



No. ITTHI 2024-011

14 May 2024

Subject Management's Discussion and Analysis and explanation for the three-month period ended 31 March 2024

To The President of the Stock Exchange of Thailand

Itthirit Nice Corporation Public Company Limited ("the Company", "ITTHI") would like to provide the management's analysis and explanation for the three-month period ended 31 March 2024 "1Q24" as follows:

The operating results for 1Q24 as follows:

### 1. The financial performance comparison for the three-month periods ended 31 March 2024 and 2023

(Unit : Million Baht)

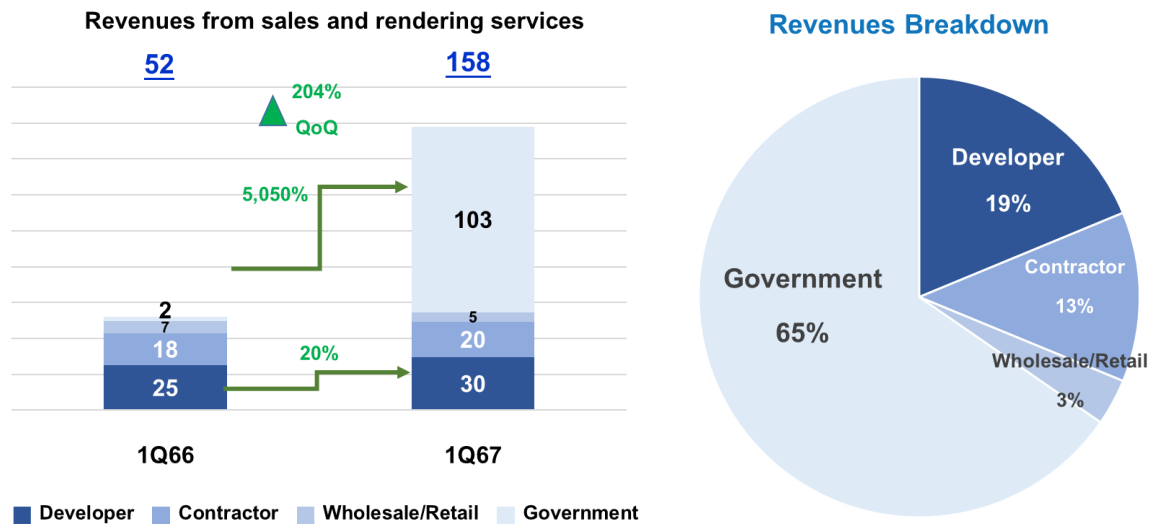
Statement of Comprehensive Income	31 March 2024	%	31 March 2023	%	Increase / (Decrease)	%
Revenues from sales and rendering services	158.0	100.0	52.2	100.0	105.8	202.7
Cost of sales and rendering services	(129.6)	(82.0)	(33.4)	(64.0)	(96.2)	288.0
<b>Gross Profit</b>	<b>28.4</b>	<b>18.0</b>	<b>18.8</b>	<b>36.0</b>	<b>9.6</b>	<b>51.1</b>
Other income	0.3	0.2	0.1	0.2	0.2	200.0
Selling expenses	(5.2)	(3.3)	(3.3)	(6.3)	(1.9)	57.6
Administrative expenses	(12.5)	(7.9)	(10.0)	(19.2)	(2.5)	25.0
Expected credit loss (reversal)	0.3	0.2	(0.1)	(0.2)	0.4	(400.0)
Other gains (losses)	0.1	0.1	-	-	0.1	-
<b>Profit before finance costs and income tax expense</b>	<b>11.4</b>	<b>7.2</b>	<b>5.5</b>	<b>10.5</b>	<b>5.9</b>	<b>107.3</b>
Finance costs	(0.4)	(0.3)	(0.4)	(0.8)	-	-
<b>Profit before income tax expenses</b>	<b>11.0</b>	<b>7.0</b>	<b>5.1</b>	<b>9.8</b>	<b>5.9</b>	<b>115.7</b>
Income tax expenses	(2.1)	(1.3)	(1.1)	(2.1)	(1.0)	90.9
<b>Net profit for the period</b>	<b>8.9</b>	<b>5.6</b>	<b>4.0</b>	<b>7.7</b>	<b>4.9</b>	<b>122.5</b>
<b>Basic earnings per share (Baht per share)</b>	<b>0.033</b>		<b>0.019</b>			

Remark : Percentage in statement of comprehensive income derived from revenues from sale and rendering services

#### The revenues from sales and rendering services

For 1Q24, the Company generated total revenue from lighting product distribution business.

**Revenue from lighting product distribution business**

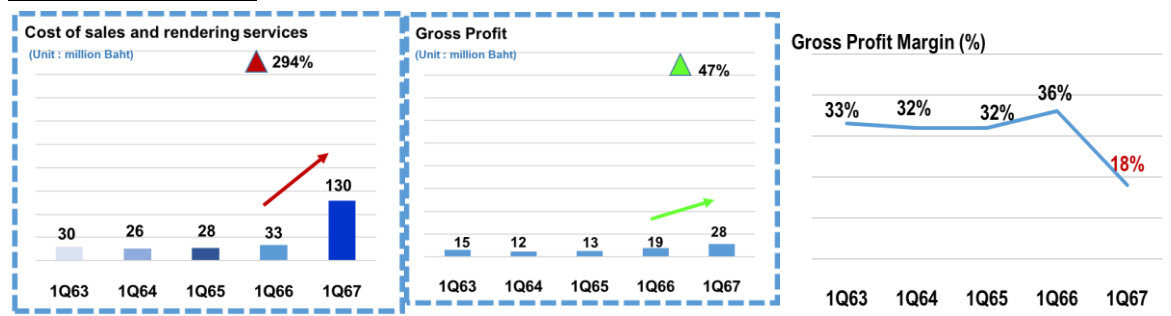


For 1Q24, the Company had revenues from lighting product distribution business in the amount of Baht 158 million, compared to 1Q23 or increased 204%.

This was due to

- The Company was able to sell lighting products to government-related projects customers greatly increased of Baht 103 million from the procurement project for innovation lighting products that have been registered by the government.
- The Company was able to sell lighting products to developer projects customers increased at the rate of 20% due to the situation of the real estate development business in 2024, projects customers have expanded the construction.

**Cost of sales and rendering services, gross profit and gross profit margin of lighting products distribution business**



For 1Q24, the Company had the cost of sales and rendering services in the amount of Baht 130 million, or 82% of the revenues from sale and rendering services, an increase from 1Q23 in the amount of Baht 97 million, or representing an increase of 294% and had a gross profit of Baht 28 million, representing a gross profit margin of 18%, an increase from 1Q23, in the amount of Baht 9 million or representing an increase of 47%.



Although the Company's gross profit for 1Q24 increased, its gross profit margin decreased. This is because the Company has the revenue from sales of government-related projects customer group for a relatively large proportion of revenue at 65% of total revenues which a low gross profit margins for the said customer group, averaging only at 9% of the revenue.

**Selling expenses**

For 1Q24, the Company had the selling expenses in the amount of Baht 5.2 million, an increase from 1Q23 in the amount of Baht 1.9 million, or representing an increase of 57.6%, which is an increase in other expenses such as sales' commission and commission for suggestion of sales of goods, which was varied the increased sales.

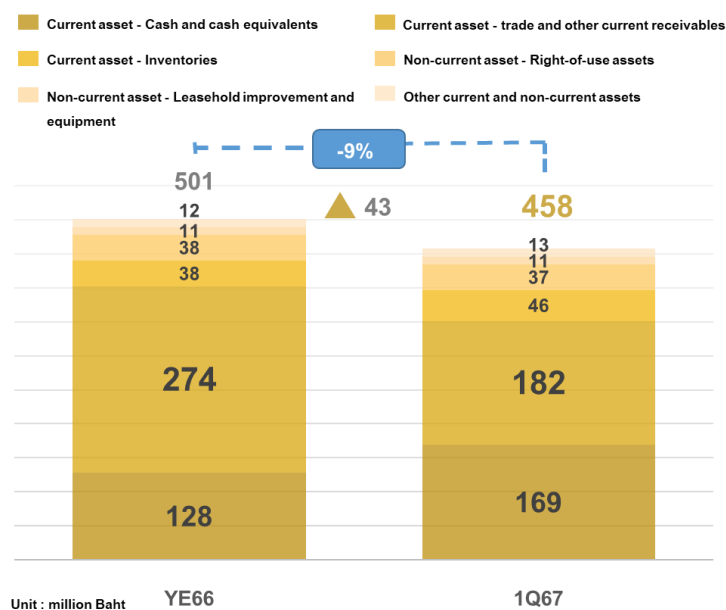
**Administrative expenses**

For 1Q24, the Company had the administrative expenses in the amount of Baht 12.5 million, an increase from 1Q23 in the amount of Baht 2.5 million, or representing an increase of 25.0%. This was mainly due to remuneration for directors and managements and employee expenses.

**Net profit for the period**

For 1Q24, the Company had the net profit for the period in the amount of Baht 8.9 million, representing a net profit margin of 5.6%, an increase from 1Q23 in the amount of Baht 4.9 million, or representing an increase of 122.5%. This was mainly due to an increase in revenue from sales of government-related projects customer group and the lighting products distribution business, and the Company was able to control the cost of sales in terms of procurement planning and warehouse and transportation managements.

**3. Statement of Financial Position (Abbreviated)**

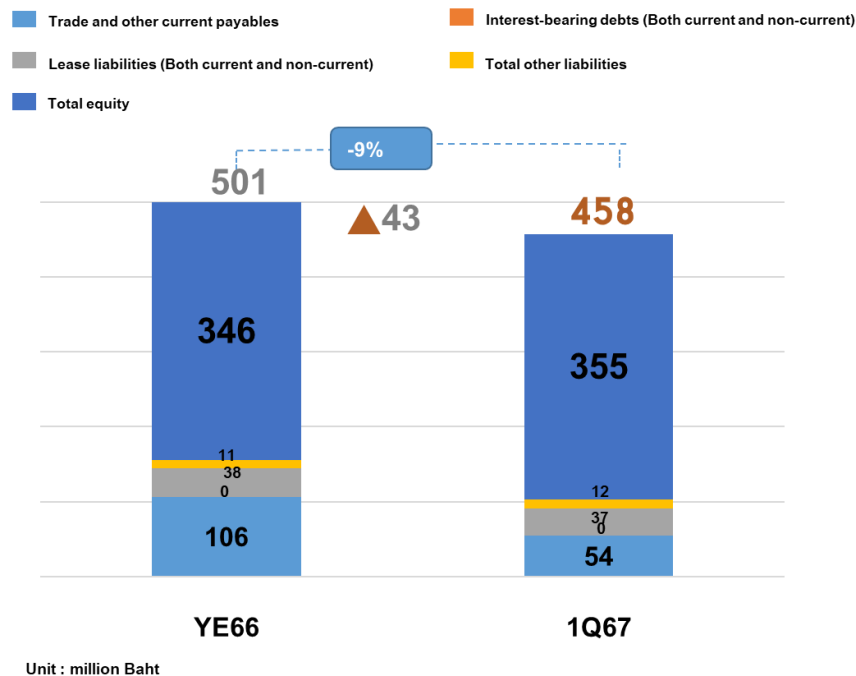




**Assets**

As of 31 March 2024, the Company reported total assets of Baht 458 million, a decrease of Baht 43 million compared to 31 December 2023 or decreased 9% due to

- Net increase in cash and cash equivalents amounted to Baht 41 million in caused of the net cash flows generated from operation, which received from trade current receivables more than the payments to trade current payables.
- Net decrease in trade and other current receivables amounted to Baht 92 million because of the Company had received from the receivables from government-related projects customers in the amount of Baht 128 million, which is in accordance with normal business operations of the government-related projects customers.



**Liabilities**

As of 31 March 2024, the Company reported total liabilities of Baht 103 million, a decrease of Baht 52 million compared to 31 December 2023 or decreased 34% due to the Company had trade and other current payables net decreased by Baht 52.0 million from the payment to payables.

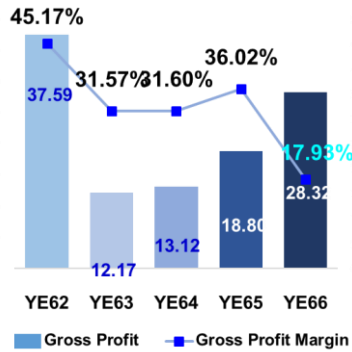
**Equity**

As of 31 March 2024, the Company reported total equity of Baht 355 million, an increase of Baht 9 million compared to 31 December 2023 or increased 3% due to there was the net profit for the 1Q24 amounting to Baht 9 million.

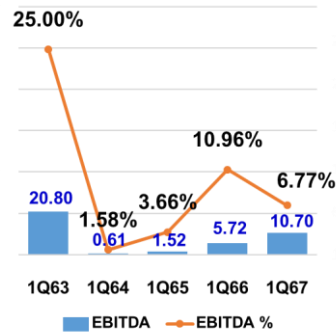


#### 4. Significant financial ratios

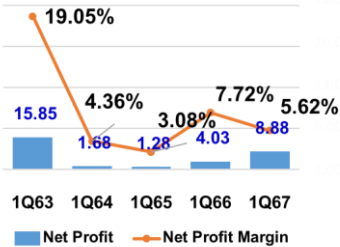
Gross Profit Margin



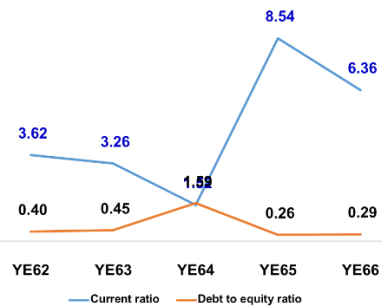
EBITDA Margin



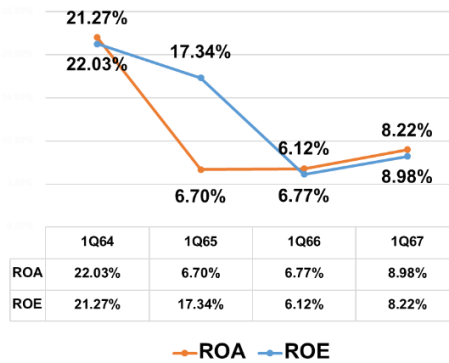
Net profit Margin



Liquidity and Leverage Ratios



Return on Investment Ratios



Please be informed accordingly.

Sincerely Yours,

-Aekkachai Archaphiphat-  
 (Mr. Aekkachai Archaphiphat)  
 Chief Financial Officer