



เป็นได้มากกว่าที่คุณคิด



JMT Network Services

Management Discussion and Analysis

Q3/2022

10 November 2022

Subject Management Discussion and Analysis for the third quarter ended 30 September 2022
Attention President
The Stock Exchange of Thailand

According to the resolution of the Board of Directors of JMT Network Services Public Company Limited (“the Company”) No.7/2022 on November 10, 2022. Resolved to approving the financial statements and operating results of the Company and subsidiaries for the third quarter ended September 30, 2022. This has been reviewed by the auditor of the company and with the following results:

Performance Highlights in the Q3/2022: Cash Collection Increase, We can made it!!

- The company's cash collection in the third quarter of 2022 was 1,416 million baht, an increase of 14% (excluded JK AMC 's cash collection performance) compared to the same period last year and an increase of 5.9% from the previous quarter of 2/2022, and for the 9-month period, the Company's collection in the first half of the year was 4,211 million baht, an increase of 31.0% compared to the same period of last year.
- The total revenue of the company increases. The total revenue in the third quarter of 2022 was 1,100.8 million baht, a 15.9% increase from the same quarter last year, and the 9-month period of 2022 was 3,267.1 million baht, an increase of 26.9% from the same period last year. Such growth was due to expansion of investment in potential non-performing debt and debt collection.
- The quarterly net profit increased. The company reported a net profit of 455.5 million baht in the third quarter of this year, a 29.5% increase from the third quarter of 2021 and a 41.4% net profit margin. Net profit for such period was 1,255.8, increasing 36.0% from the same period in 2021. Net profit margin for the first 9 months of 2022 was 38.4%, which is a solid growth rate in accordance with the company's goals.
- JK AMC, an asset management company at a joint venture company with Kasikorn Bank The results of the operation are in accordance with the goals. With a net profit of 70.5 million baht, the company can generate returns for partners according to the goals.
- During the past nine months, the Company has purchased total debt of 1,666 million baht and has the accumulated outstanding balance of NPLs at the end of Q3/2022

equal to 249,763 million baht, being the number one leader in non-performing debt portfolios of the country in terms of unsecured debt and ready to be an alliance with all financial institutions in Thailand.

Overview of economic conditions and Forward Looking:

The country's household debt issue remains a concern factor for the country's overall economy. According to information from the Bank of Thailand, household debt to GDP in 2Q22 dropped to 88.2 % from 89.2 % in Q1/2022. Debtors who have already been affected by the COVID situation. Therefore, the Company anticipates that, in such circumstances, many financial institutions will contemplate selling non-performing debt in the future.

However, from the Company's view, the Thai economy still has a positive impact on the tourism industry. After the situation of the Covid-19 epidemic has begun to relax, there is an impetus for the country's GDP to have a positive direction in the future.

The Company's performance and its subsidiaries had a net profit of 455.5 million baht in the third quarter of 2022, an increase of 29.5% from the third quarter of 2021, accounting for a net profit margin of 41.4%. For the performance of the Company and its subsidiaries, the consolidated financial statements for the 9-month period of 2022, the Company had a net profit of 1,255.8 million baht, an increase from the 9-month period of 2021 by 36.0%, representing a net profit margin of 38.4%. This is because the Company has more income from debt collection from receivables purchased. Details as follows:

Performance Summary

(Summary Table)

Unit: mn.THB

	Q3/2021	Q3/2022	% change	9M/2021	9M/2022	% change
Revenue from contracts with customers	63.5	81.8	28.8%	229.9	225.7	-1.8%
Interest income	509.4	646.1	26.8%	1,450.3	1,933.9	33.3%
Profit from loans on purchase of receivables	318.1	303.0	-4.7%	755.9	920.8	21.8%
Income from insurance	57.8	69.0	19.4%	137.7	185.4	34.6%
Total income	948.9	1,100.8	15.9%	2,574.2	3,267.1	26.9%
Cost of services	(216.2)	(271.2)	25.4%	(614.1)	(778.8)	26.8%
Underwriting expenses	(57.9)	(65.1)	12.4%	(116.5)	(279.5)	139.9%
Gross profit	674.8	764.6	13.3%	1,843.6	2,208.7	19.8%

	Q3/2021	Q3/2022	% change	9M/2021	9M/2022	% change
Administrative expenses	(146.3)	(175.0)	19.6%	(414.5)	(547.3)	32.0%
Reversal of credit losses	(62.6)	(93.0)	48.6%	(140.5)	(203.0)	44.5%
Operating profit	470.8	502.4	6.7%	1,313.1	1,494.0	13.8%
Financial cost	(85.1)	(51.4)	-39.6%	(245.4)	(188.7)	-23.1%
Share of profit from investments in joint ventures	-	35.3	100.0%	-	35.3	100.0%
Income tax expenses	(44.4)	(34.7)	-21.8%	(159.6)	(145.7)	-8.7%
Net profit in equity	351.7	455.5	29.5%	923.3	1,255.8	36.0%

Total Revenues

The Company's total revenue for the third quarter of 2022 is 1,100.8 million baht, an increase from the same period last year of 151.9 million baht, or a percentage increase of 15.9 while total income for the 9 months' period of 2022 was 3,267.1 million baht, an increase from the same period of the previous year 692.9 million baht or a percent increase 26.9 details of the income change are as follows:

1. Revenue from contracts made with customers in the third quarter of 2022 was 81.8 million baht, a increase of 28.8% and for the 9 months' period of 2022, was 225.7 million baht, a decrease of 1.8% from the previous year
2. Interest income and profit from loans for purchases of receivables was 949.10 million baht, an increase of 121.6 million baht or an increase of 14.7%, and for the 9 months' period of 2022 was 2,854.70 million baht, an increase of 648.5 million baht or 29.4 % from the same period. of

last year with better collection efficiency and the recognition of the non-performing debt portfolio that completely writes off the investment value. accounted for 87% of the company's total revenue

3. Insurance income for the third quarter of 2022 was 69.0 million baht, an increase of 19.4% from the same period of the previous year, and for the 9 months period of 2022, the company's income from insurance business was 185.4 million baht, a increase. 34.6 %.

In the first 9 months of 2022, total revenue increase was in line with our forecasted revenue growth.

Cost of Services

The Company's cost of services for the third quarter of 2022 was 271.2 million baht, an increase of 25.4% compared to the same quarter of the previous year, and for the 9-month period of 2022, the company's cost of service was 778.8 million baht increased

from the same period last year at a 26.8 %. Cost increase was mainly from employee remuneration increase from business expansion.

Gross Profit

The company has gross profit according to the consolidated financial statements for the third quarter of 2022, it was 764.6 million baht, an increase of 89.8 million baht or an increase of 13.3 percent. According to the consolidated financial statements for the 9-month period of 2022, it was 2,208.7 million baht, representing a gross profit margin of 67.6%, a slight decrease from the same period of the previous year.

Administrative expenses

The Company had administrative expenses for the third quarter of 2022 equal to 175 million baht, an increase of 28.7 million baht or 19.6%, and administrative expenses for the 9-month period of 2022 was 547.3 million baht, an increase of 132.8 million baht or 32.0% due to increased employee expenses, selling expenses, and computer and system expenses due to the business expansion.

Share of profit from investments in joint ventures

The Company has a share of profit from joint venture investments of 35.3 million baht for the third quarter of 2022, which is the recognition of revenue from the JK Asset Management company after about starting business in the third quarter of 2022.

Statement of Financial Positions

Assets

As of the end of September 30, 2022, the Company had total assets of 28,725.3 million baht, an increase from the end of 2021 by 689.1 million baht or an increase of 2.5 percent, which increased from the purchase of additional non-performing debts to manage.

Liabilities and Shareholder's Equity

At the end of September 30, 2022, the company had total liabilities of 6,128.7 million baht, a decrease from the end of 2021 equal to 2,829.8 million baht or 31.6% due to the company repaying debts to financial institutions and repaying debentures while the shareholders' equity was 22,596.6 million baht, an increase of 3,518.9 million baht from the end of 2021 because of an increase in share premium. The company's debt-to-equity ratio was 0.27 times, while the interest-bearing debt to equity ratio is 0.11 times.

Please be informed accordingly.

Yours faithfully,

- Signed -

(Mr. Wongsakorn Kittitrakulkarn)

Company Secretary

Mr. Panya Chutisiriwong

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