

11 August 2023

Subject: Management Discussion and Analysis (MD&A) for the Second Quarter of 2023

To The President

Stock Exchange of Thailand

Peerapat Technology Public Company Limited (the “Company” or “PRAPAT”) would like to inform its operation performance for the Second Quarter of 2023 as follows,

Operation Performance Analysis

Statement of Comprehensive Income	Consolidated (Reviewed)			
	The second Quarter of 2022 (Apr – Jun.)		The second Quarter of 2023 (Apr – Jun.)	
	mn THB	%	mn THB	%
Revenue				
Sales Revenue	185.56	81.54%	204.94	80.32%
Rent and Service Revenue	42.02	18.46%	50.20	19.68%
Total Sales Rent and Service Revenue	227.57	100.00%	255.14	100.00%
Cost of Sales	-111.34	-48.92%	-114.48	-44.87%
Cost of Rent and Service	-26.28	-11.55%	-30.16	-11.82%
Total Cost	-137.62	-60.47%	-144.64	-56.69%
Gross Profit	89.95	39.53%	110.50	43.31%
Other Incomes	2.14	0.94%	3.26	1.28%
Selling Expenses	-30.86	-13.56%	-36.13	-14.16%
Administration Expenses	-51.73	-22.73%	-57.45	-22.52%
Earnings Before Interest and Tax	9.50	4.17%	20.17	7.90%
Share of profit (loss) from investments in joint venture		0.00%	0.19	0.07%
Finance cost	-4.77	-2.09%	-5.33	-2.09%
Earnings Before Tax	4.73	2.08%	15.03	5.89%
Tax Expenses	-0.84	-0.37%	-3.18	-1.25%
Net Profit for the Year	3.89	1.71%	11.85	4.64%
Attribution of net profit				
Equity-holder of the Company	3.25	1.43%	11.18	4.38%
Non- Controlling Interests	0.64	0.28%	0.67	0.26%

Revenue from Operation

Sales Revenue

In 2Q23 the Company and its subsidiaries had sales revenue increase from the same period of the previous year by 19.38 million baht or 10.45%, consisting of an increase in laundry product revenue of 11.71 million baht. Kitchen products revenue amounted to 8.70 million baht and income from disinfectant products revenue amounted to 1.20 million baht increased in accordance with the improvement of the domestic tourism economy.

Rent and Service Revenue

In 2Q23, the Company and its subsidiaries had rental and service income increased 8.18 million baht, or increased 19.47%, consisting of an increase in rental income, kitchen product group of 6.59 million baht and revenue service from swimming pool increased by 1.40 million baht because of the this was a result of an increase in the rental of dishwasher's machine from the restaurant business.

Gross Profit and Gross Profit Margin

In 2Q23, the Company and its subsidiaries had gross profit from sales of 90.46 million baht, accounting for 44.14 percent of gross profit from sales, while the same period of the previous year, the Company and subsidiaries had gross profit from sales of 74.22-million-baht, accounting for the gross profit margin from sales of 40.00 percent, The cost of raw materials and the cost of packaging for production has increased price since 2022.

In 2Q23, the Company and its subsidiaries had a gross profit from rental and service fees of 20.04 million baht, or gross profit from rental and service fees of 39.91% in the same period of the previous year. The Company and its subsidiaries had a gross profit from rental and service fees of 15.74 million baht, or the gross profit margin on rental and service expenses was of 37.45% due to the increase in gross margins from rental and service is because the company has income for renting the dishwasher machine for customers, hotels and restaurants has an upward direction.

Selling and Administration Expenses

In 2Q23, the Company and its subsidiaries had distribution expenses of 36.13 million baht, an increase of 5.27 million baht or 17.09% from the same period of the previous year due to an increase in commissions. Sales in the amount of 0.32-million-baht, transportation costs in the amount of 1.13 million baht, personnel expenses in the amount of 1.05 million baht resulting from increased sales. and marketing expenses amounting to 1.94 million baht.

In 2Q23, the Company and its subsidiaries had administrative expenses of 57.45 million baht, an increase of 5.72 million baht or 11.06% from the same period, due to the increase in expenses. Regarding employee salaries and welfare in the number of 1.87-million-baht, or service fee expenses in the amount of 1.85-million-baht, depreciation increased in the amount of 0.31 million baht.

Net profit and net profit margin are attributed to equity-holders of the Company.

In 2Q23, The Company and its subsidiaries had a net profit of the Company's shareholders at 11.85 million baht or equivalent to a net profit margin of the Company's shareholders equity of 4.38 percent, an increase from the same period of the previous year. Which had a net profit in the Company's shareholders' equity of 3.25 million baht or equivalent to 1.43 percent of the Company's shareholders equity. The company's sales are starting to improve.

Please be informed accordingly,

Best Regards,

Mr. Veerapong Luesakul

Chief Executive Officer