

Management Discussion and Analysis Q3/2023

Jaymart Group Holdings



เป็นได้มากกว่าที่คุณคิด



Jaymart
GROUP

Ref: IR66/016

9 November 2023

Subject: Management Discussion and Analysis for the third quarter ended 30 September 2023
Attention: President
The Stock Exchange of Thailand

According to the resolution of the Board of Directors of Jaymart Group Holdings Public Company Limited ("Company") No. 9/2023 held on November 9, 2023. Resolved to approving the financial statements and operating results of the Company and subsidiaries for the third quarter ended September 30, 2023. This has been reviewed by the auditor of the Company and with the following results.

Overview of the Jaymart group: Clearly Recovery of Operating Results

For the results of the Company's and its subsidiaries' performance, consolidated financial statements, for the 3-month period of 2023, the Company had a net profit of 293 million baht. For the 9-month period of 2023, the company had a net loss of 613 million baht, with details of the operating results of each business line and the direction of future operating results in the following explanation.

1. Mobile phone and accessories distribution business

The distribution of mobile phones and accessories under the operations of Jaymart Mobile Company Limited ("Jaymart Mobile"). In the past quarter 3/2023, operating performance was in a good direction. Sales increased 10.5 percent from the previous quarter 2/2023 to 2,251 million baht and net profit was 12 million baht. During the past quarter 3/2023, main mobile brands such as iPhone and Samsung launched new products at the end of the 3rd quarter of 2023, with sales continuing to grow well into the beginning of the 4th quarter of 2023.

The Company still has a positive outlook on the direction of operating results in the 4th quarter of 2023, with sales expected to be higher than the previous 3rd quarter of 2023 due to the launch of new products from various

mobile brands and it's the high season period of selling mobile. Also, the promotion campaign from mobile loan under Samsung Finance+ Project.

2. Non-performing debt management business

Non-performing debt management company JMT Network Services Public Company Limited ("JMT") continues to be a profitable business. In the past 3rd quarter of 2023, net profit was 466.3 million baht, growing 2.4 percent from the same period of the previous year.

The Company still has a positive outlook on the Company's growth, still setting a goal to increase its operating results from the past year 2022. From the economic situation that will gradually improve and in the 4th quarter of 2023, which is the high season of the overall economy, in the 4th quarter of 2023 the Company

expects this quarter will be able to achieve the highest amount of non-performing debt collection in 2023, which will result in the higher of profit sharing from subsidiaries.

3. Real estate development business

The operating results of JAS Asset Public Company Limited ("JAS Asset") development business generated a net profit of 129.1 million baht in the 3rd quarter of 2023. The reason for the increase in JAS net profit was because there was a profit on fair value adjustment of investment properties and increased rental income from the opening of a new community mall, JAS Green Village Bang-Bua-Thong, during the 3rd quarter of 2023.

The Company has a positive outlook performance both this year and next year. For 2023, the Company opened a new Community Malls "JAS Green Village Bang-Bua-Thong" on September 29, 2023, which has rental space of 9,555 square meters on approximately 14 rai of land, which has received a good response from various key anchor tenants and will generate good income for the Company in the future.

4. Electrical appliance distribution business line with hire purchase loan and Car for Cash.



Singer Thailand Public Company Limited ("Singer") maintained its solid performance in the 3rd quarter of 2023, with a net profit of 12.6 million baht, and its subsidiary, SG Capital Public Company Limited has begun to turn around to have a good performance with a profit of 8.2 million baht by careful credit control.

For the 4th quarter of 2023, the Company has a positive outlook of SINGER's operating results that will gradually improve in the 4th quarter of 2023 by adjusting the sales strategy and lending in subsidiaries to be able to control the quality of loans better.

5. Technology business

J Ventures Company Limited ("J Ventures") is a subsidiary of Jaymart that operates in technology. In the past quarter 3/2023, J Ventures has made progress in creating the New Ecosystem for the group of companies. It aims to do the digitization for the group of companies in many projects. and has developed a digital identity checking and verification system (Identity Provider -IdP) on NDID Platform, so that users requesting digital identity checking and verification services can be confident in the standards in terms of security, we are also ready to expand our services to organizations, businesses, and platform developers or application through the use of Join Application, Blockchain application.

6. Group companies that Jaymart has invested in new (New Investment)

#	Company	%	Development
1	BNN Restaurant Group Company Limited (Suki Tee Noi or Teenoi) Type of investment: Associated company, realized 30% share of profit from shareholding.	30.0	<p>Teenoi currently has a total of 50 branches (as of the end of October 2023) with consumer acceptance of the value of products and services. Currently, the group of companies has done more business synergy, such as jointly creating Teenoi Pop Up Café, which focuses on selling beverages and desserts that meet the needs of the new generation of people. Currently, a branch has already opened at Siam Square and is in the process of opening additional branches in the future. In addition, the company has jointly developed the customer relations membership system for Teenoi, developed by J Ventures Company Limited.</p> <p>In the past 3rd quarter of 2023, the Company recognized the share of profit from investments in associate from Teenoi of 77 million baht and for the past 9-month period, the Company recognized the share of profit from investments in associate of 203 million baht.</p>
2	Buriram Sugar Public Company Limited("BRR") Type of Investments: Fair Value Through the Income Statement	9.49	The company invested in BRR in anticipation of the chance to collaborate on the economy by establishing economic prospects for farmers, such as opening a small petrol station and distributing credit facilities to farmer (Ngern Kioa) totaling more than 264 million baht.
3	PRTR Group Public Company Limited("PRTR") Type of Investment : Fair Value Through Equity	15.0	In collaborative business operations, the Company has collaborated with PRTR. Currently, the company is in the process of developing a salary advance project under "Pah Advance" project with PRTR. This project has already started and has received good feedback from employees. In addition, PRTR also assists in the recruitment of employees. Many vacancies are available in the group of companies.
4	Super Turtle Public Company Limited ("TURTLE") Type of Investments: Fair Value Through Equity	9.82	The company has partnered with TURTLE to expand branches on BTS stations, which presently have opened 11 branches. Currently in the process of opening additional branches by early 2024.
5	SG Capital Public Company Limited ("SGC")	4.46	In the past 3rd quarter of 2023 with a careful supervision and control policy in lending and adjusted new management strategies, allowing

#	Company	%	Development
	Type of Investments: Fair Value Through the Income Statement		SGC to turn around to profit. This policy will continue in the 4th quarter of 2023 along with the introduction of the credit consideration system and technology to has increasingly enter the loan consideration process. It is expected that in 2024 SGC will clearly recover.

Cash Flow Analysis (consolidated financial statements)

For the past 9 months 2023, the Company had a net decrease in cash and cash equivalents of 2,600.4 million baht, separated by cash flow details for each activity as follows:

Unit : Million Baht	9M 2022	9M 2023
Cash flows from (used in) operating activities	(98.6)	(1,599.3)
Cash flows from (used in) investing activities	621.9	(4,198.9)
Cash flows from (used in) financing activities	(1,473.8)	3,197.8
Net increase (decrease) in cash and cash equivalents	(950.7)	(2,600.4)

Cash flows from operating activities in the nine-months period of 2023, the Company had net cash used in operating activities 1,599.3 million baht, decreased due to the Company increased purchases of account receivables.

Cash flows from investing activities in the nine-months period of 2023, the Company had net cash used in investing activities 4,198.9 million baht, decreased due to an increasing of loan to related party for capital in JK Asset Management Ltd. and investing in other financial assets.

Cash flow from financing activities in the nine-months period of 2023, the Company had net cash from financing activities 3,197.8 million baht, increased due to cash received from capital increase in subsidiary and new issue debenture.

Performance Summary

The overview of the operating results for the previous Q3/2023 clearly demonstrates the potential expansion of the net income of the Jaymart Group. The following are the details of the Group's operating results:

Performance Summary

(Summary Table)

Consolidated financial statements	Q3/2022	Q3/2023	Change		9M/2022	9M/2023	Change	
			Value	%			Value	%
Revenue from customer contracts	2,349.9	2,296.2	(53.7)	-2.3%	6,965.0	6,608.7	(356.3)	-5.1%
Interest income from purchases of receivables	645.7	858.5	212.8	33.0%	1,931.9	2,363.5	431.6	22.3%
Gains on loans from purchases of receivables	300.3	203.6	(96.7)	-32.2%	919.6	698.7	(220.9)	-24.0%
Rental income	70.8	92.1	21.3	30.1%	214.9	271.3	56.4	26.3%
Insurance income	69.1	78.6	9.5	13.8%	185.0	229.2	44.2	23.9%
Total revenue	3,435.8	3,529.0	93.2	2.7%	10,216.4	10,171.4	(45.0)	-0.4%
Cost of sales	1,996.7	1,991.8	(4.9)	-0.2%	5,902.1	5,612.8	(289.3)	-4.9%
Cost of service	260.2	307.4	47.2	18.2%	748.7	904.2	155.5	20.8%
Rental cost	21.7	28.5	6.8	31.4%	65.8	78.9	13.1	19.9%
Insurance expenses	61.8	63.5	1.7	2.7%	269.9	178.5	(91.4)	-33.9%
Total cost of sales and services	2,340.4	2,391.3	50.9	2.2%	6,986.4	6,774.3	(212.1)	-3.0%
Gross profit	1,095.3	1,137.8	42.5	3.9%	3,230.1	3,397.1	167.0	5.2%
Profit from marketing campaigns	118.8	78.0	(40.8)	-34.4%	352.5	250.9	(101.6)	-28.8%
Profit (loss) on FV adjustment of investment properties	6.3	163.0	156.7	2487.4%	(14.3)	122.6	136.9	-957.4%
Unrealized gains (losses) from Other financial assets	241.4	7.0	(234.4)	-97.1%	243.8	(737.6)	(981.4)	-402.6%
Selling and distribution Expenses	282.6	286.8	4.2	1.5%	806.0	850.4	44.4	5.5%
Administrative expenses	317.4	421.7	104.3	32.9%	879.4	1,115.3	235.9	26.8%
Profit from operations	935.8	739.5	(196.3)	-21.0%	2,374.6	1,331.4	(1,043.2)	-43.9%
Financial cost	(156.4)	(288.2)	(131.8)	84.3%	484.9	(777.4)	(1,262.3)	-260.3%
Share of profit from investments in joint ventures	34.8	111.5	76.7	220.3%	34.4	369.4	335.0	973.8%
Share of profit (loss) from investments in associates	59.1	57.8	(1.3)	-2.3%	169.1	(673.3)	(842.4)	-498.2%
Income tax expense	(98.2)	(141.1)	(42.9)	43.7%	272.7	(264.2)	(536.9)	-196.9%
Net Profit attributable to equity holders of the Company	563.5	292.9	(270.6)	-48.0%	1,278.0	(613.0)	(1,891.0)	-148.0%

Revenues Analysis

The Company's total revenue for the third quarter of 2023 was 3,529 million baht, an increase of 93.2 million baht from the same period of the previous year or an increase 2.7%, and for the 9-month period of 2023, it was 10,171.4 million baht. A decrease of 45 million baht or a decrease of 0.4% due to the following reasons:

1. Revenue from contracts with customers in Q3/2023 was 2,296.2 million baht, a slightly decrease of 2.3% from the same period of the previous year. For the 9-month period of 2023 equal to 6,608.7 million baht, a decrease of 5.1%.
2. Interest income from purchases of receivables and gains on loans from purchases of receivables, which are income from debt management business in the 3rd quarter of 2023, totaled 1,062.1 million baht, an increase of 116.1 million baht or an increase of 12.3% while the revenue from debt collection and other services for the 9-month period of 2023 was 3,062.2 million baht, an increase 210.7 million baht or of 7.4% due to better debt collection.
3. Rental and service income in the 3rd quarter of 2023 was 92.1 million baht, an increase of 21.3 million baht or an increase of 30.1%, while rental and service income for the 9-month period was 271.3 million baht, an increase of 56.4 million baht or an increase of 26.2%. This was mainly due to an increase in rental income from JAS Green Village Kubon and JAS Urban Srinakarin, including an increase in utility revenue from electricity usage and an increase in electricity charges in line with electricity costs. There was

also an increase in revenue from Senera Senior Wellness project from delivery space to Senera ViMUT Health Service.

4. Insurance income in the third quarter of 2023 was 78.6 million baht, an increase of 9.5 million baht or an increase of 13.7%, while income in the 9-month period was 229.2 million baht, an increase 44.2 million baht or an increase of 23.9% because of expanding more insurance channels by focusing on loss ratio control.

Gross Profit

The Company has gross profit According to the consolidated financial statements for the third quarter of 2023, it was 1,137.8 million baht, an increase of 42.5 million baht or an increase of 3.9% compared to the same period last year.

Meanwhile, gross profit for the 9-month period of 2023 was 3,397.1 million baht, an increase of 167 million baht or 5.2% when compared to the same period of the previous year due to the company's revenue growth from business segments with profit margins as good as Debt-based business and real estate development business.

Selling and Administrative Expenses

The Company has selling and administrative expenses from the consolidated financial statements for the third quarter of 2023, it was 708.5 million baht, an increase of 108.5 million baht or a 18.1% when compared to the same period of the previous year. For the 9-month period, the Company had total selling and administrative expenses of 1,965.7 million baht, an increase of 280.3 million baht or 16.6 % when compared to the same period of the previous year. Because of increased expenses of

employees of subsidiaries from business expansion and increased marketing expenses in subsidiaries.

Net Profit (loss)

Q3/2023 Company's net profit was 292.9 million baht, an increase from the same period last year of 270.6 million baht or 48%. For the 9-month period, the Company had net loss of 613 million baht, a decrease of 1,891 million baht or 148% from the same period last year. Mainly due to share of loss from investments in associates

Summary of financial positions

Assets

As of September 30, 2023, the Company's total assets the amount shown in the consolidated financial statements was 60,788.7 million baht, an increase from the end of 2022 by 5,387.6 million baht or 9.7% due to an increase

Forward Looking

In the past quarter 3/2023, it was clearly proven that the Company and the group of companies had recovered and returned to net profit in this quarter. In this quarter 4/2023, the Company still has a positive outlook on the operating results of subsidiaries and associated companies as mentioned above in explaining the operating results of each business line in above.

In addition, the Company recognizes that In the current economic situation, there is volatility in both the money and capital markets, therefore, the important mission is adjusting the strategy to be in line with the said situation allowing the business to still have good operating results, along with having to prepare sufficient cash flow for future growth and repayment of debentures which Jaymart Group of Companies has already been prepared for the coming year 2024 with the Company having cash flow and sufficient financial resources to repay debts as scheduled.

Company ESG developments

Business growth along with the development of the environment, society and good corporate governance. That is considered the main mission of the Jaymart Group of Companies. In the past year, the company has made clearly developed in ESG. The company has participated in various projects of Stock Exchange of Thailand and received an award from Thailand Greenhouse Gas Management Organization (Public Organization) in collaboration with Stock Exchange of Thailand in the activity Climate Care Forum 2023: Time to reduce "reduce for the world" under the cooperation "Climate Care Platform" to

in investment properties in a subsidiary, JAS Asset. With the consolidate financial statement, the Group of Company possess cash and cash equivalents 1,411 million baht, not including mutual funds that the Company invested 1,986 million baht. This would ensure that the Company has got enough reserve for working capital and liabilities repayment in future.

Liabilities and Shareholders' Equity

As of the end of September 30, 2023, the Company had total liabilities of 28,296.4 million baht, an increase from the end of 2022 by 3,676.7 million baht or 14.9% because in 2023 the company issued debenture for business expansion, while the equity Holding shares equal to 32,492.3 million baht. The Company has a debt-to-equity ratio of 0.87 times and an interest-bearing debt to equity ratio of 0.77 times.

encourage all sectors to see the importance and don't wait in reducing and managing resources with value. At the event, a certificate of honor was given to the project to support greenhouse gas reduction activities (LESS project).

In addition, the Company has organized training on the topic “The role of executives and employees in fighting fraud and corruption (ANTI-CORRUPTION) and the ceremony to announce the intention to prevent and suppress corruption of Jaymart Group for the year 2023” to reinforce participation in driving the prevention and suppression of corruption. The company established a policy for training group employees in 2024.

Please be informed accordingly.

Yours faithfully,

- Signed –

(Ms. Ladda Waruntarakun)

Company secretary

Mr. Panya Chutisiriwong

Email: panya@jaymart.co.th

Group Investor Relations

Investor Relations

Jaymart Group Holdings Public Company Limited

Contact Channel:

Tel: 02 308 8196

Website: www.jaymart.co.th

Facebook: JMART & JMT & J Lover