

Date: March 14, 2023

Reference 001/2023 (2566)

Subject Management Discussion and Analysis of the Financial Performance for the year ended 31 December 2022

Attention President

The Stock Exchange of Thailand

PRTR Group Public Company Limited and its subsidiaries (“PRTR” or the “Company”) would like to report our financial performance for the year ended 31 December 2022, with total revenues of Baht 6,116.8 million and net profit of Baht 199.4 million. The details of significant changes are as follow:

### Financial Performance

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	For the Year Ended					
	31-Dec-21		31-Dec-22		Change	
	Million THB	% Revenue	Million THB	% Revenue	Million THB	%
<b>REVENUES</b>						
Revenue from rendering of services	5,555.9	100.0%	6,111.7	99.9%	555.8	10.0%
Other income	2.4	0.0%	5.1	0.1%	2.7	113.8%
<b>Total Revenues</b>	<b>5,558.3</b>	<b>100.0%</b>	<b>6,116.8</b>	<b>100.0%</b>	<b>558.5</b>	<b>10.0%</b>
<b>EXPENSES</b>						
Cost of rendering of services	5,002.0	90.0%	5,476.0	89.5%	474.0	9.5%
Administrative expenses	309.7	5.6%	376.4	6.2%	66.7	21.5%
<b>Total Expenses</b>	<b>5,311.7</b>	<b>95.6%</b>	<b>5,852.4</b>	<b>95.7%</b>	<b>540.7</b>	<b>10.2%</b>
<b>Profit before finance costs and income tax</b>	<b>246.7</b>	<b>4.4%</b>	<b>264.4</b>	<b>4.3%</b>	<b>17.7</b>	<b>7.2%</b>
Finance costs	17.8	0.3%	21.4	0.3%	3.6	20.0%
<b>Profit Before Income Tax Expense</b>	<b>228.9</b>	<b>4.1%</b>	<b>243.0</b>	<b>4.0%</b>	<b>14.1</b>	<b>6.2%</b>
Income tax expense	45.7	0.8%	43.6	0.7%	(2.1)	(4.6%)
<b>Net Profit For the Year</b>	<b>183.2</b>	<b>3.3%</b>	<b>199.4</b>	<b>3.3%</b>	<b>16.2</b>	<b>8.8%</b>
<b>PROFIT ATTRIBUTABLE TO</b>						
Owners of the parent	183.3	3.3%	202.2	3.3%	18.8	10.3%
Non-controlling interests	(0.1)	(0.0%)	(2.7)	(0.0%)	(2.6)	2,121.4%
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>						
<b>NET PROFIT FOR THE YEAR</b>	<b>183.2</b>	<b>3.3%</b>	<b>199.4</b>	<b>3.3%</b>	<b>16.2</b>	<b>8.8%</b>
Other comprehensive income for the year - net of tax	1.5	0.0%	1.8	0.0%	0.3	17.9%
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>184.7</b>	<b>3.3%</b>	<b>201.2</b>	<b>3.3%</b>	<b>16.5</b>	<b>8.9%</b>

## Revenue from Services

The Company's total revenue from rendering services was Baht 6,111.7 million with 10% growth YoY due to continuing growth in core services, both outsourcing service and recruitment service, as a result of the Company's performance of service expansion in covering various industries and capability to recruit all levels of staff positions for clients. Despite the Covid-19 impact, steady growth has been maintained.

Revenue by service segment is as follows:

Revenue by services	For the year ended					
	31-Dec-21		31-Dec-22		Change	
	Million THB	%	Million THB	%	Million THB	%
Revenue from rendering of services - outsource	5,341.5	96.1%	5,869.0	96.0%	527.5	9.9%
Revenue from rendering of services - recruitment	213.0	3.8%	233.1	3.8%	20.1	9.5%
Revenue from rendering of services - Integrated learning Service *	1.4	0.0%	9.5	0.2%	8.1	576.5%
Revenue from rendering of services - Online Job Platform **	-	-	0.1	0.0%	0.1	100.0%
<b>Total Revenues from rendering of services</b>	<b>5,555.9</b>	<b>100.0%</b>	<b>6,111.7</b>	<b>100.0%</b>	<b>555.8</b>	<b>10.0%</b>

\* Commencing to generate revenue in late 2021

\*\* Commencing to generate revenue in Q4/2022

### (1) Revenue from outsourcing services

For 2022FY, the Company generated revenue from outsourcing service of Baht 5,869.0 million, increasing Baht 527.5 million or 9.9% YoY. The Company's growth strategy had been in line with high-growing industries in Thailand such as e-commerce, telecommunication, consumer electronics, mobile gadgets and information technology (IT), as well as the job market continued to recruit more staff to support their business transactions after recovery of Covid-19 situation.

### (2) Revenue from recruitment services

Revenue from recruitment service was Baht 233.1 million, increasing Baht 20.1 million or 9.5% YoY. The demand for staff outsourcing continued to strengthen as COVID situation recovery and becoming normal situation.

Platform services consist of (3) integrated learning service that provides service through online and offline channels and (4) online job platform. Both platforms are in the first phase of business development.

### Cost of Services

The Company had cost of services of Baht 5,476 million, increasing Baht 474 million or 9.5% YoY, mainly due to following:

(1) cost of outsourcing service was Baht 5,389.7 million, increasing Baht 468.8 million or 9.5% YoY. The increase was attributed to increase in salary, wage and overtime expenses due to mainly increase in number of outsourcing staff and increase in salaries and related benefits of some groups of outsourcing staff such as officer, IT and hotel staffs as well as commission and incentive expense attributable to PC, following improvement in consumer spending in the second half of 2022 after COVID recovery. As a result, the revenue was growing in line with such an increase in the cost.

(2) cost of recruitment service was Baht 81.2 million, increasing Baht 0.7 million or 0.9% YoY, derived from rising recruitment revenue and strengthening efficiency of PRTR recruiting staff.

### Gross Profit Margin

The Company had a gross profit margin of 10.4%, improving from 10.0% in 2021FY. Details by core services are as follows:

(1) Outsourcing service reported an increase in gross profit margin that improved from 7.9% in 2021FY to 8.2% in 2022FY, was mainly due to increase in revenue of outsourcing customer services, office and IT staffs.

(2) Recruitment service reported an increase in gross profit margin that improved from 62.2% in 2021FY to 65.2% 2022FY, was mainly from demand rebound which improving back to normal level after COVID situation as well as strengthen capacity of recruitment team. These factors caused a continuous improving of gross profits margin.

### Administrative Expenses

Administrative expenses was Baht 376.4 million, increasing Baht 66.7 million YoY. An increase was mainly due to increase in salary and other employee benefit expenses, and increasing number of outsourcing staffs to support capability to supply services for PRTR customers as well as an increase in commission and incentive expense which was in line with its revenue growth.

### Finance Costs

Finance costs was Baht 21.4 million, increasing Baht 3.6 million YoY, in line with the increase in short-term loans from financial institutions that used as its working capital in order to support an expansion of outsourcing service, in addition to continuing rise of interest rate commencing from middle of the year 2022 and repayment of soft loan.

## Statements of Financial Position

CONSOLIDATED FINANCIAL POSITION	As at				Change	
	31-Dec-21		31-Dec-22		Million THB	%
	Million THB	%	Million THB	%		
Total Assets	1,354.0	100.0%	1,505.7	100.0%	151.7	11.2%
Total Liabilities	1,037.3	76.6%	1,054.6	70.0%	17.3	1.7%
Total Shareholders' Equity	316.7	23.4%	451.1	30.0%	134.4	42.4%

### Total Assets

Total assets as at 31 December 2022 of Baht 1,505.7 million, increasing by 11.2%, was mainly due to increase in account receivables and refundable income tax (withholding tax deducted from service revenue) that in line with service revenue growth.

### Total Liabilities

Total liabilities as at 31 December 2022 of Baht 1,054.6 million, increasing by 1.7%, was mainly due to an increase in loans from financial institutions to support outsourcing business including bonus payment to outsource staffs during the end of year and a slight increase from advance received from outsourcing customers.

### Total Shareholder Equity

Total shareholder equity as at 31 December 2022 of Baht 451.1 million, increasing Baht 134.4 million or 42.4%, was mainly due to: (1) comprehensive income for the year 2022 of Baht 201.2 million and (2) increase in registered capital of Baht 215 million, partly offset with (3) dividend payments in the total of Baht 284.1 million.

Please be informed accordingly.

Yours faithfully,



(Ms. Risara Charoenpanich)

Chief Executive Officer