

Date: May 11, 2023

Reference 007/2023 (2566)

Subject Management Discussion and Analysis of the Financial Performance for the three-month period ended 31 March 2023

Attention President

The Stock Exchange of Thailand

PRTR Group Public Company Limited and its subsidiaries (“PRTR” or the “Company”) would like to report on our financial performance for the three-month period ended 31 March 2023, with total revenues of Baht 1,498.5 million and net profit of Baht 47.1 million. The details of significant changes are as follow:

Financial Performance

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	For the period ended					
	31-Mar-22		31-Mar-23		Change	
	Million THB	% Revenue	Million THB	% Revenue	Million THB	%
REVENUES						
Revenue from rendering of services	1,422.1	99.9%	1,495.1	99.8%	73.0	5.1%
Other income	1.8	0.1%	3.4	0.2%	1.6	88.9%
Total Revenues	1,423.9	100.0%	1,498.5	100.0%	74.6	5.2%
EXPENSES						
Cost of rendering of services	1,272.0	89.3%	1,346.8	89.9%	74.8	5.9%
Administrative expenses	87.9	6.2%	96.8	6.5%	8.9	10.1%
Total Expenses	1,359.9	95.5%	1,443.6	96.3%	83.7	6.2%
Profit before finance costs and income tax	64.0	4.5%	54.9	3.7%	(9.1)	(14.2%)
Finance costs	5.3	0.4%	5.0	0.3%	(0.3)	(5.7%)
Profit Before Income Tax Expense	58.7	4.1%	49.9	3.3%	(8.8)	(15.0%)
Income tax expense	12.4	0.9%	2.8	0.2%	(9.6)	(77.4%)
Net Profit for the periods	46.3	3.3%	47.1	3.1%	0.8	1.8%
PROFIT ATTRIBUTABLE TO						
Owners of the parent	46.3	3.3%	48.6	3.2%	2.3	5.0%
Non-controlling interests	(0.0)	(0.0%)	(1.5)	(0.1%)	(1.5)	38,176.4%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO						
Net Profit for the periods	46.3	3.3%	48.6	3.2%	2.3	5.0%
Other comprehensive income for the periods - net of tax	(0.0)	(0.0%)	(1.5)	(0.1%)	(1.5)	38,176.4%
Total Comprehensive Income for the periods	46.3	3.3%	47.1	3.1%	0.8	1.8%

Total Revenues

Total Revenues, including service revenue and other income for the three-month period ended 31 March 2022 and 2023, The Company's total revenue was Baht 1,423.9 million and Baht 1,498.5 million, respectively, increased by Baht 74.6 million or 5.2%.

Revenue from rendering of services

For the first quarter of 2022 and 2023, The Company's revenue from rendering of services were Baht 1,422.1 million and 1,495.1 million, respectively, increased by Baht 73.0 million or 5.1% due to continuing growth in core services, both outsourcing service and recruitment service, as well as new service, Intergrated Learning Service. The overall result of the Company's performance of service is grow continuously with quality and effectively to provide a full service and cover recruitment in various industries and capability to recruit all levels of staff positions for clients.

Revenue by service segment is as follows:

Revenue by services	For the period ended					
	31-Mar-22		31-Mar-23		Change	
	Million THB	%	Million THB	%	Million THB	%
Revenue from rendering of services - outsource	1,360.8	95.6%	1,429.3	95.4%	68.5	5.0%
Revenue from rendering of services - recruitment	59.9	4.2%	62.7	4.2%	2.8	4.7%
Revenue from rendering of services - Integrated learning Service *	1.4	0.1%	2.7	0.2%	1.3	92.9%
Revenue from rendering of services - Online Job Platform **	-	-	0.4	0.0%	0.4	100.0%
Other Revenue	1.8	0.1%	3.4	0.2%	1.6	88.9%
Total Revenues from rendering of services	1,423.9	100.0%	1,498.5	100.0%	74.6	5.2%

* Commencing to generate revenue in late 2021

** Commencing to generate revenue in Q4/2022

(1) Revenue from outsourcing services

For the three-month period ended 31 March 2022 and 2023, the Company generated revenue from outsourcing service of Baht 1,360.8 million and Baht 1,429.3 million, respectively, increased by Baht 68.5 million or 5.0%. The Company's growth come from new customers in retail and wholesale of consumer products business and construction materials business, including improvement in consumer spending in the first quarter 2023, its effect to growth up on clients in consumer electronics, mobile gadgets business.

(2) Revenue from recruitment services

For the three-month period ended 31 March 2022 and 2023, the Company generated revenue from recruitment service of Baht 59.9 million and 62.7 million, respectively, increasing Baht 2.8 million or 4.7%. The demand for staff 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. For the three-month period ended 31 March 2022 and 2023, the Company generate revenue from integrated learning service of Baht 1.4 million and Baht 2.7 million, respectively, increased by Baht 1.3 million or 92.9%.

Cost of Services

For the three-month period ended 31 March 2022 and 2023, The Company had cost of services of Baht 1,272.0 million and Baht 1,346.8 million, respectively, increasing by Baht 74.8 million or 5.9%, mainly due to following:

(1) cost of outsourcing service was Baht 1,320.8 million, increasing Baht 69.2 million or 5.5%. The increase was attributed to increase in salary, wage and overtime expenses from number of outsourcing staff for service new customers and increase in salaries and related benefits of some groups of outsourcing staff such as officers and factory workers. Including with raising up of commission and incentive expense attributable to PC staffs from the first quarter 2022, following improvement in consumer spending in the first quarter 2023. As a result, the revenue was growing in line with such an increase in the cost.

(2) cost of recruitment service was Baht 24.5 million, increasing Baht 4.6 million or 23.4%, derived from rising PRTR recruiting new staff to strengthen capacity of recruitment team for support the expansion of recruitment service.

Gross Profit Margin

For the three-month period ended 31 March 2022 and 2023, The Company had a gross profit of Baht 151.9 million and Baht 151.7 million, respectively, and gross profit margin of 10.7% and 10.1%, respectively, slightly decreasing by mainly factor from (1) Rising in variable income of employee in the first quarter this year However the slightly effected to GPM% due to service fee of variable income slightly lower from service fee generated from the fixed income of outsource staff (2) Rising PRTR recruiting new staff to strengthen capacity of recruitment team for support the expansion of recruitment service.

Administrative Expenses

For the three-month period ended 31 March 2022 and 2023, Administrative expenses were Baht 87.9 million and Baht 96.8 million, respectively, increasing Baht 8.8 million or 10%. Mainly due to (1) Increasing number of HR client services staff and recruiter to support capability to supply services for PRTR customers, including with related expense such as Software license for rendering of services. (2) Expenses for the issuance and initial public offering of securities (IPO) such as roadshow, advertised, consultant fee, legal fee and others fee for one-time payment.

Financial Costs

Financial costs was Baht 5.0 million, decreasing Baht 0.3 million from the first quarter 2022, in line with the decrease in interest expense from a financial institution.

Income Tax Expense

Financial Ratios	Quarter 1	
	Year 2022	Year 2023
Gross Profit Margin (%)	10.7	10.1
Net Profit Margin (%)	3.3	3.2
Current Ratio (times)	1.5	4.6
D/E Ratio (times)	2.4	0.4
Earning per Share (Baht)	2.3	0.1

Effective tax rate is under 20% mainly due to 5 years loss carry forward from subsidiaries which able to use right of expense deduction in tax calculation, including with double deduction expense and expense from issuance and initial public offering of securities (IPO) which in accounting standards accept to deduction with additional paid-in capital, while the Company can use to be expense in tax calculation.

Statements of Financial Position

CONSOLIDATED FINANCIAL POSITION	As at				Changed	
	31-Dec-22		31-Mar-23			
	Million baht	%	Million baht	%	Million baht	%
Total Assets	1,505.7	100.0%	1,893.9	100.0%	388.2	25.8%
Total Liabilities	1,054.6	70.0%	508.5	26.8%	(546.1)	(51.8%)
Total Shareholders' Equity	451.1	30.0%	1,385.4	73.2%	934.3	207.1%

Total Assets

Total assets as at 31 March 2023 of Baht 1,893.9 million, increasing by 25.8%, compared to the 2022 year-end with Baht 1,505.7 million, was mainly due to increase in deposit at banks from issuing additional shares capital from initial public offering (IPO) and refundable income tax (withholding tax deducted from service revenue) that in line with service revenue growth.

Total Liabilities

Total liabilities as at 31 March 2023 of Baht 508.5 million, decreasing by 51.8%, compared to the 2022 year-end with Baht 1,054.6 million, was mainly due to repayment in loans from financial institutions.

Total Shareholder Equity

Total shareholder equity as at 31 March 2023 of Baht 1,385.4 million, increasing Baht 934.3 million or 207.1% compared to the 2022 year-end with Baht 451.1 million, was mainly due to (1) Paid-in Capital and Paid-up premium on shares from initial public offering (IPO) of Baht 1,046.4 million (2) comprehensive income for the three-month period ended 31 March 2023 of Baht 47.1 million. And (3) Dividend payment total of 183.0 million Baht.

Key Financial Ratio

Financial Ratios	Quarter 1	
	Year 2022	Year 2023
Gross Profit Margin (%)	10.7	10.1
Net Profit Margin (%)	3.3	3.2
Current Ratio (times)	1.5	4.6
D/E Ratio (times)	2.4	0.4
Earning per Share (Baht)	2.3	0.1

Cash Flow Liquidity and Capital Resource

Statement of Cashflows (Unit : Million Baht)	As at			
	31-Mar-22	31-Mar-23	Change	%
Cash Flow from Operating Activities				
Net cash provided by operating activities	84.9	102.0	17.1	20.1%
Cash Flow from Investing Activities				
Net cash used in investing activities	(7.3)	(38.4)	(31.1)	427.4%
Cash Flow from Financing Activities				
Net cash used in financing activities	(83.0)	349.8	432.7	521.5%
Net increase (decrease) in cash and cash equivalents	(5.4)	413.4	418.7	7821.3%
Cash and cash equivalents as at 1 January	121.5	112.5	(9.0)	-7.4%
Cash and cash equivalents as at	116.1	525.9	409.8	352.8%



As at 31 March 2023 company has Cash and Cash Equivalent balance total of Baht 525.9 million, which increasing from the Cash Flow from Operating Activities total of Baht 102.0 million and has Net Cash used in Investing Activities from purchased of the new software in total of Baht 38.4 million for the new subsidiary company, and Net Cash used in Financing Activities total of Baht 349.8 million for repayment of loan to Financial Institution total of Baht 527.0 million and Dividend payment total of Baht 183.0 million. Company has Cash increase from Paid-in Capital and Paid-up premium on shares from initial public offering (IPO) of Baht 1,046.4 million

Please be informed accordingly.

Yours faithfully,

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(Risara Charoenpanich)
Chief Executive Officer