

14 May 2024

Subject Management Discussion and Analysis for the 1st quarter ended 31 March 2024

To President
The Stock Exchange of Thailand

G-Able Public Company Limited (“the Group”) would like to clarify the Company and its subsidiaries’ management discussion and analysis for the 1st quarter ended 31 March 2024 as follows:

The Company and its subsidiaries operate in the business of providing one-stop digital solutions which cover important enterprise-level solutions such as Cyber Security Solution, Cloud and Data Center Modernization Solution, Data and Analytics Solution, Digital Business and Application Solution, as well as Managed Tech Services to support digital transformation. With the expertise of the company, there are also solutions include Value-added Distribution and Software Platform to strengthen the business of the Group.

Revenues

In the first quarter of 2024, the Group reported total revenues of Baht 1,160.64 million, an increase by 2.01% compared to the same period last year. The main reason was from an increase in revenue from Enterprise Solution and Services. Revenues from the Group were described as details below:

Revenues	Q1/2023		Q1/2024	
	Million Baht	%	Million Baht	%
Sales and Service Income	1,135.18	99.77	1,153.36	99.37
Other Incomes*	2.56	0.23	7.28	0.63
Total Revenues	1,137.74	100.00	1,160.64	100.00

Remark: * Other incomes consisted of other incomes and finance incomes.

Sales and Service Income

In the first quarter of 2024, the Group reported sales and service income of Baht 1,153.36 million, an increase by 1.60% from the last year, which resulting from growth in revenue from Enterprise Solution and Services (Digital Transformation). In the first quarter of 2024, the Group achieved all-time high backlog of Baht 5,568.52 million, an increase by 51.03% from the same period last year and rose by 22.55% from the last quarter to be recognized revenues in the future. The Group’s sales and service income can be divided as follows:

Revenue Type	Q1/2023		Q1/2024		
	Million Baht	%	Million Baht	%	Growth (%)
(1) Revenue from Enterprise Solution and Services (Digital Transformation)	852.24	75.08	923.36	80.06	8.34
(2) Revenue from Value-added Distribution	256.01	22.55	206.98	17.94	(19.15)
(3) Revenue from Software Platform	26.93	2.37	23.02	2.00	(14.52)
Total Sales and Service Income	1,135.18	100.00	1,153.36	100.00	1.60

(1) Revenue from Enterprise Solution and Services (Digital Transformation)

Revenue from Enterprise Solution and Services considered the main income of the Group accounted for 80.06% in the first quarter of 2024. The Group's revenue from Enterprise Solution and Services was amounted to Baht 923.36 million representing a growth rate of 8.34% from the first quarter of 2023.

(2) Revenue from Value-added Distribution

Revenue from Value-added Distribution has been appointed as authorized distributors. In the first quarter of 2024, the Group reported revenue from this Group in the amounting to Baht 206.98 million, representing 17.94% of total sales and service income. The Group's revenue from Value-added Distribution decreased by 19.15% from the same period last year.

(3) Revenue from Software Platform

Revenue from Software Platform generated from products developed by the Group's subsidiaries, i.e. BLD, INSE and MVG. In the first quarter of 2024, the Software Platform's revenue was Baht 23.02 million, representing 2.00% of total sales and service income. The revenue from Software Platform decreased by 14.52% from the same period last year. However, the Group achieved all-time high Software Platform's backlog of Baht 84.50 million in the first quarter of 2024, an increase by 26.01% from the same period last year to be recognized Software Platform's revenues in the future.

Costs and Expenses

The Group's costs and expenses consist of cost of sales and services, selling and distribution expenses, administrative expenses, financial cost and other expenses. In the first quarter of 2024, the Group reported total expenses of Baht 1,150.12 million, representing 99.09% of total revenue.

Cost of Sales and Services and Gross Profit Margin

Cost of sales and services is considered the main expense of the Group. In the first quarter of 2024, the Group reported cost of sales and services amounting to Baht 948.35 million. Major cost of sales consisted of developing and installing solutions such as software and equipment costs and related service fees, etc.

Considering the cost of sales and services compared to revenue from sales and services in the first quarter of 2024, the Group had the ratio of 82.22% representing a gross profit margin of 17.78% similar to last year.

Selling and Distribution Expenses

The Group reported sales and distribution expenses of Baht 94.07 million in the first quarter of 2024, representing 8.11% of total revenue, which mainly consisted of personnel expenses and marketing expenses to support sales. In the first quarter of 2024, the Group achieved all-time high backlog of Baht 5,568.52 million, an increase by 51.03% from the same period last year and rose by 22.55% from the last quarter to be recognized revenues in the future.

Administrative and Other expenses

The Group reported administrative and other expenses of Baht 106.03 million in the first quarter of 2024, representing 9.14% of total revenue which mainly consisted of employee expenses of Baht 63.10 million, property expenses of Baht 28.41 million, and other operating expenses of Baht 13.93 million to support all-time high backlog and the business growth of the Group.

Finance Cost

In the first quarter of 2024, the Group reported finance costs of Baht 1.68 million, a decrease from Baht 5.76 million in the same quarter last year. The Group had a low Interest-Bearing Debt to Equity ratio at 0.09 times.

Net Profit

The Group had a net profit of Baht 8.60 million in the first quarter of 2024, a decrease of 65.16% from the same period last year, representing a net profit margin of 0.74%, a decrease from 2.17% in the same period last year. In general, the Group recognizes the lowest revenues in the first quarter. In the first quarter of 2024, the Group reported a solid backlog with expenses supporting to sales resulting operating profit and net profit lower from the same period last year.

Statements of Financial Position

Assets

At the end of the first quarter of 2024, the Group reported total assets of Baht 4,828.43 million. The major assets are prepayments for service costs and others, cash and cash equivalents, unbilled receivables and trade and other receivables which represent 32.66%, 26.87%, 15.88% and 11.95%, respectively. Prepayments for service costs and others consist of the cost of work under installation which is the cost of the project that the Group is in the process of developing and installing solutions for customers and prepayment for service costs such as prepayment for maintenance cost and a right to access software license, etc.

Liabilities

The Group reported total liabilities of Baht 2,632.82 million at the end of the first quarter of 2024. Most of the liabilities are current liabilities which representing 89.83% of total liabilities include unearned revenues, trade and other payables.

The Group had unearned revenues from providing services that will be gradually recognized throughout the life of service contracts, such as maintenance service contracts and software access rights (SaaS) contracts. At the end of the first quarter of 2024, the Group had unearned revenues of Baht 1,506.09 million, representing 57.20% of total liabilities.

At the end of the first quarter of 2024, the Group had short-term loans from financial institutions amounting to Baht 200.00 million for the Group's working capital.

The Group had an Interest-Bearing Debt to Equity ratio of 0.09 at the end of the first quarter of 2024. As a result of having a low Interest-Bearing Debt to Equity ratio, the Group has the ability to support business expansion.

Shareholders' equity

As of the end of the first quarter of 2024, the Group had shareholders' equity of Baht 2,195.61 million, an increase from the year ended 2023 when the shareholders' equity was Baht 2,186.13 million.

The Group reported a current ratio of 1.81 times at the end of the first quarter of 2024, an increase from 1.65 times at the year ended 2023.

Sincerely yours,

(Dr. Chaiyuth Chunnahacha)

Chief Executive Officer