

Date: May 14, 2024

Reference 11/2024 (2567)

Subject Management Discussion and Analysis of the Financial Performance for the period ended 31 March 2024

Attention President

The Stock Exchange of Thailand

PRTR Group Public Company Limited and its subsidiaries (“PRTR” or the “Company”) would like to report on our financial performance for the period ended 31 March 2024, with total revenues of Baht 1,734.2 million, increase from the period ended 31 March 2023 by 15.7% and net profit attribute to owners of the parent of Baht 55.0 million, increase from the period ended 31 March 2023 by 13.2%. The details of significant changes are as follows:

Financial Performance

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	For the year ended					
	31-Mar-23		31-Mar-24		Change	
	Million THB	% Revenue	Million THB	%Revenue	Million THB	%
REVENUES						
Revenue from rendering of services	1,495.0	99.8%	1,731.3	99.8%	236.3	15.8%
Other income	3.5	0.2%	2.9	0.2%	(0.6)	(17.1%)
Total Revenues	1,498.5	100.0%	1,734.2	100.0%	235.7	15.7%
EXPENSES						
Cost of rendering of services	1,346.8	89.9%	1,562.1	90.1%	215.3	16.0%
Administrative expenses	96.8	6.5%	106.2	6.1%	9.4	9.7%
Total Expenses	1,443.6	96.3%	1,668.3	96.2%	224.7	15.6%
Profit before finance costs and income tax	54.9	3.7%	65.9	3.8%	11.0	20.0%
Finance costs	5.0	0.3%	1.1	0.1%	(3.9)	(78.0%)
Profit Before Income Tax Expense	49.9	3.3%	64.8	3.7%	14.9	29.9%
Income tax expense	2.8	0.2%	12.4	0.7%	9.6	342.9%
Net Profit For the Year	47.1	3.1%	52.4	3.0%	5.3	11.3%

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	For the year ended					
	31-Mar-23		31-Mar-24		Changed	
	Million baht	%Revenue	Million baht	%Revenue	Million baht	%
PROFIT ATTRIBUTABLE TO						
Owners of the parent	48.6	3.2%	55.0	3.2%	6.4	13.2%
Non-controlling interests	(1.5)	(0.1%)	(2.6)	(0.1%)	(1.1)	73.3%

Total Revenues

Total Revenues, including service revenue and other income for the period ended 31 March 2023 and 2024, The Company's total revenue was Baht 1,498.5 million and Baht 1,734.2 million, respectively, increased by Baht 235.7 million or 15.7

For the period ended 31 March 2023 and 2024, The Company's revenue from rendering of services were Baht 1,495.0 million and 1,731.3 million, respectively, increased by Baht 236.3 million or 15.8% due to continuing growth in core services, both outsourcing service and recruitment service, as well as new service, Integrated Learning Service and HRIS Platform. In overall, the Company generates revenue continually growth with the quality of service and potential to provide integration in one-stop service which cover recruitment in various industries and capability to recruit all levels of staff positions for clients.

For the period ended 31 December 2023 and 31 March 2024, The Company's revenue from rendering of services were Baht 1,761.4 million and 1,731.3 million, respectively, decreased by Baht 30.1 million or 1.7%. Because in December 2023, the company recognized revenue from a bonus payment amounting to 92 million which resulted to higher revenue for the period ended 31 December 2023. which typically occurs in the fourth quarter of each year.

Revenue from rendering of services

Revenue by service segment is as follows:

Revenue by services	For the year ended					
	31-Mar-23		31-Mar-24		Change	
	Million THB	%	Million THB	%	Million THB	%
Revenue from rendering of services - outsource	1,429.3	95.4%	1,649.3	110.1%	220.0	14.7%
Revenue from rendering of services - recruitment	62.7	4.2%	67.1	4.5%	4.4	0.3%
Total Revenue from main business	1,492.0	99.6%	1,716.4	99.0%	224.4	15.0%
Revenue from rendering of services - Integrated learning Service	2.7	0.2%	8.8	0.5%	6.1	227.0%
Revenue from rendering of services - Online Job Platform	0.4	0.0%	0.3	0.0%	(0.1)	(28.9%)
Revenue from rendering of services - HRIS Platform *	-	-	5.8	0.3%	5.8	100.0%
Total Revenue from new business	3.1	0.2%	14.9	0.9%	11.9	383.7%
Other Revenue	3.5	0.2%	2.9	0.2%	(0.6)	(16.0%)
Total Revenues	1,498.5	100.0%	1,734.2	100.0%	235.7	15.7%

* Commencing to generate revenue in Q2/2023

Revenue by services	For the year ended					
	31-Mar-23		31-Mar-24		Change	
	Million THB	%	Million THB	%	Million THB	%
Cost of Services and Expenses						
Cost of rendering of services - outsource	1,320.8	88.1%	1,525.1	87.9%	204.3	15.5%
Cost of rendering of services - recruitment	24.5	1.6%	26.3	1.5%	1.8	7.5%
Cost of rendering of services - training	1.2	0.1%	5.0	0.3%	3.8	333.9%
Cost of rendering of services - Jobs Platform	0.4	0.0%	0.6	0.0%	0.2	100.0%
Cost of rendering of services - Jobs Platform	-	-	5.1	0.3%	5.1	100.0%
Total Cost of rendering of services	1,346.8	89.9%	1,562.1	90.1%	215.3	16.0%
Administrative expenses	96.8	6.5%	106.2	6.1%	9.4	9.7%
Total Cost of rendering of services and Expenses	1,443.6	96.3%	1,668.3	96.2%	224.6	15.6%
Profit from Operating Activities	54.9	3.7%	65.9	3.8%	11.0	20.1%
Finance costs	5.0	0.3%	1.1	0.1%	(3.9)	(78.4%)
Profit Before Income Tax Expense	49.9	3.3%	64.8	3.7%	14.9	30.0%
Income tax expense	2.8	0.2%	12.4	0.7%	9.5	336.2%
Net Profit For the Year	47.1	3.1%	52.4	3.0%	5.2	11.1%
Owners of the parent	48.6	3.2%	55.0	3.2%	6.4	13.2%
Non-controlling interests	(1.5)	(0.1%)	(2.6)	(0.1%)	(1.1)	(73.3%)

(1) Revenue from outsourcing services

For the period ended 31 March 2023 and 2024, the Company generated revenue from outsourcing services of Baht 1,429.3 million and Baht 1,649.3 million, respectively, increased by Baht 220.0 million or 15.4%. The Company's growth comes from new customers in the retail and wholesale consumer products business, consumer electronics/mobile gadgets business, and Banking services, which lead to the growth of outsourcing staff. As of 31 March 2023, the company has a total of 15,526 outsourcing staff, increasing to 17,238 outsourcing staff as of 31 March 2024.

(2) Revenue from recruitment services

For the periods ended 31 March 2023 and 2024, the Company generated revenue from recruitment services of Baht 62.7 million and 67.1 million, respectively, which increased by Baht 4.4 million or 7.0% due to the demand for staff in Junior and Executive Positions.

Platform services consist of (3) Integrated Learning Service that provides service through online and offline channels, (4) an Online Job Platform, and (5) HRIS platform. These platforms are in the first phase of business development. For the period ended 31 March 2023 and 2024, the Company generated revenue from integrated learning services of Baht 2.7 million and Baht 8.8 million, respectively, increased by Baht 6.1 million or 227% and generated revenue from new HRIS platform service of Baht 5.8 million.

Cost of Services

For the period ended 31 March 2023 and 2024, The Company had cost of services of Baht 1,346.8 million and Baht 1,562.1 million, respectively, increased by Baht 215.3 million or 16.0 %, mainly due to the following:

(1) The cost of outsourcing service was Baht 1,525.1 million, increasing by Baht 204.3 million or 15.5%. The increase was attributed to an increase in the salary and wage of the newly hired outsourcing staff. . As a result, the cost grew in line with such an increase in revenue.

(2) The cost of recruitment service was Baht 26.3 million, increasing Baht 1.8 million or 7.5 %, which comes from the expansion of the Company's recruiters to support the business growth.

Gross Profit Margin

Gross profit by Type of Business	As at					
	31-Dec-23		31-Mar-24		Changed	
	ล้านบาท	สัดส่วน	ล้านบาท	สัดส่วน	ล้านบาท	%
Gross profit from rendering of services - outsource	479.3	8.2%	466.2	7.6%	(13.1)	(2.7%)
Gross profit from rendering of services - recruitment	151.9	65.2%	165.6	62.0%	13.7	9.0%
Gross profit from rendering of services - Integrated learning Service	4.8	50.2%	9.5	48.9%	4.7	98.0%
Gross profit from rendering of services - Online Job Platform	(0.3)	(305.1%)	0.2	8.5%	0.5	(166.1%)
Gross profit from rendering of services - HRIS Platform *	-	-	4.0	27.6%	4.0	-
Total Gross profit	635.7	10.4%	645.5	10.1%	9.7	1.5%

* Commencing to generate revenue in Q2/2023

For the period ended 31 March 2023 and 2024, The Company had a gross profit of Baht 148.4 million and Baht 169 million, an increase of 20.7 million or 13.9%. The increase in gross profit came from the revenue growth from outsourcing and Recruitment services. The gross profit is 9.9% and 9.8%, respectively.

Administrative Expenses

For the period ended 31 March 2023 and 2024, administrative expenses were Baht 96.8 million and Baht 106.2 million, respectively, increased by Baht 9.4 million or 9.7%. Mainly due to (1) The Increase in administrative expenses for support in the new HRIS platform services (2) The increasing number of operation staff to support the capability to supply services for PRTR customers, including related expenses such as Software licenses for rendering of services. However, when considering administrative expenses relative to total revenue, for the periods ending 31 March 2023 and 2024, they amounted to 6.4% and 6.1%, respectively. This improvement was due to more efficient expense management.

Financial Costs

Financial costs were Baht 1.1 million, decreasing Baht 3.9 million from prior year. The decrease came from the decrease in interest rate from the financial institutions and during the period ended 31 March 2024, the Company had fully repaid borrowings from the financial institutions.

Income Tax Expense

Income tax expense	For the year ended	
	31-Mar-23	31-Mar-24
Profit Before Income Tax Expense	49.9	64.8
Income tax expense	2.8	12.4
Effective tax rate	5.6%	19.1%

The effective tax rate is under 20% because some accounting expenses deductible for tax purposes exceed their recorded accounting value. For the period ended 31 March 2023, there was IPO expense that the company recorded as deduction from Premium on ordinary shares, which can be deductible for tax purposes.

Statements of Financial Position

CONSOLIDATED FINANCIAL POSITION	As at				Change	
	31-Dec-23		31-Mar-24		Million THB	%
	Million THB	%	Million THB	%		
Total Assets	2,084.1	100.0%	2,151.3	100.0%	67.2	3.2%
Total Liabilities	545.9	26.2%	560.6	26.1%	14.7	2.7%
Total Shareholders' Equity	1,538.2	73.8%	1,590.7	73.9%	52.5	3.4%

Total Assets

Total assets as at 31 March 2024 of Baht 2,151.3 million, increasing by Baht 67.2 million, compared to the year 2023 with Baht 2,084.1 million, was mainly due to an increase in Cash and cash equivalents by Baht 65.7 million which results from the operational results, and corporate income tax receivable, which increased by 37 million Baht.

Total Liabilities

Total liabilities as at 31 March 2024 of Baht 560.6 million, increasing by 14.7%, compared to the year-end 2023 with Baht 545.9 million, was mainly due to a rise in accrued expenses related to service costs by 16 million Baht.

Total Shareholder Equity

Total shareholder equity as at 31 March 2024 of Baht 1,590.7 million, increasing by Baht 52.5 million or 3.4% compared to the 2023 with Baht 1,538.2 million, was mainly due to comprehensive income for the period ended 31 March 2024 of Baht 52.5 million.

Key Financial Ratio

Financial Ratios	For the year ended	
	31-Mar-23	31-Mar-24
Gross Profit Margin (%)	9.9	9.8
Net Profit Margin (Owners of the parent) (%)	3.2	3.2
Current Ratio (times)	4.6	4.5
D/E Ratio (times)	0.4	0.4
Earning per Share (Baht)	0.1	0.1

Cash Flow Liquidity and Capital Resource

Statement of Cashflows (Unit : Million Baht)	As at			
	31-Mar-23	31-Mar-24	Change	%
Cash Flow from Operating Activities				
Net cash provided by operating activities	102.0	74.1	(27.8)	-27.3%
Cash Flow from Investing Activities				
Net cash used in investing activities	(38.4)	(3.4)	35.0	91.3%
Cash Flow from Financing Activities				
Net cash from (used in) financing activities	349.8	(5.1)	(354.8)	-101.5%
Net increase (decrease) in cash and cash equivalents	413.4	65.7	(347.7)	-84.1%
Cash and cash equivalents as at 1 January	112.5	480.3	367.8	326.9%
Cash and cash equivalents as at	525.9	546.0	20.1	3.8%

As at 31 March 2024, the company has cash and cash equivalent balance total of Baht 546.0 million, which increased from the cash flow from operating activities total of Baht 74.1 million and has net cash used in investing activities total of Baht 3.4 million from implement of the new software (HRIS platform and Jobs platform) in total of Baht 4.1 million, and net cash used in financing activities total of Baht 5.1 million for repayment of Capital lease liabilities total of Baht 4.0 million and Interest payment total of Baht 1.1 million.

Please be informed accordingly.

Yours faithfully,

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(Risara Charoenpanich)
Chief Executive Officer