

# JMART

## Management Discussion and Analysis Q2/2022



*Digital  
Transformation*

*Synergy  
DNA*

*e<sup>x</sup> Growth  
Business Model*

IR65/017

11 August 2022

Subject : Management Discussion and Analysis for the Second quarter ended 30 June 2022  
Attention : President  
The Stock Exchange of Thailand

According to the resolution of the Board of Directors of Jaymart Public Company Limited (“Company”) No. 7/2022 held on August 11, 2022. Resolved to approving the financial statements and operating results of the Company and subsidiaries for the second quarter ended June 30, 2022. This has been reviewed by the auditor of the company and with the following results.

### **Overview of Jay Mart Business Group: 6M/2022 Net Profit 43% Growth**

The company is a holding company that invests in retail, finance, and technology. The first half of 2022 is expected to be a period of significant change in the Company's business operations, with capital raised from potential investors providing funding. To increase capital and generate future returns, the company has invested this money in subsidiaries and affiliated businesses, which can clearly produce results. It also includes a joint venture between JMT Network Services Public Company Limited and KASIKORN Financial Business to establish an asset management company. The consistent improvement in Singer (Thailand) Public Company Limited's operating results, which have grown steadily over time. Additionally, as Jay Mart Mobile Company Limited's primary business expands. All of this contributes to the overall performance direction of the business group continuing to grow.

Company performance and its subsidiaries Consolidated financial statements 6-months period 2022 the Company's net profit was 714.5 million baht, an increase of 148.8 million baht or 26.3 percent from the 6-months period of 2022. However, excluding additional gains from the change in shareholding in KBJ Capital Company Limited in Q1/2021, 66 million baht. The company's net profit will rise by 43%.

Details on each business line's operating results and the viewpoint for future earnings it is possible to explain it as follows:

### **1. Mobile phone and accessories distribution business**

Jay Mart Mobile Company Limited ("Jay Mart Mobile") operates a mobile phone and accessory distribution business. In Q2/2022, Jaymart Mobile generated 2,188 million baht in revenue from its distribution business, and its net profit was 84 million baht. The mobile distribution business's 6-month net profit was 194 million baht, increase 106% from the same period last year. This was due to increased sales at Jaymart's store as well as online sales., this includes sales through the Synergy channel in the Jay Mart group.

### **2. Non-performing debt management business**

JMT Network Services Public Company Limited ("JMT") operates a non-performing debt management business. Based on debt collection success and net profit growth, there has been steady growth while staying on track. The net profit of JMT for the past 6 months had a net profit of 800 million baht, a 40% growth from the same period of the previous year. JMT's performance in the first six months of the year was impact by COVID insurance claims in subsidiaries. After this quarter, there will be no more such effects. Furthermore, due to joint venture partnerships with Kasikorn Bank Business Group, there is an increased growth. Beginning in the fourth quarter of this year, this will result in a significant increase in operating performance.

### **3. Real estate development business**

The real estate development business operated by JAS Asset Public Company Limited ("JAS") generated a net profit of 46.3 million baht in the second quarter of 2022. This was a 108.6 percent increase from Q2/2021 due to higher rental income in the rental segment of the new Jas Green Village shopping complex and a decrease in fair value loss on investment properties. The company still intends to open the Senera Senior Living project in the fourth quarter of this year, with the goal of gradually generating revenue for the company in the future.

### **4. Electrical appliance distribution business line with hire purchase loan**

Singer Thailand Public Company Limited ("Singer") following the receipt of funds to operate the business. Currently, the total loan portfolio is 13,475 million baht, enabling Singer to earn more interest and has excellent NPL control Singer's NPL at the end of Q2/2021 was 3.5%, allowing Singer to maintain a consistent performance. There was a profit of 480 million baht in the first half of the year.

### **5. Technology business**

J Ventures Company Limited ("J Ventures"), a technology and software subsidiary, achieved the target net profit with a 6-months net profit of 7 million baht. J. Ventures has previously made a significant breakthrough in its business by

developing JFIN Chain, the company's own blockchain network with JFIN as its native token. Following that, J Ventures will concentrate more on encouraging companies or other startups to develop more decentralized applications or

Dapps. Which the use of the chain will help to generate more income from the gas fee in the future.



#### **Brief Information of JFIN Chain Mainnet**

**Consensus:** Proof-of-Stake (PoS) Chain Configuration

**Chain ID:** 3501

**Symbol:** JFIN

**RPC Endpoint:** <https://rpc.jfinchain.com>

**Block Explorer URL:** <https://exp.jfinchain.com>

**Block Time:** 3 sec.

**Epoch:** 1,200 Blocks (approximately 1 hour)

## Performance Summary (Summary Table)

The overview of the operating results for the previous Q2/2022 has clearly confirmed Jaymart Group's growth. The following are the details of the Group's operating results:

	Q2/2021	Q2/2022	Change		6M/2021	6M/2022	change	
			value	%			value	%
Revenue from customer contracts	1,830.7	2,187.2	356.5	19.5%	3,884.7	4,618.4	733.7	18.9%
Interest income from receivables purchases	471.1	647.9	176.8	37.5%	1,000.1	1,286.3	286.2	28.6%
Gains on loans receivable from purchase of AR	227.8	305.8	78.0	34.2%	437.8	619.3	181.5	41.5%
Rental income	78.3	73.4	(4.9)	-6.3%	129.2	144.1	14.9	11.5%
Insurance income	40.7	57.2	16.5	40.5%	79.9	115.9	36.0	45.1%
<b>Total revenue</b>	<b>2,648.6</b>	<b>3,271.5</b>	<b>622.9</b>	<b>23.5%</b>	<b>5,531.7</b>	<b>6,784.0</b>	<b>1,252.3</b>	<b>22.6%</b>
cost of sales	1,550.0	1,814.6	264.6	17.1%	3,285.2	3,905.4	620.2	18.9%
Cost of service	176.3	256.3	80.0	45.4%	398.4	488.5	90.1	22.6%
Rental cost	26.7	23.7	(3.0)	-11.2%	38.5	44.1	5.6	14.5%
Underwriting expenses	39.4	104.8	65.4	166.0%	58.6	208.0	149.4	254.9%
<b>Total cost of sales and services</b>	<b>1,792.4</b>	<b>2,199.4</b>	<b>407.0</b>	<b>22.7%</b>	<b>3,780.7</b>	<b>4,646.0</b>	<b>865.3</b>	<b>22.9%</b>
Gross profit	<b>856.1</b>	<b>1,072.1</b>	<b>216.0</b>	<b>25.2%</b>	<b>1,750.9</b>	<b>2,138.0</b>	<b>387.1</b>	<b>22.1%</b>
Profit from marketing campaigns	87.2	110.0	22.8	26.1%	166.7	233.7	67.0	40.2%
Selling costs and amortization	194.3	260.5	66.2	34.1%	402.5	523.5	121.0	30.1%
Administrative expenses	234.0	244.4	10.4	4.4%	492.1	562.0	69.9	14.2%
Profit from operations	527.7	758.6	230.9	43.8%	1,117.9	1,438.8	320.9	28.7%
Financial cost	169.7	168.1	(1.6)	-0.9%	342.5	328.4	(14.1)	-4.1%
Share of profit from investments in associates	65.4	67.7	2.3	3.5%	134.5	109.9	(24.6)	-18.3%
Income tax expense	59.2	82.8	23.6	39.9%	120.7	174.5	53.8	44.6%
Net profit attributable to shareholders	<b>232.2</b>	<b>389.4</b>	<b>157.2</b>	<b>67.7%</b>	<b>565.7</b>	<b>714.5</b>	<b>148.8</b>	<b>26.3%</b>

## Revenues analysis

The Company's total revenue for the second quarter of 2022 was 3,271.5 million baht, an increase of 622.9 million baht or 23.5 percent over the same period the previous year, and total income for the six-months period of 2022 was 6,784.0 million baht. An increase of 1,252.3 million baht, or 22.6 percent, due to the following.

1. In Q2/2022, revenue from customer contracts totaled 2,187.2 million baht, a 19.5 percent increase over the same period the previous year. And the sales revenue for the first six months of 2022 was 4,618.4 million baht, an increase 18.9 percent. because of the subsidiary's higher sales This is a result of in-store and synergy distribution channels expanding.
2. Interest income from purchases of receivables and profit from loans from purchases of receivables, which is income from debt management business, was 953.7 million baht in Q2/2022, a decrease of 254.8 million baht or 36.5 %, while income from debt collection and other services was 1,905.6 million baht for the six-months period of 2022, a 32.5 percent increase. This is a result of better debt collection.
3. Rental and services income was 73.4 million baht in the second quarter of 2022, a decrease 6.3%, while rental and service income for the six-month period was 144.1 million baht, a percentage increase. This was due to an increase in rental income

from the new Jas Green Village Khubon shopping center's rent compared to the same period last year.

4. Insurance income in the second quarter of 2022 was 57.2 million baht, a 40.5 percent increase, while income for the six-month period was 115.9 million baht, an increase 45.1%, due to expanding more insurance channels while focusing on loss rate control.

## Gross Profit

The company generates a profit. According to the consolidated financial statements for the second quarter of 2022, it was 1,072.1 million baht, an increase of 216.0 million baht or 25.2% over the same period last year.

Meanwhile, gross profit for the six-month period of 2022 was 2,138 million baht, an increase of 387.1 million baht or 22.1% because of the company's revenue growth from profit-margin business segments. good, such as a debt-based company and a real estate development company

## Selling and Administrative Expenses

The company incurs selling and administrative costs. According to the consolidated financial statements for the second quarter of 2022, it was 504.9 million baht, an increase of 76.6 million baht or 17.9% over the same period the previous year. The company had sales and administrative expenses during the six-month period. equivalent to 1,085.5 million baht. An increase of 190.9

million baht, or 21.3 percent, over the same period last year. which is the outcome of an increase in employee expenses from business expansion and sale promotion increase from subsidiaries.

## Summary of financial position

### Assets

The Company's total assets as of June 30, 2022 were 45,471.3 million baht, an increase of 193 million baht or 0.4 percent from the end of 2021 due to the purchase of more non-performing debts, as shown in the consolidated financial

statements. JMT's investment and growth in investment properties in the subsidiary JAS Asset.

### Liabilities and Shareholders' Equity

The Company had total liabilities of 16,947.1 million baht as of June 30, 2022, a decrease of 1,508.6 million baht or 8.2% from the end of 2021 due to debt repayment with financial institutions. while shareholder equity grew by 1,701.6 million baht The debt-to-equity ratio of the company was 0.59, and the interest-bearing debt-to-equity ratio was 0.48. , reflect a strong capital structure of the Company.

Please be informed accordingly.

Yours faithfully,

- *Singed* -

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Investor Relations

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