



May 10, 2024

Subject: Management discussion and analysis for the first quarter ended March 31, 2024
Attention: The President,
The Stock Exchange of Thailand

Vintcom Technology Public Company Limited (the “Company”) would like to submit the management discussion and analysis of the Company’s and its subsidiaries’ results of operations for the first quarter ended March 31, 2024. In addition, the Company would also like to provide clarification regarding changes of the Company and its subsidiaries’ operating results more than 20% compared to the same period of last year as follows:

Operating results

Operating results of the Company and its subsidiaries (Unit : Million Baht)	Q1/2024	Q1/2023	Changes +/-(-)
Revenue from sales and services	341.5	483.2	(29.3%)
Gross profit	85.3	101.1	15.1%
Other income	8.7	5.6	54.8%
Share of profit of associate	0.4	(0.7)	>100%
Distribution costs	(14.3)	(17.2)	(16.8%)
Administrative expenses	(47.2)	(45.4)	4.1%
Finance costs	(2.4)	(2.9)	(20.5%)
Profit (loss) before tax	30.5	40.5	(24.7%)
Net profit (loss) after tax	24.7	32.2	(23.3%)
Non-controlling interests	(5.5)	(6.6)	(16.3%)
Net profit (loss) of parent company	19.2	25.6	(25.1%)
Gross profit margin	25.0%	20.9%	
Net profit margin	5.5%	5.2%	

Revenue from sales and services for Q1/2024 decreased from Q1/2023, delivering net profit of THB 19.2 million in Q1/2024 (Q1/2023: THB 25.6 million), while the gross profit margin of Q1/2024 was higher than that of Q1/2023. This was mainly due to revenue from large projects both domestically and abroad decreased from the previous year. More detailed analysis has been discussed on the followings:

1. Revenue from sales and services

For the first quarter of 2024, the Company and its subsidiaries earned revenue from sales and services amounting to THB 341.5 million, a decrease from the same period in 2023 THB 141.7 million, or 29.3%. The domestic revenue decreased 28.5%, while revenue from CLM countries decreased 31.4%.



2. Gross profit

In Q1/2024, gross profit was THB 101.1 million (Q1/2023: 87.9 Million Baht). Gross profit margin was 25.0% increased from same period of last year (Q1/2023: 20.9%), this is because in the previous year there was income from sales from large projects with low gross profit margins.

3. Distribution costs

In Q1/2024, distribution costs was THB 14.3 million, 16.8% decrease from Q1/2023. Distribution costs was 4.1% of revenue (Q1/2023: 3.5%).

4. Administrative expenses

Administrative expenses of Q1/2024 was THB 47.2 million, 4.1% increase from Q1/2023 which was THB 45.4 million. In general, the administrative expenses consisted of staff expense, rental and office-facility service expenses, depreciation and amortization. The administrative expenses was 13.5% of total revenue (9.3% in Q1/2023).

5. Net profit and Net profit margin

For the first quarter of 2024, the Company and its subsidiaries' net profit was THB 19.2 million, lower than Q1/2023 which was THB 25.6 million. Total proportion of net profit to total revenue was 5.5% (Q1/2023: 5.2%).

Financial Position

Assets

Majority of the Company and its subsidiaries' total assets comprised of account receivables and other receivables, cash and cash equivalent and goodwill. Total assets as at March 31, 2024 and December 31, 2023 were THB 1,375.9 million and THB 1,459.2 million respectively. In sum, decrease in total assets was THB 83.3 million or 5.7%.

Cash and cash equivalent as at March 31, 2024 and December 31, 2023 were THB 361.8 million and THB 313.3 million, respectively, THB 48.5 million increase. Account receivables and other current receivables as at March 31, 2024 and December 31, 2023 was THB 473.4 million and THB 607.6 million, respectively, THB 134.2 million decrease.

Investment in associates as at March 31, 2024 and December 31, 2023 were THB 21.0 million and THB 20.6 million, respectively. This was investment in 18% of interests in M Intelligence's issued and paid-up ordinary shares. The decrease THB 0.7 million was due to share of loss recognized in accordance of equity method.

Goodwill amounting to THB 210 million derived from the acquisition of 100% in interests of I-Secure.



Liabilities

Majority, or 86% of the Group's total liabilities was current liabilities consisting of trade and other current payables and contract liabilities. The significant amount of non-current liabilities comprised trade and other current payables, lease liabilities and employee benefit liabilities. Total liabilities as at March 31, 2024 and December 31, 2023 were THB 708.9 million and THB 825.8 million, respectively. In sum, THB 116.9 million decrease in total liabilities, or 14.1% was mainly decreased THB 100.9 million from payments to trade and other payables.

Shareholders' Equity

Total shareholders' equities of the Company as at March 31, 2024 and December 31, 2023 were THB 608.1 million and THB 580.1 million, respectively. Mainly, THB 28.0 million increase was due to net profit of Q1/2024 THB 19.2 million and other comprehensive income THB 8.8 million.

Please be informed accordingly.

Yours Sincerely,

(Mrs. Songsri Srirungroungjit)
Managing Director
Vintcom Technology Public Company Limited