

MMS-AC66/012

November 8, 2023

Subject: Management discussion and analysis of the operating results for the third quarter of 2023, ending September 30, 2023

To: The President
The Stock Exchange of Thailand

Matching Maximize Solution Public Company Limited (“The Company”) would like to report the operating results for the third quarter, ending September 30, 2023, which were already audited by the Certified Public Accountant. In the consolidated financial statement, the parent company booked a profit amounting to 9.73 million baht, representing a profit increase by 28.07 million baht or an earnings acceleration of 153.05% on a year-on-year basis, compared to the loss of 18.34 million baht reported for the same period of 2022. The details are as follows:

(In Million Baht)

Profit and loss statement	Quarter 3			
	2023	2022	Change	
	Amount	Amount	Amount	%
Revenue from the equipment rental service business	86.67	64.05	22.62	35.32%
Revenue from the studio rental service business	24.02	9.66	14.36	148.65%
Revenue from the content business	7.61	12.25	(4.64)	-37.88%
Revenue from product sales	1.42	0.97	0.45	46.39%
Total revenue	119.72	86.93	32.79	37.72%
Total cost	80.80	73.14	7.66	10.47%
Gross profit margin	38.92	13.79	25.13	182.23%
SG&A expenses	23.89	30.14	(6.25)	-20.74%
Financial expenses	2.75	2.65	0.10	3.77%
Total expenses	26.64	32.79	(6.15)	-18.76%
Profit (loss) before other revenue and other expenses	12.28	(19.00)	31.28	164.63%
Other revenue	4.49	0.16	4.33	2706.25%
Profit (loss) before income tax	16.77	(18.84)	35.61	189.01%
Corporate income tax	(7.04)	0.50	(7.54)	-1508.00%
Net profit (loss)	9.73	(18.34)	28.07	153.05%

The total revenue in 3Q23 was recorded at 119.72 million baht, up by 32.79 million baht or an increase of 37.72% on a year-on-year basis on the back of the following factors.

The revenue from the equipment rental service business in 3Q23 marked at 86.67 million baht, increasing by 22.62 million baht or an increase of 35.32% on a year-on-year basis, compared to the revenue of 64.05 million baht recorded in 3Q22. The increase was attributable to the rises in rental service volume provided for both Thai and international clients.

The revenue from the studio rental service business in 3Q23 stood at 24.02 million baht, up by 14.36 million baht or an increase of 148.65% on a year-on-year basis, compared to the revenue of 9.66 million baht recorded in 3Q22. The increase was thanks to the fact that international clients continued to use the studio rental services for their filming activities for long periods.

The revenue from the content business in 3Q23 amounted to 7.61 million baht, down by 4.64 million baht or a decrease of 37.88% on a year-on-year basis versus the revenue of 12.25 million baht booked for 3Q22. This decline in revenue was because the volume of commercial and content production services decreased.

The gross profit in 3Q23 marked at 38.92 million baht, increasing by 25.13 million baht or up by 182.23% on a year-on-year basis, compared to the gross profit of 13.79 million baht reported in 3Q22. The figure represented a gross profit margin 31.84% because the revenue from the equipment and studio rental services increased.

The SG&A expenses in 3Q23 stood at 23.89 million baht, decreasing by 6.25 million baht or down 20.74% on a year-on-year. The lower SG&A expenses were thanks to a decline in allowances for expected receivable losses resulted from effective receivable management and debt collection.

The finance cost in 3Q23 marked at 2.75 million baht, up by 0.10 million baht or increasing by 3.77% on a year-on-year basis due to higher interest rates.

The corporate income tax expenses in the third quarter of 2023 amounted to 7.04 million baht, rising by 7.54 million baht or increasing by 1,508.00% on a year-on-year basis.

As for 9M23 earnings performance ending September 30, 2023, in the consolidated financial statement, the parent company booked a net profit of 15.23 million baht, accelerating by 60.44 million baht or 133.69% versus the net loss of 45.21 million baht reported for the same period of the prior year.

The sales revenue totaled 338.63 million baht, increasing by 78.44 million baht or up 30.15%. The cost of sale marked at 230.80 million baht, up by 15.51 million baht or 7.20% on a year-on-year basis. Hence, the gross profit marked at 107.83 million baht, rising by 62.93 million baht or an increase of 140.16%. Meanwhile, the SG&A expenses stood at 79.60 million baht, down 4.14 million baht or a decline of 4.94%. Finally, the finance cost increased by 0.87 million baht or up 11.46% YoY to 8.46 million baht.

Financial Position

As of September 30, 2023,

- The total assets amounted to 1,537.60 million baht, up by 0.18 million baht or an increase of 0.01% compared to the amount reported as of December 31, 2022. This was because of the booking of the depreciation and amortization of assets in the amount of 58.37 million baht and the investment in buildings and equipment and intangible assets at 3.76 million as well as the assets for lease at 53.15 million to serve increasing demand from clients.

Key assets consisted of cash and cash equivalent at 21.47 million baht, account receivables and other receivables at 88.65 million baht, inventories at 14.03 million baht, withheld corporate income tax at 37.00 million baht, land, plant and equipment at 1,139.32 million baht, assets for lease at 197.58 million baht, right-of-use assets at 10.76 million baht, and deferred tax assets at 22.48 million baht.

- The liabilities totaled 265.52 million baht, down by 15.05 million baht or a decline by 5.36%, compared to the figure reported as of December 31, 2022, due to the loan repayment to banks according to the loan contracts.

Key liabilities included account payables and other payables at 63.61 million baht, current portion of short-term loans from banks at 5 million baht, current portion of long-term loans from banks at 41.16 million baht, current portion of lease liabilities at 3.13 million baht, long-term loans from banks at 114.95 million baht, lease liabilities at 7.72 million baht, and employee benefit obligations at 20.64 million baht.

- The shareholders' equity stood at 1,272.08 million baht, up by 15.23 million baht or an increase by 1.21% from the figure reported as of December 31, 2022 thanks to the booking of operating profit. The D/E ratio marked at 0.21x and the current ratio was 1.33x.

Cash flows

The net cash flow received from operating activities amounted to 75.54 million baht. The net cash flow used for investing activities stood at 48.46 million baht, most of which was used for purchases of rental assets for serving clients. Meanwhile, the net cash flow used for financing activities marked at 36.21 million baht, most of which was used for loan repayment to banks. The overall net cash flows decreased by 9.13 million baht. Therefore, the cash flows at the end of the period amounted to 21.47 million baht.

Yours sincerely,

Matching Maximize Solution Public Company Limited.

(Mr. Chayanont Ulit)

Chief Executive Officer