and other current receivables** decreased by Baht 10.2 million from increased account receivables of Chadhai Leasing Co., Ltd.,
- **Inventories:** increased by Baht 32.6 million from increased products inventory to support customer orders

+9.6%

Total Liabilities

As of 31 March 2023, the total liabilities were Baht 240.3 million, increased by Baht 21.1 million from 31 December 2022, mainly due to:

- **Trade and other current payables:** increased by Baht 15.7 million, due to the purchase of products to support order
- **Other liabilities:** increased by Baht 9.0 million from the increase in corporate income tax payable

+2.7%

Total Shareholders' Equity

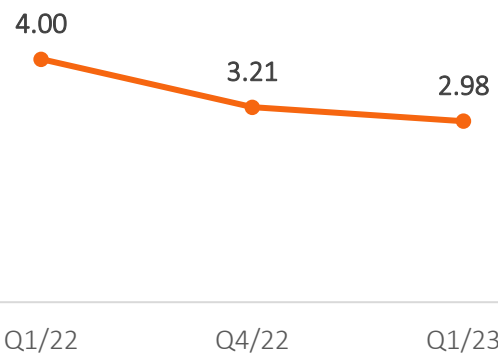
As of 31 March 2023, the total shareholders' equity were Baht 786.1 million, increased by Baht 20.7 million from 31 December 2022, mainly due to:

- **Retained earnings** according to the company's performance

Key Financial Ratios

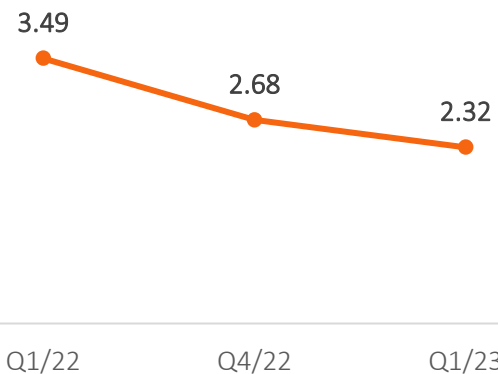
Current Ratio

Unit: Times



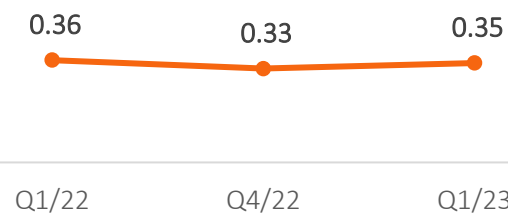
Quick Ratio

Unit: Times



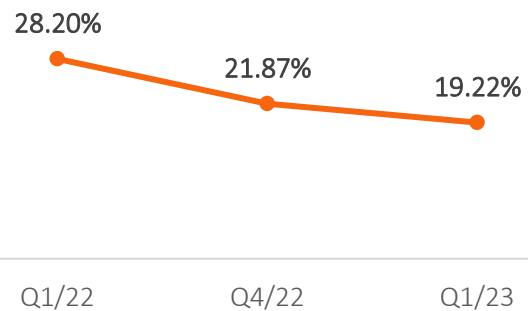
D/E Ratio

Unit: Times



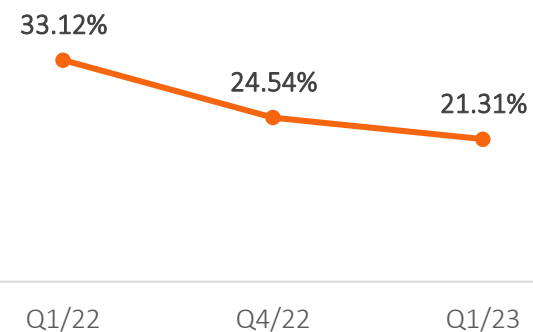
ROA

Unit: %



ROE

Unit: %





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Displays the business nature of the Company with breakdown of product and service portfolio

02 Strategic Direction & Strategy

Illustrates the growth direction of the Company and how the Company is planning on achieving the target

03 Financial Performance

Displays the Company's financial performance of the latest quarter

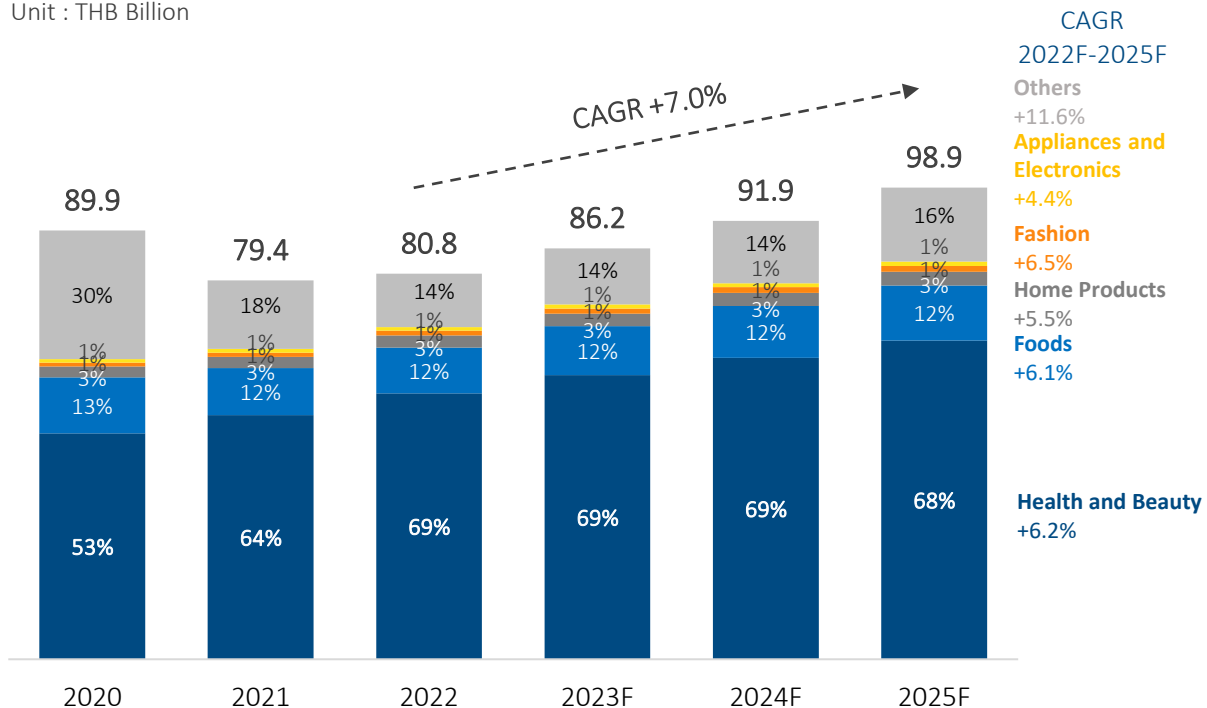
04 2023 OUTLOOK

Outlines the Industry landscape, Company's growth target and activities for the upcoming quarter and year

Direct Selling Business is expected to grow, especially Health and Personal care products from the rising health-conscious

Direct Selling in Thailand

Unit : THB Billion



Key Drivers

- Despite the challenging economic conditions resulting from efforts to contain the pandemic, certain products continued to sell well, such as health and personal care items, which benefited from the COVID-19 boost provided to the health and wellness and hygiene trends

Outlook and Opportunities



Investments in marketing and advertising and sales forces to push direct selling's recovery despite ongoing cannibalization



Omnichannel strategy is expected to be adopted by more players



Food supplements and weight management drive sales and strategies


Challenges



Intense competition with new entrants and stronger investment from existing players

SCM 2023 Outlook

SCM targets **15% growth in 2023**

 Branch & Network Expansion	 Product Mix	 New Country	 Others
TEAM/ NETWORK EXPANSION (INTANGIBLE GROWTH)	CONTINUOUS LAUNCH OF NEW PRODUCTS	CONTINUOUS EXPAND TO NEW COUNTRIES	FINDING ADDITIONAL SOURCE OF INCOME
<ul style="list-style-type: none">• Generating 500 team leaders with high capabilities to support business growth and culture in all regions in Thailand• Develop and train members to be customers' advisors rather than salesmen to provide knowledge about products to customers	<p>Q1/23</p> <ul style="list-style-type: none">✓ NPK 2 formulas✓ B4 (Burn Build Boost Balance)✓ Multi Vitamin and Mineral <p>Q2/23</p> <ul style="list-style-type: none">• Sweet Night• S MONE' (foundation and powder)• Fiber• All Pro XS (Whey Protein)• Square Plus (Dietary supplement)• T-Chloro plus (supplement) <p>Q4/23</p> <ul style="list-style-type: none">• Collagen	<ul style="list-style-type: none">• Expand dealerships into Philippines• Plans to expand to another middle east country (Dubai) while the team is also exploring opportunities in other major countries in Asia	<ul style="list-style-type: none">• Preparing to propose to the Extraordinary General Meeting of Shareholders, scheduled for June 27, 2023, to consider and approve the issuance of warrants and debentures to prepare for expanding the business

Thank You



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SCM Group Structure



History and Key Milestones



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