



# Management Discussion and Analysis Q1/2022

**JAYMART**

## Performance Highlights

“Q1/2022  
Net profit

**325 MB.**

### Business Type:

Jay Mart is an investment holding company that invests in retail, financial services and technology.

Jay Mart Mobile is the company's core subsidiary, and it is also subsidiaries with JMT, JAS Asset and associated company Singer Thailand and KB J Capital.

Furthermore, the company is preparing for a technological disruption by establishing J Ventures to bring and develop technology into the group of companies.

### Highlights of the Q1/2022 results

1. The subsidiary company in the core business made a profit of 325 million baht in the first quarter of this year.
2. Proportion of profit in the financial business in the group of companies Particularly, JMT's segment is an important part of the growth of the business group. Significant growth in operating results
3. Business management amid the spread of COVID-19, the company continues to perform well.

## MD&A for the Operating Results of the Q1/2022

### Overview and Factors that affect Future Performance.

The economic situation in the first quarter of 2022, even though the Covid-19 outbreak situation has improved and is on the mend. However, there are external factors that have an indirect impact on the economy, such as the state of international conflicts. This causes price volatility in supply-side components in the global economy, such as oil prices. However, the Company considers the aforementioned issues to be macro factors. With an indirect effect on the company's performance, however, it can be observed from past performance that the company's profit has risen in the direction of the company's operating plans and a subsidiary whose profit base has been increased. The company reported a net profit of 325 million baht in the first quarter of 2022.

It was a period of cooperation in the development of new business in the first quarter of 2022, which is Thailand's Mega Trend. The company has made progress in establishing new business alliances, such as Distress Asset Management Company, which is a joint venture between JMT group and the Kasikorn Bank Financial group. Penetrate into a Renewable Energy Business with Gunkul Engineering Public Company Limited to market solar rooftop products for homes use and commercial. JAS Asset Co., Ltd. is developing housing projects for the elderly and rehabilitation centers for the elderly, including Private PPA with strong sales prospects and entering the Mega Trend in the Aging Society.

With six primary business divisions, the Jay Mart Group continues to operate its business through the joint operations of its subsidiaries and affiliates. Using technology to focus on the core business of retail and finance. Under the aspiration of operating under the concept "The Power of Synergy," which is an important approach that will develop an operational ecosystem (Ecosystem) to generate shareholder returns. Regarding the direction of each business line's performance the following is an explanation:

### 1. Distribution of mobile phones and accessories

Jaymart Mobile Company Limited (“JMB”) as the company's core company which the Company holds 100% of shares, operates in the business of distributing mobile phones and accessories have adjusted the operating strategy. To focus on generating profits in operations, JMB had revenues of 2,441 million baht in the first quarter of 2022, up 22% from the same period the previous year. And the company's operating costs can still be kept under control. As a result, in the first quarter of 2022, Jaymart Mobile declared a net profit of 110 million baht. The company anticipates continued growth in the second quarter of 2022. Synergy and Same Store Sale Growth through a multitude of sales channels.

### 2. Non-performing debt management business

Non-performing debt management is managed by JMT Network Services Public Company Limited (“JMT”), a 53.4 % subsidiary of the Company. With cash flow received at 1,458 million baht in the first quarter of 2022, a 45 % rise from the same period the previous year, the company is still able to generate profits as planned.

JMT's expansion is expected to be aided by the current state of the non-performing debt market, according to the business on a long-term basis in the future. Furthermore, becoming a business partner with Kasikorn Bank Financial Group. It will serve as a foundation for future business expansion.

### 3. Product Distribution Business with Hire Purchase (Associated Company)

Singer Thailand Public Company Limited (“Singer”), an associated corporation in which the company owns 25.6 %, reported a net profit of 215 million baht in the first quarter of 2022, up 53.6 % from the previous year. Consumers have responded positively to Singer brand product sales. Increasing and growing Singer's car title loan portfolio through credit quality control by expanding sales channels. It will help the singer's revenues to expand indefinitely.

### 4. Real Estate Business and Rental Space Biz

JAS Asset Public Company Limited (“J”), a subsidiary of the Jay Mart Group, operates a property company and a shopping mall called Community Mall, with a net profit of 12.7 million baht. In the first quarter of 2022, revenue from the new mall will continue to contribute to the company's bottom line.

In addition, the Senera Senior Living project, which is projected to be finished and ready for occupancy and operation by the end of 2022, has created a business linked to delivering services to the elderly in terms of housing services.

### 5. Technology Business (Fintech)

J Ventures Company Limited (“JVC”) engages in software development business and invest in Started-up companies with potential and clear operational developments. Especially the

development of projects related to Digitization within Jaymart Group. and the development of Block chain projects with quite a lot of projects Both in the development of the NFT Platform, which is used, the JFIN adoption under the law

that allows it. which these will create long-term effects in technology development for the company.

### Summary of Financial and Operating Results

For the Company's financial statements and performance, as well as those of its subsidiaries, for the first quarter of 2022, which have been reviewed by the company's auditor, with a summary of revenue and profit as follows;

Consolidated financial statements	Q1/2021		Q1/2022		Change	
	MB.	%	MB.	%	MB.	%
Contract revenue from customers	2,054.0	71.2%	2,431.2	69.2%	377.2	18.4%
Interest income on loans from receivables purchases and debtor loans	529.0	18.3%	638.4	18.2%	109.4	20.7%
Profit from loans on purchase of receivables	210.0	7.3%	313.5	8.9%	103.5	49.3%
Rental income	50.8	1.8%	70.7	2.0%	19.9	39.2%
Income from insurance	39.2	1.4%	58.7	1.7%	19.5	49.7%
<b>TT revenue</b>	<b>2,883.0</b>	<b>100.0%</b>	<b>3,512.5</b>	<b>100.0%</b>	<b>629.5</b>	<b>21.8%</b>
Cost of sales	1,735.2	60.2%	2,062.5	58.7%	327.3	18.9%
Cost of service	222.0	7.7%	232.2	6.6%	10.2	4.6%
Rental cost	11.8	0.4%	48.7	1.4%	36.9	312.7%
Underwriting expenses	19.2	0.7%	103.3	2.9%	84.1	438.0%
<b>Total cost of sales and services</b>	<b>1,988.2</b>	<b>69.0%</b>	<b>2,446.7</b>	<b>69.7%</b>	<b>458.5</b>	<b>23.1%</b>
Gross profit	894.8	31.0%	1,065.8	30.3%	171.0	19.1%
Promotional income	79.6	2.8%	123.6	3.5%	44.0	55.3%
Management fee income	2.1	0.1%	7.7	0.2%	5.6	266.7%
Other income	39.9	1.4%	84.6	2.4%	44.7	112.0%
Gain from loss of controlling in subsidiary	66.0	2.3%	-	0.0%	(66.0)	-100.0%
Gain (Loss) from Fair Value Adjustment of Investment Property	(30.1)	-1.0%	(28.8)	-0.8%	1.3	-4.3%
Unrealized profit (loss) from other financial assets	0.2	0.0%	4.2	0.1%	4.0	2000.0%
Gain (loss) on investment sale	4.0	0.1%	3.5	0.1%	(0.5)	-12.5%
Profit before expenses	1,056.5	36.6%	1,260.6	35.9%	204.1	19.3%
Sales and distribution costs	208.2	7.2%	263.0	7.5%	54.8	26.3%

Consolidated financial statements	Q1/2021		Q1/2022		Change	
	MB.	%	MB.	%	MB.	%
Administrative expenses	258.1	9.0%	317.6	9.0%	59.5	23.1%
<b>Total sales and administrative costs</b>	<b>466.3</b>	<b>16.2%</b>	<b>580.6</b>	<b>16.5%</b>	<b>114.3</b>	<b>24.5%</b>
Operating profit	590.2	20.5%	680.0	19.4%	89.8	15.2%
Financial income	15.4	0.5%	2.1	0.1%	(13.3)	-86.4%
Financial cost	(172.8)	-6.0%	(160.3)	-4.6%	12.5	-7.2%
Profit share from investments in associates	69.1	2.4%	42.3	1.2%	(26.8)	-38.8%
Income (expense)	(61.5)	-2.1%	(91.6)	-2.6%	(30.1)	48.9%
<b>Net Profit attributable to Shareholders</b>	<b>333.5</b>	<b>11.6%</b>	<b>325.1</b>	<b>9.3%</b>	<b>(8.4)</b>	<b>-2.5%</b>

### Income analysis

The total revenues of the company quarter 1/2022 was equal to 3,512.5 million baht, increased from the same period of the previous year 629.5 million baht or increased 21.8 percent. The Group's revenues increased as a result of the mobile distribution business's recovering revenue growth. The income details in the consolidated financial statements are as follows;

1. Revenue from customer contracts was 2,431.2 million baht, an increase of 377.2 million baht or 18.4 percent over the same period the previous year. This is due to the increase of distribution channels through Synergy.
2. Interest income from loans from purchases of receivables and loans and profit from loans from purchases of receivables, both in the portion of JMT, were 951.9 million baht, up 212.9 or 28.8% due to the collection of additional non-performing debts.
3. Rental income was 70.7 million baht, an increase of 19.9 million baht or 39.2% from the same period of the previous year. This is the result of the opening of a new shopping center. In the business of JAS Asset.
4. Insurance income equal to 58.7 million baht, an increase of 19.5 million baht or 49.7%, which is income arising from the preparation of the consolidated financial statements of the subsidiary in the insurance business. Which has increased sales growth both the company's own channels and companies in the Jay Mart group.

### Analysis of Sales and service costs, and Gross Profit

The company's total cost of sales and services in the first quarter of 2022 was 2,446.7 million baht, up 458.5 million baht or 23.1 % from the previous year due to a rise in sales in the mobile distribution industry.

The company has a gross profit margin from the consolidated financial statements for the first quarter of 2022, it was 1,065.8 million baht, an increase of 19.1% compared to the same period of last year, due to the growth of revenue in each core business segment.

### An Analysis of selling and administrative expenses, and Operating profit

In the first quarter of 2022, the Company had total selling and administrative expenses of 580.6 million baht, an increase of 24.5 percent as a result of the expected credit loss provision expenses in the non-performing debt management business.

The operating profit in Q1/2022 was 680.0 million baht, an increase of 89.8 million baht or 15.2% from the same period of the previous year. This is a result of the subsidiary companies in each business segment showing continuous growth in net profits.

### Financial cost

The Company's total financial cost in Q1/2022 was 160.3 million baht, decreased from the previous year by 12.5 million baht, which decreased most of the financial costs. Arising from debt repayment with financial institutions and debentures after receiving funding at the end of last year.

### Net profit

The Company's net profit for the first quarter of 2022 was 325.1 million baht, representing a net profit margin of 9.3% and some earnings per share of 0.233. If comparing net profit without an extra profit from changing in shareholding proportion in KB J Capital in Q1/2021 will bring the net profit growth to 22%.

Compare profit	Q1/2021	Q1/2022	Growth
Net Profit	333	325	-2.5%
Net profit (minus extra profit)	267	325	22%



## Analysis of the Financial Positions

### Asset

As of March 31, 2022, the Company had total assets of 46,537.0 million baht, divided into current assets of 19,151.6 million baht, accounting for 41.2% of total assets, mostly in the form of cash. And another financial asset is an investment in money market funds that preserve its principal. And non-current assets of 27,385.4 million baht, accounting for 58.8% of total assets at the end of Q1/2022, most of which were Non-performing debt purchased by a subsidiary. The company's total assets increased by 1,258.7 million baht or 2.8%.

### Shareholder's Equity and liabilities

As of March 31, 2022, the company had total liabilities of 17,547.8 million baht compared to the end of 2021, a decrease of 907.9 million baht or 4.9% due to short-term loan repayment and corporate bonds.

As of March 31, 2022, the Company had total shareholders' equity of 28,989.2 million baht, an increase of 2,166.6 million baht or 8.1 percent compared to the end of 2021. As a result of advance receipt of share subscription and increased retained earnings from the Company's operating results.

The Company has a ratio of interest-bearing debt to shareholders' equity. (Excluding lease liabilities from TFRS16) was 0.48 times, a decrease of 0.54 times from the end of 2021 at the end of the previous year, indicating a continued improvement in the financial strength of the capital structure.

Please be informed accordingly.

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