

1Q 2023/24 BUSINESS HIGHLIGHTS

MACO got off the fiscal year of 2023/24 with a solid financial performance, recording revenue of THB 620mn and net profit of THB 42mn.

- **Revenue from services and sales was THB 620mn, an increase of 7.5% YoY.**
 - System Integration increased by 5.6% YoY to THB 519mn.
 - Advertising revenue increased by 18.3% YoY to THB 101mn.
- **MACO made a strategic move by unveiling a new direction to become a leader of technology business through the announcement of a new Chief Executive Officer.**

KEY BUSINESS AND STRATEGIC UPDATES IN 1Q 2023/24

Unveiling a new direction through the announcement of the new CEO

During the past few years, MACO has restructured its business and the system integration business has gradually become its main revenue contribution. Therefore, MACO decided to transition itself to be a leader of in communication systems, digital media and display solutions provider in Thailand, Hong Kong and other Southeast Asia countries. In addition, MACO also appointed Mr. Weng Sam Lam to be a new Chief Executive Officer on 10 August 2023.

CONSOLIDATED P&L SNAPSHOT

THB (mn)	1Q 2022/23	4Q 2022/23	1Q 2023/24	QoQ (%)	YoY (%)
Revenue from services and sales	577	707	620	-12.3%	7.5%
Cost of services and sales	(425)	(522)	(449)	-13.9%	5.6%
Gross profit	152	185	171	-7.6%	12.8%
SG&A	(102)	(118)	(104)	-11.8%	2.0%
Share of profit (loss) from JVs & associates	7	10	10	-4.1%	46.3%
EBITDA	122	131	143	9.3%	16.9%
EBIT	68	77	89	16.2%	31.3%
Financial cost	(8)	(6)	(7)	4.5%	-20.8%
Tax	(13)	(31)	(25)	-19.3%	95.8%
Net profit: owners of the parent	34	23	42	86.5%	24.5%

Gross profit margin	26.3%	26.2%	27.6%		
EBITDA margin	21.2%	18.5%	23.1%		
Net profit margin: owners of the parent	5.9%	3.2%	6.8%		

TOTAL REVENUE FROM SERVICES AND SALES BY SEGMENTS

THB (mn)	1Q 2022/23	4Q 2022/23	1Q 2023/24	QoQ (%)	YoY (%)
System Integration	491	598	519	-13.3%	5.6%
Advertising	86	109	101	-6.7%	18.3%
Total revenue from services and sales	577	707	620	-12.3%	7.5%

% CONTRIBUTION TO TOTAL REVENUE FROM SERVICES AND SALES

	1Q 2022/23	4Q 2022/23	1Q 2023/24
System Integration	85.1%	84.6%	83.7%
Advertising	14.9%	15.4%	16.3%
Total revenue from services and sales	100.0%	100.0%	100.0%

PERFORMANCE ANALYSIS (1Q 2023/24 vs 1Q 2022/23)

With an ongoing economic recovery, MACO recorded **revenue from services and sales** of THB 620mn in 1Q 2023/24, an increase of 7.5% YoY.

- **System Integration revenue** contributed 83.7% of total revenue or THB 519mn, an increase of 5.6% YoY. This was mainly from more installation and maintenance projects.
- **Advertising revenue** contributed 16.3% of total revenue or THB 101mn, an increase of 18.3% YoY. The increase was mainly from the production of static media revenue.

Revenue growth also reflected in **cost of services and sales**, which increased by 5.6% YoY to THB 449mn. While, **cost-to-sales ratio** decreased to 72.4% (prior year: 73.7%), resulting in an increase in **gross profit margin** to 27.6% (prior year: 26.3%).

Selling, general and administrative expenses (“SG&A”) increased by 2.0% YoY to THB 104mn. Meanwhile, **SG&A to revenue ratio** decreased from 17.7% to 16.8% due to revenue increase in higher rate than SG&A.

In 1Q 2023/24, the Company recorded a **share of profit from investment in joint ventures & associates** of THB 10mn (prior year: THB 7mn).

Altogether, the Company recorded **net profit: owners of the parent** of THB 42mn with a **net profit margin: owners of the parent** of 6.8%.

FINANCIAL POSITION
ASSETS

ASSETS BREAKDOWN	31 MAR 2023		30 JUN 2023	
	(THB mn)	% out of total	(THB mn)	% out of total
Cash & cash equivalents and current investments	1,365	21.2%	1,270	19.3%
Trade & other receivables	365	5.7%	552	8.4%
Investment in joint venture and associates	2,456	38.2%	2,485	37.7%
Property, plant and equipment	379	5.9%	359	5.4%
Right-of-use assets	396	6.2%	383	5.8%
Goodwill and Intangible assets	617	9.6%	623	9.5%
Other assets	853	13.3%	914	13.9%
Total assets	6,431	100.0%	6,585	100.0%

Total assets as of 30 June 2023 was reported at THB 6,585mn, an increase of 2.4% or THB 154mn from THB 6,431mn as of 31 March 2023.

Total current assets were THB 2,510mn, increasing by 7.7% or THB 179mn, primarily from an increase of trade and other receivables of THB 186mn.

Total non-current assets stood at THB 4,075mn, slightly decreasing by 0.6% or THB 24mn.

Trade and other receivables were THB 552mn, an increase of 51.0% or THB 186mn from THB 365mn. As of 30 June 2023, the average collection period as at the end of this quarter was 66 days compared to 42 days as of 31 March 2023.

AGEING OF TRADE RECEIVABLES (THB mn)	31 MAR 2023	30 JUN 2023
Not yet due	148	242
Up to 3 months	56	88
3 - 6 months	9	19
6 - 12 months	3	16
Over 12 months	7	-
Total	223	365
Allowance for expected credit losses	(1)	(1)

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES AND EQUITY BREAKDOWN	31 MAR 2023		30 JUN 2023	
	(THB mn)	% out of total	(THB mn)	% out of total
Short term loans from financial institutions	190	3.0%	185	2.8%
Trade and other payables	1,034	16.1%	1,058	16.1%
Advances received from employers and unearned revenue	274	4.3%	312	4.7%
Other current liabilities	118	1.8%	125	1.9%
Lease liabilities	417	6.5%	408	6.2%
Other non-current liabilities	128	1.9%	127	1.9%
Total liabilities	2,161	33.6%	2,215	33.6%
Shareholders' equity	4,270	66.4%	4,370	66.4%
Total liabilities and equity	6,431	100.0%	6,585	100.0%

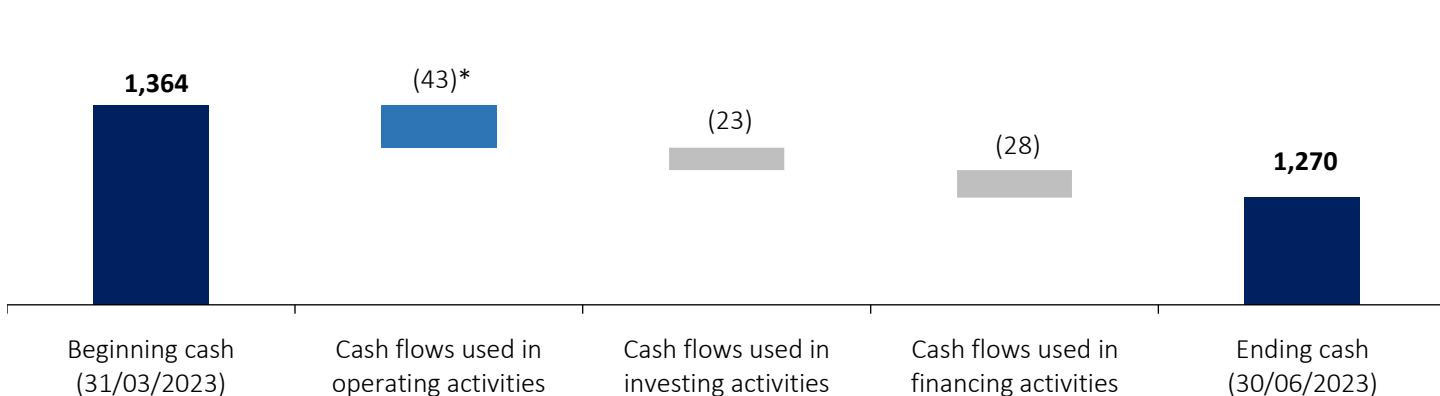
Total liabilities were THB 2,215mn, increasing by 2.5% or THB 55mn from THB 2,161mn as of 31 March 2023.

Total equity was THB 4,370mn, increased by 2.3% or THB 100mn from THB 4,270mn as of 31 March 2023. This was mainly attributed to an increase in 1) retained earnings of THB 42mn, 2) non-controlling interests of the subsidiaries of THB 30mn and 3) other components of shareholders' equity of THB 28mn.

CASH FLOW

As of 30 June 2023, the Company had **net cash used in operating activities** of THB 43mn. **Net cash used in investing activities** was THB 23mn mainly from cash paid for 1) an investment in financial assets of THB 18mn and 2) acquisition of equipment of THB 7mn. **Net cash used in financing activities** was THB 28mn. The key components were cash paid for 3) repayment of lease liabilities of 17mn, 4) interest expenses of THB 7mn and 5) repayment of loans from financial institution of THB 5mn.

3-MONTH CASH FLOW SNAPSHOT (THB mn)



*Included translation adjustment of THB 5mn

KEY FINANCIAL RATIOS

		1Q 2022/23	1Q 2023/24			31-Mar- 2023	30-Jun- 2023
Profitability Ratios				Liquidity Ratios			
Gross profit	(%)	26.2%	27.6%	Current ratio	(times)	1.4	1.4
Operating EBITDA	(%)	21.2%	23.1%	Quick ratio	(times)	1.2	1.2
Net profit margin	(%)	8.2%	9.4%	Account receivable turnover	(times)	8.8	5.5
Net profit margin: owners of the parent	(%)	5.9%	6.8%	Average collection period	(days)	42	66
Return on equity	(%)	0.5%	3.7%	Payable days	(days)	181	189
Efficiency Ratios				Leverage Ratios			
Return on assets	(%)	1.7%	5.1%	Liability to equity	(times)	0.5	0.5
Return on fixed assets	(%)	21.0%	80.9%	Debt to equity	(times)	0.0	0.0
Asset turnover	(times)	0.3	0.4				

Remark: Financial ratios were calculated based on The Stock Exchange of Thailand's formula.

MANAGEMENT OUTLOOK

Following the recent business restructuring, MACO has transitioned to become a technology company. This strategic move would propel MACO forward, following the Company's announcement through the appointment of Mr. Weng Sam Lam as MACO's new Chief Executive Officer on 10 August 2023. At the same time, MACO has established itself as a leader in communication systems, digital media and display solutions provider in Thailand, Hong Kong and other Southeast Asia countries.

In the remaining quarter of 2023/24, the Company has ambitious plans and aims to expand its system integration business in Thailand and Hong Kong. Additionally, it will also establish new innovative technology platforms and develop new products and services with the in-house R&D team. We believe that, with Mr. Weng Sam Lam at the helm and new direction, MACO will be able to overcome challenges and achieve sustainable long-term growth.



Ms. Tamonwan Narintavanich
(Chief Financial Officer)

Master Ad Public Company Limited