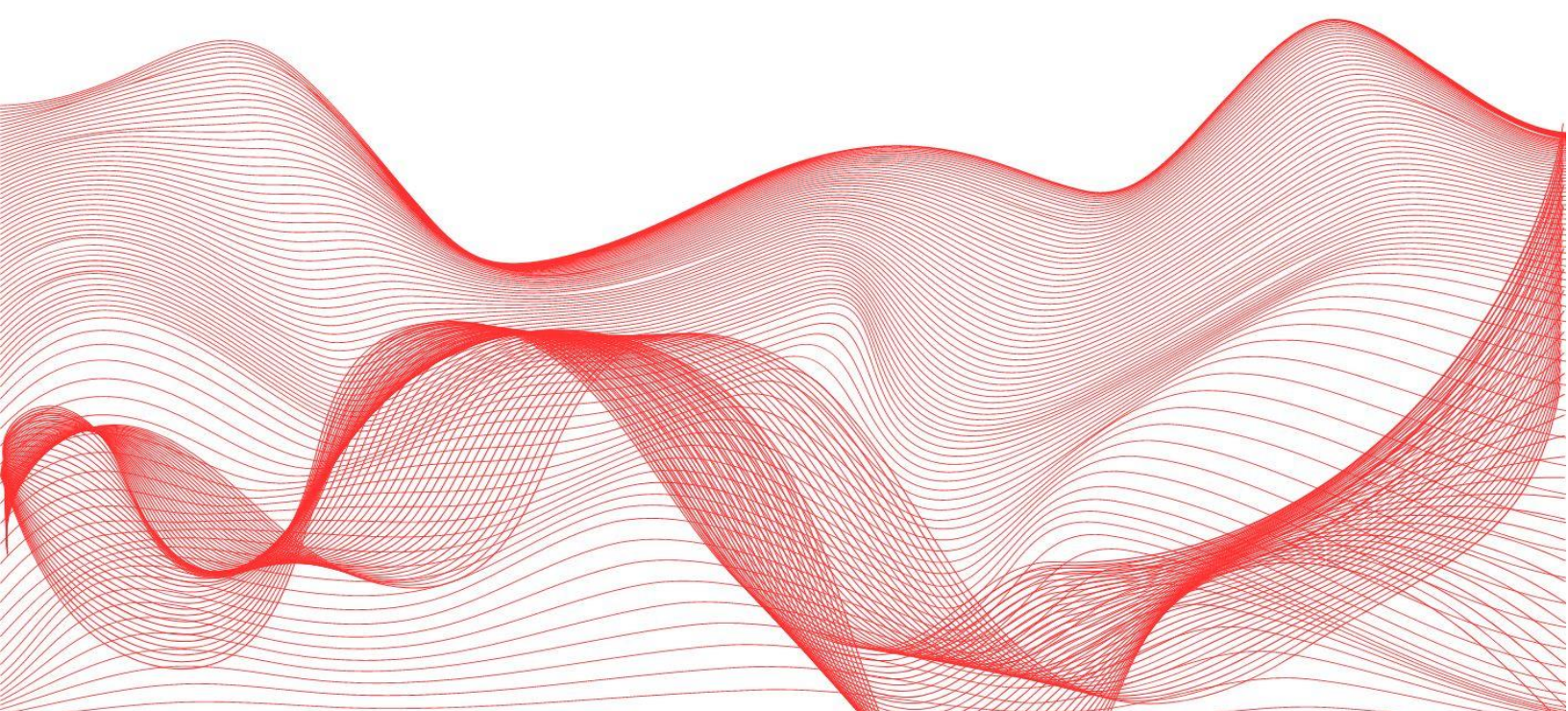


**J.AI**

**J M A R T**

MD&A Q1/2024



Ref: IR67/008

15 May 2024

Subject: Management Discussion and Analysis for the Q1/2024 ended 31 March 2024  
Attention: President  
The Stock Exchange of Thailand

According to Resolution No. 2/2024, dated 15 May 2024, of the Board of Directors of Jaymart Group Holdings Public Company Limited ("the Company"), it is resolved to approve the financial statements and operating results of the Company for the first quarter ended 31 March 2024. These have been reviewed by the company's auditor, yielding the following results.

#### **Overview of the Jaymart group:**

For the performance of the Company and its subsidiaries, in Q1/2024, the consolidated financial statements show that the Company had a net profit attributable to shareholders of 235.8 million Baht.

Jaymart Group continues to conduct its business operations under the collaboration of its subsidiary and associate companies, emphasizing 6 core business lines focusing on retail and financial services with technology, under the operational philosophy of "The Power of Synergy." This is a key strategic approach to establish an ecosystem in operations aimed at delivering returns to shareholders. The details of the development and direction of performance for each business line can be explained as follows:

#### **1. Mobile phone and accessories distribution business**

Jaymart Mobile Company Limited ("JMB") as the core company of our organization, JMB has adjusted its operational strategy to emphasize profitability. In the first quarter of 2024, our sales reached 2,259 million baht, marking a 16% increase from the first quarter of 2023. Additionally, we achieved a net profit of 22 million baht. During this period, JMB has increasingly utilized technology, recognizing opportunities in the mobile phone distribution business, particularly through the Locked Phone installment system. Presently, we have collaborated with KB J Capital under the Samsung Finance+ project and have engaged in discussions with other mobile phone

brands to implement Locked Phone projects, expanding options for mobile phone installment plans nationwide.

#### **2. Non-performing debt management business**

JMT Network Services Public Company Limited ("JMT") is a subsidiary of the Company that operates in distressed debt management. It continues to achieve its business objectives, with a cash collection flow (including joint venture companies: JK Asset Management Limited) amounting to 2,106 million baht, marking an 8% growth from the first quarter of 2023. However, in terms of net profit in the first quarter of 2024, JMT reported a net profit of 418.3 million baht, a decrease of 7.7% from the same

period of the previous year, primarily due to the recognized Expected credit losses (ECL).

JMT accumulated sufficient debt purchase investments in 2023, although the initial 2024 period of distressed debt did not significantly impact the company in the short or long term. Presently, the company maintains a debt portfolio sufficient to meet its future business objectives. Nonetheless, the company aims to increase its cash inflow, and as such, it has adjusted its debt collection strategy for closer monitoring of debtors.

### 3. Product distribution with leasing services

Singer Thailand Public Company Limited (“Singer”) is an associate company in which the Company holds shares. Its operational performance yielded a net profit of 20 million baht, marking a 98% increase from the first quarter of 2023. In the first quarter of 2023, Singer incurred significant losses due to provisions for bad debts and the estimation of risks arising from the impact of the COVID-19 situation on the non-performing loans. Singer continued to set provisions from the first quarter of 2023 until the second quarter of the same year. However, after adjusting operational processes and reducing expenses, Singer returned to profitability starting from the third quarter of 2023. Singer remains committed to debt monitoring and legal proceedings to recover non-performing loans to the fullest extent possible. It is expected to consistently adapt well from its revenue enhancement and cost reduction strategies according to its operational plans.

### 4. Real estate development business

JAS Asset Public Company Limited (“J”), a subsidiary of the Company, operates in the real estate rental and community mall business. It achieved a net profit of 6.1 million baht in the first quarter of 2024, down by 16.4 million baht or 72.9% from the first quarter of 2023. This decline was due to the economic conditions impacting the company's business operations. However, in the past quarter, the company launched a new elderly care center branch, Senera - Bang Bua Thong. Furthermore, JAS Asset has plans to expand its mall branches according to the predetermined plan, namely Jas Green Village - Sukhapiban 2 (Prawet), aiming to open within the second quarter of 2024; Jas Green Village - Ramkhamhaeng, targeting an opening within the third quarter of 2024; and Jas Green Village Khon Kaen, targeting an opening within the fourth quarter of 2024 or early 2025. These expansions are expected to increase rental income streams for the company in the future.

### 5. Financial technology business (Fintech)

J Ventures Company Limited (“JVC”), engaged in software development and investing in promising startups, JVC demonstrates clear operational progress. In the first quarter of 2024, it achieved a net profit of 8 million baht from the Digitization project within Jaymart Group (Jaymart DX). Under this initiative, JVC has become a significant unit driving the creation of the New Jaymart Ecosystem, comprising New Commerce and Fintech businesses. This year, further advancements in development are anticipated.

## 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, recognizes its share of profits from equity method accounting.	30.0	Teenoi has continuously expanded its branches, currently totaling 64 branches as of May 15, 2024. There has been an increase in the opening of branches in various provinces. These new branch openings have contributed to increased revenue and net profit growth compared to the same period last year. In the first quarter of 2024, Teenoi received a profit share from Suki Tee Noi amounting to 83 million baht. The Company has been collaborating consistently to develop its business throughout the year 2024.
2	Buriram Sugar Public Company Limited (“BRR”)  Type of Investment: Fair Value Through the Income Statement	9.48	The Company has invested in BRR with a view to capitalizing on opportunities for collaborative economic activities. In the past, various joint ventures have been undertaken, such as selling products to farmers, providing insurance for agricultural vehicles, and providing financial support to farmers, among others.  Furthermore, the direction of sugar prices is a positive factor, driven by the average sugar selling price in 2024, which adjusted upwards following global market prices compared to 2023. BRR has also been able to increase sugar production compared to the previous year, 2024.
3	PRTR Group Public Company Limited (“PRTR”)  Type of Investment: Fair Value Through Equity	15.0	The Company has been engaged in HRM and HRD activities with PRTR in several projects aimed at developing capable personnel. These include sales training for sales staff, utilizing PRTR's Blacksmith platform for training managers and board members of the company to ensure continuous knowledge development from experts in each field. Additionally, the company is currently collaborating with PRTR on the Pah Advance project to provide loans to employees, with a total disbursement exceeding 10 million baht.
4	Super Turtle Public Company Limited (“TURTLE”)  Type of Investment: Fair Value Through Equity	9.82	Super Turtle Public Company Limited has collaborated with a group of companies to operate businesses. Jaymart Mobile Ltd. has entered into opening stores to conduct product sales at 9 BTS stations (as of May 15, 2024), in locations with potential.
5	SG Capital Public Company Limited	4.46	The Company has invested in SGC following the allocation of shares

#	Company	%	Development
	(“SGC”)  Type of Investments: Fair Value Through the Income Statement		based on the proportion of equity ownership from the spin-off of Singer's subsidiary. Currently, SGC has been restructuring its business to enhance competitiveness in the credit business. They have initiated the SG Finance+ project to offer Locked Phone credit, assessing customer risk and mitigating non-performing loans through an application developed by J Ventures.
6	Bangkok Dec-Con Public Company Limited (“BKD”)  Type of Investment: Fair Value Through Equity	9.29	The Company has invested in BKD and is currently in discussions regarding the development of real estate projects in areas with potential identified by BKD. If financial and project feasibility studies are favorable, further actions will be taken.

### Performance Summary

For the financial statements and operational results of the company and its subsidiaries for the first quarter of 2024, it is evident that the business performance of the Jaymart Group has significantly recovered. The core business operations have generated net profits. The detailed operational results of the group of companies are as follows:

### Summary of operating results

For the three-month period ended 31 March 2024	Q1 2023		Q1 2024		Change	
	MB.	%	MB.	MB.	%	MB.
Revenue from contracts with customers	2,244.8	66.5%	2,296.2	64.2%	51.4	2.3%
Interest income from loans receivable from purchase of accounts receivable and loans to customers	712.6	21.1%	930.9	26.0%	218.3	30.6%
Gains on loans receivable from purchase of accounts receivable	257.2	7.6%	198.1	5.5%	(59.1)	-23.0%
Rental income	88.1	2.6%	92.5	2.6%	4.4	5.0%
Insurance income	74.7	2.2%	56.8	1.6%	(17.9)	-24.0%
<b>Total revenues from sales and services</b>	<b>3,377.4</b>	<b>100.0%</b>	<b>3,574.6</b>	<b>100.0%</b>	<b>197.2</b>	<b>5.8%</b>
Cost of sales	1,873.1	55.5%	1,944.6	54.4%	71.5	3.8%
Cost of services	299.1	8.9%	348.0	9.7%	48.9	16.3%
Cost of rental	25.6	0.8%	27.4	0.8%	1.8	7.0%
Insurance expenses	57.2	1.7%	45.2	1.3%	(12.0)	-21.0%
<b>Total cost of sales and services</b>	<b>2,254.9</b>	<b>66.8%</b>	<b>2,365.1</b>	<b>66.2%</b>	<b>110.2</b>	<b>4.9%</b>
<b>Gross profit</b>	<b>1,122.5</b>	<b>33.2%</b>	<b>1,209.4</b>	<b>33.8%</b>	<b>86.9</b>	<b>7.7%</b>

For the three-month period ended 31 March 2024	Q1 2023		Q1 2024		Change	
	MB.	%	MB.	MB.	%	MB.
Sales promotion income	83.9	2.5%	89.1	2.5%	5.2	6.2%
Unrealized gain (loss) on other financial assets	(459.6)	-13.6%	42.1	1.2%	501.7	-109.2%
<b>Profit (loss) before expenses</b>	<b>830.1</b>	<b>24.6%</b>	<b>1,380.8</b>	<b>38.6%</b>	<b>550.7</b>	<b>66.3%</b>
Selling and distribution expenses	289.2	8.6%	308.1	8.6%	18.9	6.5%
Administrative expenses	360.3	10.7%	460.4	12.9%	100.1	27.8%
<b>Selling and administrative expenses</b>	<b>649.5</b>	<b>19.2%</b>	<b>768.5</b>	<b>21.5%</b>	<b>119.0</b>	<b>18.3%</b>
<b>Operating profit</b>	<b>180.6</b>	<b>5.3%</b>	<b>612.3</b>	<b>17.1%</b>	<b>431.7</b>	<b>239.0%</b>
Finance income	15.9	0.5%	92.4	2.6%	76.5	481.1%
Finance cost	(226.6)	-6.7%	(288.3)	-8.1%	(61.7)	27.2%
Share of profit from investments in joint ventures	132.0	3.9%	81.6	2.3%	(50.4)	-38.2%
Share of profit (loss) from investments in associates	(174.9)	-5.2%	51.4	1.4%	226.3	-129.4%
Corporate Income tax revenues (expenses)	(0.6)	0.0%	(111.7)	-3.1%	(111.1)	18516.7%
<b>Profit (loss) attributable to the Company</b>	<b>(294.7)</b>	<b>-8.7%</b>	<b>235.8</b>	<b>6.6%</b>	<b>530.5</b>	<b>180.0%</b>

## Revenue Analysis

The total revenue of the Company for the first quarter of 2024 amounted to 3,574.6 million baht, increasing by 197.2 million baht, or 5.8 percent, compared to the same period of the previous year. This revenue growth of the group of companies is attributed to the effective management and debt collection of JMT. The breakdown of revenue in the financial statements is as follows:

1. Revenue from contracts with customers amounted to 2,296.2 million baht, increasing by 51.4 million baht, or 2.3 percent, from the same period of the previous year. This increase is mainly due to increased sales in the mobile business segment from new product offerings.
2. Interest income from loans receivable from purchase of accounts receivable and loans to customers, which are revenue from the financial business segment of JMT, amounted to 1,129 million baht. This represents an increase of 159.2 million baht, or 16.4 percent, from the same period of the previous year, primarily due to increased cash flow from bad debt collection compared to the previous year.
3. Rental income amounted to 92.5 million baht, increasing by 4.4 million baht, or 5 percent, from the same period of the previous year. This increase is attributed to the expansion of leased space from completed projects in the previous year, namely JAS Green Village Bang Bua Thong and Senera Kubon.
4. Insurance income amounted to 56.8 million baht, decreasing by 17.9 million baht, or 24 percent, from the same period of the previous year due to the consideration of insurance underwriting to control insurance risk.

### **Cost of sales and services analysis and gross profit**

In the first quarter of 2024, the Company's total cost of sales and services amounted to 2,365.1 million baht, increasing by 110.2 million baht or 4.9% compared to the same period of the previous year. This increase is attributed to the rise in revenue.

The Company recorded an initial profit of 1,209.4 million baht, representing a 7.7% increase compared to the same period of the previous year. This growth is primarily driven by the increase in revenue across all main business segments, particularly in the debt management business.

### **Selling and administrative expenses analysis and Operating profit**

In the first quarter of 2024, the company's total selling and administrative expenses amounted to 768.5 million baht, increasing by 18.3 percent. This increase was primarily driven by the rise in employee expenses due to business expansion.

As for the operating profit for the first quarter of 2024, it stood at 612.3 million baht, an increase of 431.7 million baht or 239 percent compared to the same period last year. Due to this year there were no unrealized losses from other financial assets.

### **Finance cost**

The Company's total financial costs for the first quarter of 2024 amounted to 288.3 million baht, increasing by 61.7 million baht compared to the same period of the previous year. This is a result of an increase in the outstanding balance of bonds when compared to the same period last year (YoY).

### **Profit (loss) attributable to the Company**

The Company's net profit attributable to shareholders for the first quarter of 2024 amounted to 235.8 million baht, increasing from 530.5 million baht in the same period of the previous year. This represents a net profit margin of 6.6% and earnings per share equal to 0.16 baht.

### **Summary of financial positions**

#### **Assets**

As of March 31, 2024, the Company's total assets amounted to 60,196.9 million baht, reflecting a decrease from the end of 2023 by 2,042.8 million baht or 3.3%, mainly due to the sale of other financial assets to repay bonds.

#### **Liabilities and Shareholders' Equity**

As of March 31, 2024, the Company had total liabilities of 27,038.6 million baht, decreasing from the end of 2023 by 2,473.2 million baht or 8.4%. This reduction was primarily due to bonds repayments of 1,843 million baht and repayment of loans from financial institutions amounting to 349 million baht.

Meanwhile, total shareholders' equity amounted to 33,158.3 million baht, increasing from the end of 2023 by 430.5 million baht or 1.3%. This increase was primarily due to the growth in profits for the period.

The Company's interest-bearing-debt to equity ratio (excluding lease liabilities) stood at 0.69, and the debt-to-equity ratio was 0.82.

### Liquidity (consolidated financial statements)

For the first quarter of 2024, the Company had a net decrease in cash and cash equivalents of 980 million baht. This decrease can be further detailed by breaking down the cash flow activities as follows:

Unit : Million Baht	Q1 2023	Q1 2024
Cash flows from operating activities	200.1	566.5
Cash flows from (used in) investing activities	(2,379.8)	898.2
Cash flows from (used in) financing activities	1,881.0	(2,444.7)
Net increase (decrease) in cash and cash equivalents	(298.7)	(980.0)

Cash Flow from Operating Activities for the three-month period ending on March 31, 2024, amounted to 566.5 million baht. The majority of this cash flow came from cash received from the debt management business, particularly from the collection of cash from low-quality debt.

Cash Flow from Investing Activities for the three-month period ending on March 31, 2024, amounted to 898.2 million baht. This was primarily due to net cash received from other financial assets totaling 1,150 million baht.

Cash Flow used in Financing Activities for the three-month period ending on March 31, 2024, amounted to 2,444.7 million baht. This was mainly due to payments for redeemable shares amounting to 1,843 million baht and repayments of loans borrowed from financial institutions amounting to 349 million baht.

### Sustainable Development

Our company is committed to continuous development across all dimensions: environmental, economic, social, and good corporate governance. We emphasize establishing robust processes and guidelines within the organization and extending these practices to nearby communities (Inside-Out approach). Our activities aim to meet goals aligned with international principles, including the United Nations Sustainable Development Goals (UN SDGs).

Our company is committed to addressing global warming and mitigating the increase in the average global temperature due to the greenhouse effect. To tackle this pressing issue, we focus on comprehensive waste management from origin to destination. Our approach includes designing and implementing plans to reduce resource use and minimize waste generation, thereby creating sustainability and concretely solving environmental problems for our organization. In Q1/2024, we achieved a significant milestone by reducing greenhouse gas emissions by 4,439 kilograms of carbon. This reduction is equivalent to planting 494 large trees that are 10 years old, as calculated using the Climate Care Platform by the Stock Exchange of Thailand.



Additionally, in Q1/2024, the company conducted a comprehensive Human Rights Due Diligence (HRDD), focusing on environmental, labor rights, and human rights issues. This due diligence process included risk assessments across various areas to identify potential impacts and establish guidelines for prevention and mitigation. The findings and guidelines are disclosed on the company's website to ensure transparency and accountability.

In Q2/2024, the company will participate in projects with the Stock Exchange of Thailand (SET) to further demonstrate our commitment to sustainability development. We will engage in the following initiatives:

1. ESG DNA Project

Objective: Enhance sustainability knowledge and practices within the organization.

Action Plan: Employees will attend courses on sustainability to integrate ESG (Environmental, Social, and Governance) principles into the company's core operations.

Expected Outcome: Improved understanding and implementation of sustainable practices across all levels of the organization, fostering a culture of sustainability.

2. SET Carbon Sandbox Project

Objective: Collaborate with 20 other organizations to explore and implement innovative carbon reduction strategies.

Action Plan: Participate in the SET Carbon Sandbox project to share best practices, develop new carbon reduction techniques, and pilot these strategies within our operations.

Expected Outcome: Achieve further reductions in our carbon footprint, contribute to collective carbon reduction efforts, and enhance our sustainability initiatives.

By focusing on these dimensions and adhering to international sustainability principles, we aim to achieve balanced and sustainable growth that benefits both our organization and the wider community.

Please be informed accordingly.

Yours faithfully,

- Signed -

(Ms. Ladda Waruntarakun)

Company secretary

Mr. Panya Chutisiriwong

Investor Relations

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