

9 May 2024

Alla Public Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Business Performance Overview for the first quarter of 2024

The revenue from contracts with customers of the Group for the first quarter of 2024 decreased by 25% compared to the same period of the previous year. The main reason for this decline stems from factors related to the business's revenue recognition, which depends on the schedule for delivering work or providing services according to the readiness of customers' premises. Each period has different plans and readiness situations, including delays in the process of shipping components and parts from abroad.

However, the gross profit margin of the Group for the first quarter of 2024 increased by 11% due to the delivery of special engineering projects, coupled with efficient management of both raw materials and expenses in all areas consistently. This resulted in a net profit increase of 14% for the first quarter of 2024.

The products of the Group are fundamental to various projects in the industrial sector. The Group continues to receive continuous orders from customers, with a backlog of work valued at Baht 502 million as of the end of the first quarter of 2024. The Group maintains a stable financial structure, with a good liquidity ratio and a low debt-to-equity ratio. The Group also continues its business operations continuously without any reduction in business size.

Consolidated Financial Performance for the first quarter of 2024

Operating Income			
(Thousand Baht)	1Q 2024	1Q 2023	%Chg.
Revenues from contracts with customers	133,099	177,986	(25%)
Other income	417	293	42%
Total Operating Income	133,516	178,279	(25%)



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Revenues structure						
	1Q 2024		1Q 2023		Change	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Revenue from sales and services						
Crane and Electric Hoist	41,351	31%	58,367	33%	(17,016)	(29%)
Loading Dock and Equipment	29,993	23%	20,886	12%	9,107	44%
Solar cell system	7,233	5%	28,634	16%	(21,401)	(75%)
Warehouse system and Equipment	91	0%	1,542	1%	(1,451)	(94%)
EV Charging Station	3,774	3%	32	0%	3,742	11,694%
Total revenue from sales and services	82,442	62%	109,461	62%	(27,019)	(25%)
Revenue from after-sales service						
Crane and Electric Hoist	39,081	29%	55,749	31%	(16,668)	(30%)
Loading Dock and Equipment	11,383	9%	12,652	7%	(1,269)	(10%)
Training center	193	0%	124	0%	69	56%
Total revenue from after-sales service	50,657	38%	68,525	38%	(17,868)	(26%)
Other income	417	0%	293	0%	124	42%
Total Operating Income	133,516	100%	178,279	100%	(44,763)	(25%)

The total operating income the first quarter of 2024 for the Group amounted to Baht 134 million, a decrease of Baht 45 million or 25% compared to the same period of the previous year. This decline in revenue from contracts with customers was observed across almost all segments, primarily due to factors related to the schedule for delivering work or providing services according to the readiness of the customer's premises, as well as delays in the process of shipping components and parts from abroad.

At the end of March 2024, the Group had backlog valued at Baht 502 million, despite having recognized revenue of Baht 134 million in the first quarter. This backlog increased by Baht 10 million, or 2%, compared to the previous year's end. These backlog deliverables are expected to be recognized as revenue gradually starting from the second quarter of 2024 onwards.



Operating Expenses			
(Thousand Baht)	1Q 2024	1Q 2023	%Chg.
Cost of sales and services	81,233	127,293	(36%)
Selling expenses	8,802	8,014	10%
Administrative expenses	21,615	23,731	(9%)
Total Operating Expenses	111,650	159,038	(30%)

The total operating expenses for the first quarter of 2024 for the Group amounted to Baht 112 million, a decrease of Baht 47 million or 30% compared to the same period of the previous year.

- Cost of sales and services decreased by Baht 46 million or 36%, following the same direction as the revenue from contracts with customers.
- Selling expenses remained unchanged significantly.
- Administrative expenses decreased by Baht 2 million or 9%, mainly due to the decrease in losses from exchange rates.

Other Items			
(Thousand Baht)	1Q 2024	1Q 2023	%Chg.
Finance income	889	404	120%
Finance cost	(91)	(5)	1,720%
Income tax expenses	(4,517)	(3,787)	19%
Total Other Items	(3,719)	(3,388)	10%

- Income tax expenses increased in line with the operating profits.

Profitability Analysis			
(Thousand Baht)	1Q 2024	1Q 2023	%Chg.
Gross profit	51,866	50,693	2%
Gross profit margin	39%	28%	
Net profit	18,147	15,853	14%
Net profit margin	14%	9%	
Basic earnings per share (Baht)	0.030	0.026	15%



- The gross profit for the first quarter of 2024 for the Group amounted to Baht 52 million, an increase of Baht 1 million or 2% compared to the same period of the previous year. The gross profit margin for the first quarter of 2024 stands at 39%, up from 11% in the same period of the previous year, due to the delivery of special projects during the period, coupled with efficient management of expenses in all areas.
- The net profit for the first quarter of 2024 for the Group amounted to Baht 18 million, an increase of Baht 2 million or 14% compared to the same period of the previous year. The net profit margin for the first quarter of 2024 stands at 14%, up from 5% in the same period of the previous year, due to the increased gross profit and reduced administrative expenses.

Consolidated Financial Position for the first quarter of 2024

Financial Position			
(Thousand Baht)	March 2024	December 2023	%Chg.
Total Assets	1,225,429	1,155,812	6%
Total Liabilities	277,777	226,307	23%
Total Shareholders' Equity	947,652	929,505	2%

- Total assets increased of Baht 70 million or 6%, details as follows:
 - Cash and cash equivalents increased by Baht 24 million from business operations.
 - Trade receivables decreased by Baht 27 million from debts collection.
 - Inventory increased by Baht 56 million from work in progress to prepare for delivery.
 - Other current assets increased by Baht 13 million from prepaid expenses for importing foreign goods to accommodate customer orders.
- Total liabilities increased by Baht 51 million or 23%. The mainly causes due to
 - Trade payables and other payables increased by Baht 31 million in accordance with purchase orders to accommodate customer orders.
 - Deposit received in advance increased by Baht 16 million in line with customer orders.
- Total shareholders' equity increased by Baht 18 million or 2% from net profit of the period.



Liquidity and Capital Management

Cash Flows		
(Thousand Baht)	1Q 2024	1Q 2023
Net cash from operating activities	25,322	52,858
Net cash used in investing activities	(998)	(3,465)
Net cash used in financing activities	(447)	(87)
Net increase in cash and cash equivalents	23,877	49,306
Beginning cash and cash equivalents	236,429	239,188
Ending cash and cash equivalents	260,306	288,494

For the first quarter of 2024, the Group had a net increase of Baht 24 million in cash and cash equivalents. The primary reason was the cash inflow from operating activities. The Group had a beginning cash balance of Baht 236 million, resulting in an ending cash balance of Baht 260 million.

Ratios Analysis		
	1Q 2024	1Q 2023
Return on Asset (%)	11.44%	7.06%
Return on Equity (%)	12.11%	7.57%
Current ratio (x)	4.09	3.31
Total debt to equity (x)	0.29	0.35

Return on asset and return on equity increased by 4.38% and 4.54%, respectively, in line with the increase in profit compared to the same period last year.

There is no significant change in current ratio and debt to equity ratio.

