

D.T.C. Enterprise Public Company Limited and its subsidiaries Management Discussion and Analysis Operating Results as at 31 March 2023

Overview of Quarter 1/2023 Operating Results

During Q1/2023, the total revenue of D. T. C. Enterprise Public Company Limited and its subsidiaries (“**DTC Group**”) was THB 165.57 million, an increase of THB 9.34 million or 5.98%. Total cost of sales and rendering of services were THB 83.32 million, an increase of THB 6.02 million or 7.79%. The gross profit was THB 79.80 million, an increase of THB 1.68 million or 2.15%. The selling and administrative expenses were THB 59.13 million, an decrease of THB 1.15 million or 1.91%, and the net profit was THB 16.60 million, an increase of THB 3.42 million or 25.95%, as compared to the 1st quarter of 2022 operating results as follows:

(Unit : THB million)

Consolidated Financial Statements	The 1 st Quarter		Difference	%
	2023	2022		
Revenue from sales and rendering of services	163.12	155.42	7.70	4.95
Other revenue	2.45	0.81	1.64	202.47
Total revenues	165.57	156.23	9.34	5.98
Cost of sales and rendering of services	83.32	77.30	6.02	7.79
Gross profit	79.80	78.12	1.68	2.15
Selling and administrative expenses	59.13	60.28	(1.15)	(1.91)
Net profit for the period	16.60	13.18	3.42	25.95

Profit & Loss Analysis

Revenue from sales and rendering of services

The revenue from sales and rendering of services formed a major portion of DTC Group’s revenue. In 1st quarter 2023 and 2022, the revenue from sales and rendering of services were THB 163.12 million and THB 155.42 million, an increase of THB 7.70 million or 4.95%, representing 98.52% and 99.48% of the total revenues, respectively. The increased revenue in the current period was driven by revenue from rental services, mainly caused by increasing customer demand for up-to-date products, which was a result of rapidly changing technology development. Therefore, rental services have gained more popularity among customers.

Cost of sales and rendering of services

In 1st quarter 2023 and 2022, the cost of sales and rendering of services were THB 83.32 million and THB 77.30 million, respectively. Total cost increased by THB 6.02 million or 7.79%. The increase in cost was consistent with the increase in revenue.

Gross Profit

In 1st quarter 2023 and 2022, the gross profit was THB 79.80 million and THB 78.12 million, or 48.92% and 50.26%, respectively. DTC Group has increased gross profit by THB 1.68 million or 2.15% because DTC Group improves efficiency in cost management.

Selling and Administrative Expenses

In 1st quarter 2023 and 2022, DTC Group's selling and administrative expenses were THB 59.31 million, and THB 60.28 million, respectively. The expenses decreased by THB 1.15 million, or 1.91% the main reasons as follows:

In 1st quarter 2023 and 2022, DTC Group's selling expenses amounted to THB 11.66 million, and THB 11.78 million, respectively. The expenses decreased by THB 0.12 million, or 1.02%, mainly due to the reduction in transportation and fuel expenses of sales employees, which were attributed to the improvement of sales policies. In 1st quarter 2023 and 2022, DTC Group's administrative expenses amounted to THB 47.47 million, and THB 48.50 million, respectively. The expenses decreased by THB 1.03 million, or 2.12%, DTC Group has changed both external auditor and internal auditor in FY2023, resulting in a decrease in expenses amounting to THB 0.68 million. Additionally, the consulting fees also decreased because the company incurred these expenses in the previous year in preparation for its initial public offering (IPO).

Net Profit

In 1st quarter 2023 and 2022, The net profit was THB 16.60 million, and THB 13.18 million, respectively, an increase of THB 3.42 million, or 25.95%. The main reason for the significant increase in profitability was the economic recovery when compared to the previous year. There has been an increase in foreign investments since mid-year of FY2022 in the transportation and logistics businesses, main customers of the company, being able to operate as usual as previously stated.

DTC Group's Financial Position

As at 31 March 2023, total assets is THB 1,696.65 million, an increase of THB 28.84 million, or 1.73 %, The major assets include cash and cash equivalents of THB 1,010.46 million, property plants and equipment of THB 273.50 million, inventory of THB 102.88 million, and trade and other receivables of THB 93.41 million.

The increased assets are THB 28.84 million, or 1.73 %, compared to 31 December 2022 mainly due to increased assets, which were included trade and other receivables of THB 9.88 million, other current financial asset THB 50.00 million, property plants and equipment from building improvement of THB 19.23 million, inventory of THB 10.40 million due to the purchase of products at the end of 2022 as a consequence of receiving contracts at the end of the year. However, cash and cash equivalents decreased by THB 60.95 million, consisting of cash flow from operating activities of THB 11.49 million, cash flow out of investment activities THB 69.17 million and cash flow out of financing activities of THB 3.27 million.

As at 31 March 2023, DTC Group's total liabilities were THB 293.80 million, an increase of THB 12.23 million, or 4.34% compared to 31 December 2022, as a consequence of an increase from in debt due to the contractual obligations resulting from the company group receiving advance payments for project work during the 4th quarter of 2022. The project is expected to be completed in FY2023.

As at 31 March 2023, DTC group's total shareholders' equity amounted to THB 1,402.85 million, an increase of THB 16.61 million, or 1.20%. The main reason is the increase in net profit for the period.

Please be informed accordingly.

Sincerely yours

(Ms. Jiraporn Lailuk)
Deputy Chief Executive Officer
Chief Financial Officer