



IIG 008/2024

13 May 2024

Subject: Management discussion and analysis for the period ended March 31, 2024

Attn: Governors and President Market for Alternative Investment (MAI)

I&I Group Public Company Limited (“the Company”) would like to submit the management discussion and analysis of the operating results for the period ended March 31, 2024, as follows:

Overall Group Performance	For the three months ended						Change Increase/(Decrease) (QoQ)		Change Increase/(Decrease) (YoY)	
	31 December 2023 (Q4'23)		31 March 2024 (Q1'24)		31 March 2023 (Q1'23)		(B-A)		(B-C)	
	- A -		- B -		- C -					
	THB mm	%	THB mm	%	THB mm	%	THB mm	%	THB mm	%
Sales and Services Revenues	233.81	98.7	252.58	98.9	247.78	97.9	18.77	0.1	4.80	1.9
Other Revenue	3.20	1.3	2.90	1.1	5.41	2.1	(0.30)	(0.1)	(2.52)	(46.5)
Total Revenue	237.01	100.0	255.48	100.0	253.20	100.0	18.47	0.1	2.28	0.9
Cost of Sales and Services	260.33	109.8	230.59	90.3	237.59	93.8	(29.74)	(0.1)	(7.00)	(2.9)
Gross Margin (Exclude Other Income)	(26.52)	(11.2)	21.99	8.6	10.19	4.0	48.51	(1.8)	11.80	115.8
Selling Expenses	13.20	5.6	13.02	5.1	11.75	4.6	(0.19)	(0.0)	1.27	10.8
Administrative Expenses	30.62	12.9	37.92	14.8	37.29	14.7	7.30	0.2	0.64	1.7
Administrative Expenses (One-time Expense)	106.72	45.0	-	-	-	-	(106.72)	(1.0)	-	-
Profit Before Finance Costs and Income Tax	(173.86)	(73.4)	(26.05)	(10.2)	(33.43)	(13.2)	147.81	(0.9)	7.38	(22.1)
Finance Costs	(6.43)	(2.7)	(6.84)	(2.7)	(2.07)	(0.8)	(0.41)	0.1	(4.77)	230.5
Profit Before Tax	(180.29)	(76.1)	(32.89)	(12.9)	(35.50)	(14.0)	147.40	(0.8)	2.61	(7.3)
Income Tax	9.07	3.8	8.48	3.3	7.05	2.8	(0.58)	(0.1)	1.43	20.3
Net Profit After Tax	(171.23)	(72.2)	(24.41)	(9.6)	(28.45)	(11.2)	146.81	(0.9)	4.04	(14.2)



Summary of Performance

Sales and Services Revenues (3M YoY)

For the period ended March 31, 2024, the Company recorded total sales and service revenue of THB 252.58 million. This is equal to a slight increase of 1.9% YoY. Mainly from Service revenue of Enterprise Resource Planning (ERP) and Placement service.

Table 1: Sales and Services Revenues by type of service for the period ended March 31, 2024 (3M YoY)

Revenue Types	For the period ended March 31				Change	
	2024		2023		Increase/(Decrease)	
	THB mm	%	THB mm	%	THB mm	%
1. Revenue from Customer Relationship Management (CRM) ¹	91.39	35.8	97.43	38.5	(6.04)	(6.2)
2. Revenue from Enterprise Resource Planning (ERP)	76.43	29.9	61.90	24.5	14.53	23.5
3. Revenue from Consulting services of Customer Experience Management (CEM) and Digital Marketing	3.46	1.4	16.63	6.6	13.17	(79.2)
4. Revenue from Placement Service	80.67	31.6	66.25	26.2	14.42	21.8
5. Revenue from Software Development	0.64	0.3	5.56	2.2	(4.92)	(88.5)
Sales and Services Revenues	252.58	99.0	247.78	87.9	4.81	1.9
Other Revenue	2.9	1.0	5.42	2.14	2.52	0.9
Total Revenue	255.48	100.0	253.20	100.0	2.29	1.0

Note: ¹Revenue from Customer Relationship Management (CRM) included Revenue from Data Analytics (iiG Data)

1. Revenue from Customer Relationship Management (CRM)

For the period ended March 31, 2024, the Revenue from Customer Relationship Management (CRM) decreased by 6.2% YoY. The main reason is that revenue from implementation and application management services for CRM systems. However, the revenue from the subscription service of Salesforce software increased YoY, mainly from last year's customer base.

2. Revenue from Enterprise Resource Planning (ERP)

For the period ended March 31, 2024, the revenue from Enterprise Resource Planning (ERP) increased by 23.5% YoY, mainly from the increase in revenue from Implementation and Application Management Services for ERP Systems from the new project and new customer base.



3. Revenue from Consulting services of Customer Experience Management (CEM) and Digital Marketing

For the period ended March 31, 2024, the revenue from consulting services and implementation specialized in brand strategy planning, customer experience management, and digital marketing decreased by 79.2% compared to the same period of last year.

4. Revenue from Placement Service

For the period ended March 31, 2024, the revenue from placement service increased THB 14.42 million or 21.8% compared to the same period of last year, mainly from new customer base.

Table 2: Sales and Services Revenues by type of recurring and non-recurring (12M YoY)

Revenue Types	For the period ended March 31,				Change	
	2024		2023		Increase/(Decrease)	
	THB mm	%	THB mm	%	THB mm	%
Revenues- Recurring	96.81	38.3	93.14	37.6	3.67	3.79
Revenues- Non-Recurring	155.71	61.6	153.95	62.1	1.76	1.13
Sales and Services Revenues	252.52	100.0	247.09	99.7	5.43	2.15
Other Revenue	0.06	0.0	0.68	0.3	(0.62)	(1,003)
Total Revenue	252.58	100.0	247.78	100.0	4.81	1.90

Cost of Sales and Services

For the period ended March 31, 2024, the Company's cost of sales and services mainly came from the cost of consultation and Implementation system. For the period ended March 31, 2024, the Company recorded a cost of sales and services of THB 230.59 million or 90.3% of sales, decreased 2.9% YoY.

Selling Expenses

For the period ended March 31, 2024, the Company recorded selling expenses of THB 13.02 million or 5.1% of total revenues. It was slightly increased. The main reason came from the Selling expense from new business.

Administrative Expenses

For the period ended March 31, 2024, the Company recorded selling and administrative expenses of THB 37.92 million or 14.8% of total. The main reason came from 1). An expense from the newly acquired business of Lansing Business System Co., Ltd. Early last year. 2). Management fee and 3). Employee cost.



Net Profit (Loss) After Tax

For the period ended March 31, 2024, Net Loss after tax of THB 24.41 million or (9.6%) of total revenues or decreased by 14.2% compared to the same period of last year.

Statement of Financial Position ended 31 March 2024

Financial Position	31 March 2024		31 December 2023		Change Increase/(Decrease)	
	THB mm	%	THB mm	%	THB mm	%
Assets						
Cash and cash equivalents	56.36	3.6	83.20	5.4	26.84	(32.3)
Trade and Other receivables, net	233.74	14.9	245.41	16.0	(11.67)	(4.8)
Unbilled receivables	237.80	15.1	228.66	14.9	9.14	4.0
Prepaid software license fees	157.09	10.0	96.08	6.3	61.01	63.5
Other current assets	44.74	2.9	41.67	2.7	3.07	7.4
Deposits at the bank used as collateral	101.38	6.5	110.58	7.2	(9.20)	(8.3)
Goodwill	514.97	32.8	514.97	33.6	-	-
Other non-current assets	223.69	14.2	212.74	13.9	10.95	5.1
Total assets	1,569.77	100.0	1,533.31	100.0	36.46	2.4
Liabilities						
Current liabilities	850.63	54.2	791.87	51.6	58.76	7.4
Non-current liabilities	87.26	5.6	85.14	5.6	2.12	2.5
Total liabilities	937.89	59.7	877.01	57.2	60.88	6.9
Equity	631.88	40.3	656.30	42.8	(24.42)	(3.7)
Total liabilities and equity	1,569.77	100.0	1,533.31	100.0	36.46	2.4

Total Assets

Total assets as of 31 March 2024 is THB 1,569.77 million, increased THB 36.46 million or 2.4% compared to total assets as of 31 December 2022.

Total Liabilities

Total liabilities as of 31 March 2024 is THB 937.89 million, increased by 60.88 or 6.9% compared to total liabilities as of 31 December 2023 due to the short-term loans from the Bank increased by THB 52.8 million.

Equity

Total equity as of 31 March 2024 is THB 631.88 million, an decrease of THB 24.42 million or 3.7%, mainly due to net loss last year.



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Please be informed accordingly.

Sincerely Yours,

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