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Alla Public Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Business Performance Overview for the first quarter of 2023

As a result of the economic recovery after the outbreak of Coronavirus Disease 2019, the overall investment in various projects in the industrial sector related to the business of the Group was able to resume operations as planned. Consequently, the Group was able to deliver work and have better operating results compared to the same period last year. The revenue from contracts with customers for the first quarter of 2023 amounted to Baht 178 million, an increase in all segments totaling Baht 55 million or 45%, especially solar cell system and after-sales service, and a net profit for the first quarter of 2023 of Baht 16 million, an increase of Baht 12 million or 322%.

Overall gross profit margin for the first quarter of 2023 of the Group increased by 4% due to the delivery of special projects during the period, together with the management of expenses in every aspect to be effective continuously.

The Group's products are fundamental products of various industrial projects. The Group continues to receive orders from customers. The amount of works that has not yet been delivered at the end of the first quarter of 2023 is approximately Baht 524 million, a slightly decrease of 4% compared to the end of the previous year. The Group maintains a solid financial structure, having a good liquidity ratio and a low debt to equity ratio. The Group has continued to operate and has not scaled down the business.

Consolidated Financial Performance for the first quarter of 2023

Operating Income			
(Thousand Baht)	1Q 2023	1Q 2022	%Chg.
Revenues from contracts with customers	177,986	123,117	45%
Other income	293	2,320	(87%)
Total Operating Income	178,279	125,437	42%



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Revenues structure						
	1Q 2023		1Q 2022		Change	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Revenue from sales and services						
Crane and Electric Hoist	58,367	33%	54,900	44%	3,467	6%
Loading Dock and Equipment	20,886	12%	18,996	15%	1,890	10%
Solar cell system	28,634	16%	6,170	5%	22,464	364%
Warehouse system and Equipment	1,542	1%	1,111	1%	431	39%
EV Charger Station	32	0%	-	-	32	100%
Total revenue from sales and services	109,461	62%	81,177	65%	28,284	35%
Revenue from after-sales service						
Crane and Electric Hoist	55,749	31%	34,102	27%	21,647	63%
Loading Dock and Equipment	12,652	7%	7,778	6%	4,874	63%
Training center	124	0%	60	0%	64	107%
Total revenue from after-sales service	68,525	38%	41,940	33%	26,585	63%
Other income	293	0%	2,320	2%	(2,027)	(87%)
Total Operating Income	178,279	100%	125,437	100%	52,842	42%

Total operating income for the first quarter of 2023 of the Group amounted to Baht 178 million, an increase of Baht 53 million or 42% from the same period last year, with an increase in all segments. As a result of the economic recovery after the outbreak of the coronavirus disease 2019, resulting in the overall investment of various projects can resume operations as planned more normally.

Operating Expenses			
(Thousand Baht)	1Q 2023	1Q 2022	%Chg.
Cost of sales and services	127,293	93,444	36%
Selling expenses	8,014	7,293	10%
Administrative expenses	23,731	20,007	19%
Total Operating Expenses	159,038	120,744	32%

Total operating expenses for the first quarter of 2023 of the Group were Baht 159 million, increased from the same period of prior year by Baht 38 million or 32%.



- Cost of sales and services increased according to the increase in revenue from contracts with customers.
- No significant change in selling expenses.
- Administrative expenses increased mainly from employee expenses and loss from exchange rate.

Other Items			
(Thousand Baht)	1Q 2023	1Q 2022	%Chg.
Finance income	404	331	22%
Finance cost	(5)	(10)	(50%)
Income tax expenses	(3,787)	(1,254)	202%
Total Other Items	(3,388)	(933)	263%

- Income tax expenses increased in line with the operating profits.

Profitability Analysis			
(Thousand Baht)	1Q 2023	1Q 2022	%Chg.
Gross profit	50,693	29,673	71%
Gross profit margin	28%	24%	
Net profit	15,853	3,760	322%
Net profit margin	9%	3%	
Basic earnings per share (Baht)	0.026	0.006	333%

- Gross profit for the first quarter of 2023 of the Group amounted to Baht 51 million, an increase of Baht 21 million or 71% from the same period last year, in the same direction as the increase in revenue. The gross profit margin for the first quarter of 2023 was 28%, an increase of 4% from the same period last year, due to the delivery of special projects during the period, together with cost management in every aspect to be effective.
- Net profit for the first quarter of 2023 of the Group was Baht 16 million, an increase of Baht 12 million or 322% from the same period last year, and the net profit margin for the first quarter of 2023 was 9%, an increase of 6% from the same period last year, in the same direction with the increase in revenue and gross profit.



Consolidated Financial Position for the first quarter of 2023

Financial Position			
(Thousand Baht)	March 2023	December 2022	%Chg.
Total Assets	1,190,070	1,166,435	2%
Total Liabilities	311,060	303,278	3%
Total Shareholders' Equity	879,010	863,157	2%

- Total assets increased of Baht 24 million or 2%, details as follows:
 - Cash and cash equivalents increased in the amount of Baht 49 million. The Group had cash from operating activities by Baht 53 million and paid for investment in fixed assets by Baht 4 million.
 - Other receivables decreased in the amount of Baht 37 million due to advance payments for imported goods since the goods have already been imported during the period.
 - Inventories increased by Baht 18 million from raw materials and goods in transit to support orders from customers.
- Total liabilities increased by Baht 8 million or 3%. The mainly causes due to
 - Trade and other payables decreased by Baht 2 million due to debt repayment during the period.
 - Deposit received in advance increased of Baht 19 million which was in the same direction as the order received from customers.
 - Accrued expenses decreased by Baht 5 million from the payment to contractor.
- Total shareholders' equity increased by Baht 16 million or 2% from net profit of the period.

Liquidity and Capital Management

Cash Flows		
(Thousand Baht)	1Q 2023	1Q 2022
Net cash from (used in) operating activities	52,858	(25,469)
Net cash used in investing activities	(3,465)	(37,022)
Net cash used in financing activities	(87)	(110)
Net increase (decrease) in cash and cash equivalents	49,306	(62,601)
Beginning cash and cash equivalents	239,188	280,287
Ending cash and cash equivalents	288,494	217,686



For the first quarter of 2023, the Group had net increase in cash and cash equivalent of Baht 49 million from the beginning balance of Baht 239 million. As a result, cash and cash equivalents at the end of the period was Baht 288 million. Details of cash flows by activities during the period were as follows:-

- Net cash from operating activities amounted to Baht 53 million.
- Net cash used in investing activities amounted to Baht 3 million due to cash paid for investing in fixed assets.

Ratios Analysis		
	1Q 2023	1Q 2022
Return on Asset (%)	7.06%	3.52%
Return on Equity (%)	7.57%	3.56%
Current ratio (x)	3.31	3.83
Total debt to equity (x)	0.35	0.29

Return on asset and return on equity increased by 3.54% and 4.01%, respectively, in line with the increase in profit compared to the same period last year.

There is no significant change in current ratio and debt to equity ratio.

