

Ref: IR61/014

10 August 2018

Subject: Management Discussion and Analysis, 2<sup>nd</sup> Quarter Ending 30 June 2018  
 To : President  
 The Stock Exchange of Thailand

Pursuant to Jaymart Public Company Limited (“the Company”) Board of Directors’ Meeting No. 4/2018 on 10 August 2018, the resolution to certify the financial statements and performance of the Company and the Company’s subsidiaries for the second quarter ending 30 June 2018 which has already been examined by the Company’s auditor. The results can be summarized as follows:

The Company’s performance in consolidated financial statement for the second quarter in 2018 showed a net profit of 44.5 million Baht lower than the second quarter in 2017 at 103.6 million Baht or 69.9 percent decline. Thus, the performance of the Company and the Company’s subsidiaries in the consolidated financial statement during the 6-month period for 2017 showed a net loss of 142.7 million baht, which was a decrease from the 6-month period for 2017 at 154.2 percent.

### Summary of Profit and Loss Statement

Overall performance in second quarter of 2018 has been passed a bottom out level of the performance since Q1/2018. The details on the performance of the companies in the group can be described as follows:

|  | Q2/2017        | Q2/2018        | %Change      |             | 6M/2017        | 6M/2018        | %Change    |             |
|--|----------------|----------------|--------------|-------------|----------------|----------------|------------|-------------|
|  |                |                | MB           | %           |                |                | MB         | %           |
| Sales  | 2,371.6        | 2,378.9        | 7.4          | 0.3%        | 4,778.2        | 4,774.0        | -4.21      | -0.1%       |
| Services Income from debts collection and others | 481.9          | 617.1          | 135.2        | 28.0%       | 853.4          | 1,173.9        | 321        | 37.6%       |
| Rental and service income                        | 177.1          | 155.1          | -22.0        | -12.4%      | 353.0          | 316.0          | -37        | -10.5%      |
| Insurance income                                 | -              | 32.6           | 32.6         | 100.0%      | -              | 32.6           | 32.6       | 100.0%      |
| <b>Total Revenues</b>                            | <b>3,030.6</b> | <b>3,183.7</b> | <b>153.1</b> | <b>5.1%</b> | <b>5,984.6</b> | <b>6,296.5</b> | <b>312</b> | <b>5.2%</b> |
| Cost of Sales                                    | 2,089.8        | 2,047.3        | -42.4        | -2.0%       | 4,193.6        | 4,158.8        | -35        | -0.8%       |
| Cost of Services                                 | 151.8          | 187.7          | 35.9         | 23.6%       | 278.0          | 377.2          | 99         | 35.7%       |
| Cost of rental and services                      | 155.2          | 159.7          | 4.5          | 2.9%        | 310.3          | 313.3          | 3          | 1.0%        |
| Insurance Services Expenses                      | -              | 22.2           | 22.2         | 100.0%      | -              | 22.2           | 22.2       | 100.0%      |
| <b>Total Cost</b>                                | <b>2,396.7</b> | <b>2,416.9</b> | <b>20.2</b>  | <b>0.8%</b> | <b>4,781.9</b> | <b>4,871.6</b> | <b>90</b>  | <b>1.9%</b> |
| Gross Profit                                     | 633.9          | 766.8          | 132.9        | 21.0%       | 1,202.7        | 1,424.9        | 222        | 18.5%       |
| Sale Promotion Income                            | 148.8          | 54.6           | -94.2        | -63.3%      | 283.3          | 144.6          | -139       | -49.0%      |
| Selling Expenses                                 | 233.9          | 251.4          | 17.5         | 7.5%        | 452.8          | 489.0          | 36         | 8.0%        |

|   | Q2/2017      | Q2/2018     | %Change       |               | 6M/2017      | 6M/2018        | %Change     |                |
|---|--------------|-------------|---------------|---------------|--------------|----------------|-------------|----------------|
|   |              |             | MB            | %             |              |                | MB          | %              |
| Administrative Expenses                               | 243.1        | 378.6       | 135.5         | 55.7%         | 534.0        | 896.6          | 363         | 67.9%          |
| Operating Expenses                                    | 335.7        | 215.6       | -120.1        | -35.8%        | 558.3        | 239.3          | -319        | -57.1%         |
| Finance Cost  | 71.2         | 111.9       | 40.7          | 57.1%         | 134.7        | 210.9          | 76          | 56.6%          |
| Tax Expenses  | 59.5         | 19.4        | -40.1         | -67.4%        | 62.4         | 36.6           | -26         | -41.3%         |
| <b>Net Profit attribute to Equity's Shareholders.</b> | <b>148.1</b> | <b>44.5</b> | <b>-103.6</b> | <b>-69.9%</b> | <b>263.3</b> | <b>(142.7)</b> | <b>-406</b> | <b>-154.2%</b> |

### Revenues Analysis

The Company's total revenues for the second quarter of 2018 equal to 3,183.7 million baht more than the same period for last year at 153.1 million baht or an increased at 5.1 percent. And for the Company total revenues for the six month of 2018 equal to 6,296.5 million baht higher than the same period for last year at 311.9 million baht or an increased at 5.2 percent. An increasing of total revenues was described by the following reasons:

1. Sales for the second quarter of 2018 were 2,378.9 million baht or a slightly increase of 0.3 percent as compare to the same period last year. And for the first half of 2018 was 4,774.0 million baht or a decrease by 0.10 percent.
2. Services Income from debts collection and others for the second quarter of 2018 was 617.1 million baht or an increase by 135.2 million baht or increase 28.0 percent. While the services income from debts collection and others for the six month of 2018 was 1,173.9 million baht or 37.6 percent increase. A remarkably increase in revenues was mainly from the subsidiaries success in collection of distress debt purchased.
3. Rental and service income for the second quarter of 2018 equal to 155.1 million baht or decrease by 12.4 percent. For the first half of 2018 the rental and service income was 316.0 million baht or increase by 10.5 percent.
4. Insurance Service Revenues for the second quarter of 2018 was 32.6 million baht which come from an insurance business that the subsidiary acquired since early of second quarter of this year.

### Gross Profit

The Company has gross profit as in the consolidated financial statement for the second quarter of 2018 equal to 766.8 million baht, an additional 132.9 million baht or an increase of 21.0 percent when compared to the previous year. While the Company's gross profit for the first half of 2018 equal to 1,424.9 million baht which increase by 222 million baht or 18.5 percent increase from the same period last year. This was due to the revenues of the Company and subsidiaries increase especially from debt collection business.

### **Selling and Administrative Expenses**

The Company incurred expenses in sales and administrative expenses for the second quarter of 2018 equal to 630.0 million baht, which was 152.9 million baht higher or an increase of 32.1 percent when compared to the previous year. The first half of 2017 the Company's sales and administrative expenses equal to 1,385.6 million baht which increase by 398.7 million baht or 40.4 percent more than the same period last year. The major selling and administrative expenses increase were selling expenses in related to allowances for doubtful debts in subsidiaries and the employee remuneration expenses from business segment expansion.

### **Statement of Financial Positions**

#### **Assets**

As of the period ending 30 June 2018, the Company had total assets equal to 19,800.5 million baht more than 2017 at 152.9 million baht or 32.1 percent due to an increasing in loan to customer and the distress debt purchased, asset from insurance business which has recently acquired and property development cost.

#### **Liabilities and Shareholders' Equity**

As of the period ending 30 June 2018, the Company had liabilities equal to 14,993 million baht more than 2017 at 3,213.8 million baht or 27.3 percent due to its subsidiaries incurred more in short-term debt from financial institution, account payable increase and debenture issuance. While shareholders' equity increased to 4,806.6 million baht. The Company's debt to equity ratio for the ending 30 June 2018 was 3.12 times and the Interest Bearing Debt to Equity ratio was 2.61 times.

Thus, you have been informed for your acknowledgement.

Sincerely Yours,

*- Singed -*

(Miss Ladda Worunatharakul)

Company Secretary

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**Group Investor Relations**

**Jaymart Public Company Limited**