

No. LTS S-001/2567

Date May 15, 2024

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

To Directors and Managers

The Stock Exchange of Thailand

### ***Executive Summary***

The economy in the first quarter of 2024 continues to expand. Although the growth rate is slower than previous quarter, Private consumption may decline from the beginning of the year due to the expiration of E-receipt tax relief measures. However, the Bank of Thailand still expected that consumer confidence is still in the direction of recovery compared to the previous year. In addition, private investment has improved following the gradual investment of new businesses, resulting in increased construction permits, such as industrial areas and commercial factories which is beneficial to the company's business.

As for government spending, although there will be a slowdown from the delayed 2024 budget, government projects in which the company distributes products can still operate normally from using the original budget that has already been allocated.

For other additional income in 2024, the company has expanded its wholesale distribution to regional provinces and there will be additional service income recognized from the licensed programs.

### ***Company Performance***

Overall performance in the first quarter of 2024 is very satisfactory from the increase in income which is in accordance with the business plan while at the same time still being able to maintain the gross profit margin including managing administrative expenses to stay within the original budget close to the same quarter of the previous year. As a result, the operating results of the 1st quarter of 2024 had an **increase in net profit of 5.18 million baht**, representing 50 percent increase from the same quarter of the previous year. The 1st quarter of 2024, the company has net profit amount of 15.48 million baht, compared to the 1st quarter of 2023, the amount of 10.30 million baht.

### ***Financial Position***

As of March 31, 2024, total assets stood at 252.7 million baht from an increase of trade receivables which amounted to 55.3 million baht, representing an increase of 98 percent from the end of December 2023 due to sales of the smart park project which has a longer credit days than other customers.

Moreover, the company has overall credit control measure by being able to manage the credit days on the trade creditor side for a longer period as well. This can be seen from the increase in Trade and other payable amounted to 12.3 million baht or 49 percent from the end of December 2023.

Nevertheless, Shareholders' equity increased by 15.4 million baht or 11 percent from increased retained earnings due to Operating profit in 1st quarter of 2024.

In overall, the company continues to conduct its financial policy with caution and maintain level debt-to-equity ratio. for the 1st quarter of 2024 was kept at a low rate of 0.66 times, which is similar to the previous period, which was 0.57 times in the 4th quarter of 2023.

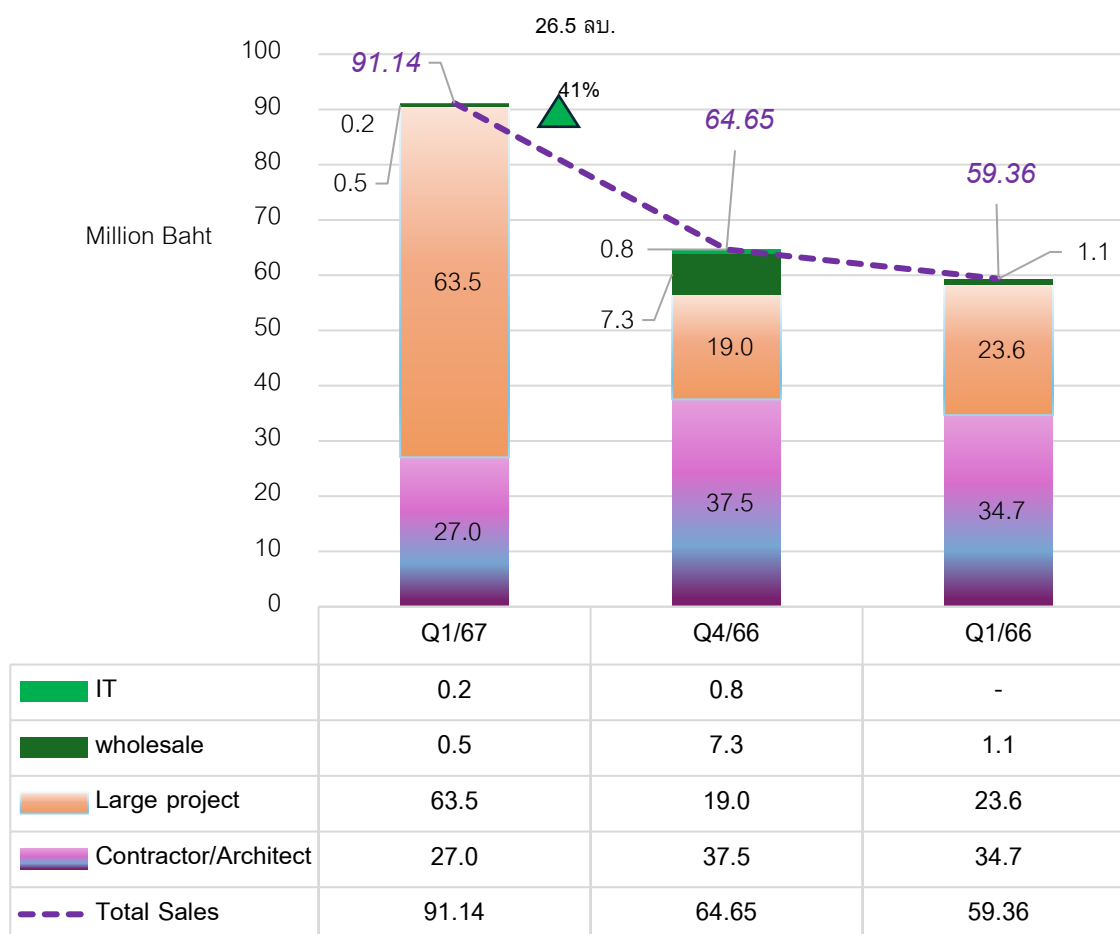
**Performance**

Income statement and other comprehensive income	Quarter 1/2567	Quarter 4/2566	Increase (Decrease)	%QoQ	Quarter 1/2566	Increase (Decrease)	%YoY
Revenue from sales and services	91.1	64.6	26.5	41.0	59.4	31.7	53.37
Cost of sales and services	59.3	45.7	13.6	29.8	35.9	23.4	65.2
<b>Gross Profit</b>	<b>31.8</b>	<b>18.9</b>	<b>12.9</b>	<b>68.3</b>	<b>23.5</b>	<b>8.3</b>	<b>35.3</b>
Other income	0.2	0.2	0.0	25.0	1.4	(1.2)	(85.7)
Gain arising from change in the fair value of derivative liabilities	0.1	0.1	0.0	(27.3)	0.6	(0.5)	(86.7)
<b>Profit before expenses</b>	<b>32.1</b>	<b>19.2</b>	<b>12.9</b>	<b>67.3</b>	<b>25.5</b>	<b>6.58</b>	<b>25.8</b>
Selling expenses	4.9	5.1	-0.2	(3.4)	3.7	1.2	32.4
Administrative expenses	7.4	5.1	2.3	45.7	7.8	(0.4)	(5.1)
<b>Profit before finance costs and income tax</b>	<b>19.8</b>	<b>9.0</b>	<b>10.8</b>	<b>119.3</b>	<b>14</b>	<b>5.8</b>	<b>41.3</b>
Finance cost	0.6	0.4	0.2	50.0	0.4	0.2	50.0
<b>Profit before income tax</b>	<b>19.2</b>	<b>8.6</b>	<b>10.6</b>	<b>122.5</b>	<b>13.6</b>	<b>5.6</b>	<b>41.0</b>
Income tax	4.0	2.2	1.8	81.8	3.3	0.7	21.2
<b>Profit of the period</b>	<b>15.2</b>	<b>6.4</b>	<b>8.8</b>	<b>136.4</b>	<b>10.3</b>	<b>4.9</b>	<b>47.4</b>
<b>Other comprehensive income (loss)</b>							
Remeasurement of Employee benefits obligation	0.4	-	0.4	100.0	-	0.4	100.0
Income tax remeasurement of employee benefit obligations	0.1	-	0.1	100.0	-	0.1	100.0
<b>Total comprehensive income for the period</b>	<b>15.5</b>	<b>6.4</b>	<b>9.1</b>	<b>141.1</b>	<b>10.30</b>	<b>5.2</b>	<b>50.3</b>

### Sales and service income

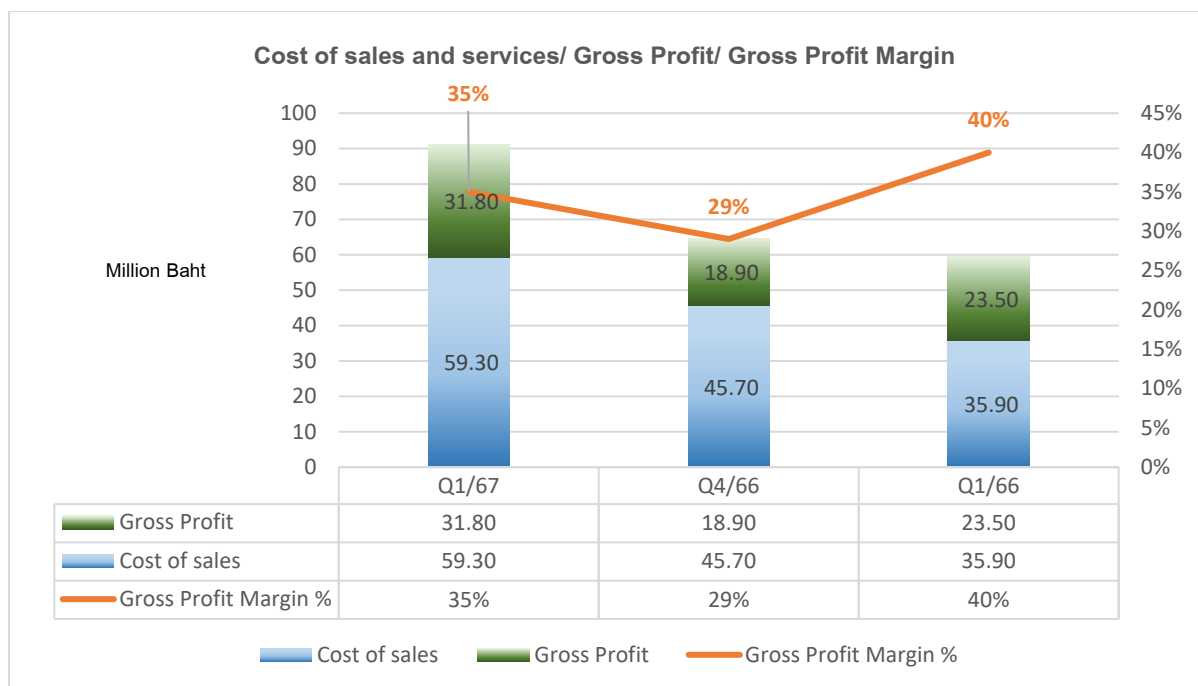
- Income** in the 1st quarter of 2024 was 91.1 million baht, an increase of 26.49 million baht, or 41 percent, compared to the 4th quarter of 2023, or an increase of 31.8 million baht, or 54 percent, compared to the 1st quarter of 2023. This increase is mainly due to increase in income from smart park project of 44.5 million baht, while the total income from Contractors/Architects group decreased slightly due to seasonal factors. This is normal for sales at the beginning of the year and will be less than at the end of the year.

Revenue from Sales and Services - classified by group



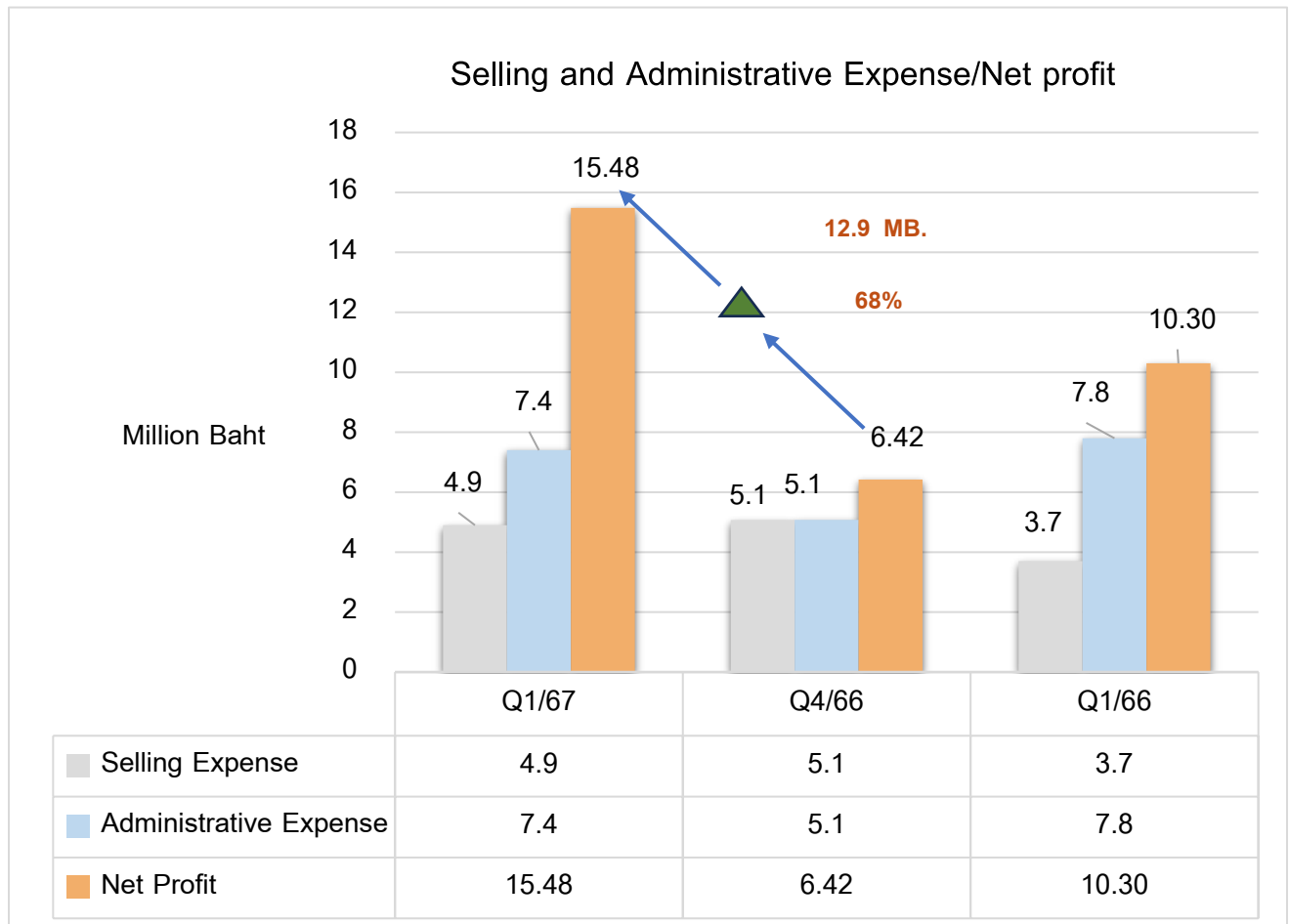
### **Cost of sales and services / gross profit / gross profit margin**

- **Cost of sales and services** in 1st quarter of 2024 was at 59.3 million baht, an increase of 13.6 million baht, or 29.8 percent, from 4th quarter of 2023, or an increase of 23.4 million baht, or 65 percent, from 1st quarter of 2023. This is an increase that is consistent with increased sales.
- **Gross profit** in the 1st quarter of 2024 was 31.8 million baht, an increase of 12.9 million baht, representing an increase of 68 percent from the 4th quarter of 2023, or an increase of 8.37 million baht, representing an increase of 36 percent from the 1st quarter of 2023.
- **Gross profit margin** in the 1st quarter of 2024 was 35 percent, which was higher than the 4th quarter of 2023, which was 29 percent, compared to the 1st quarter of 2023 which was 40 percent. The proportion of revenue in the first quarter of 2024 comes mainly from smart park project. Naturally, there will be profit margins that are not as high as other customer groups. However, the company is still able to maintain a gross profit margin of more than 30 percent, which is the gross profit margin policy that the company has set.



***Selling expenses / Administrative expenses / Net profit***

- **Selling expenses** in the 1st quarter of 2024 were 4.9 million baht, with no significant change. There is still a level similar to the previous quarter. The 1st quarter of 2024 selling expense was at 4.9 million baht and the 4th quarter of 2023 was at 5.1 million baht. However, compared to the 1st quarter of 2023, it was at 3.68 million baht, an increase of 1.19 million. baht, which comes from salary and other employee benefits include commission which is in line with the increase in income.
- **Administrative expenses** in the 1st quarter of 2024 were 7.4 million baht, an increase of 2.3 million baht from the previous quarter, or 45 percent. The main reason was due to the salaries of IT staff, which in the 4th quarter of 2023 were considered service costs but in the first quarter of 2024, some expenses were recorded as selling and administrative expenses due to the development of software for internal use in LTS organization which does not directly generate income. Therefore, it is not considered a service cost.
- **Comprehensive profit** in the 1st quarter of 2024 was at 15.48 million baht, an increase from the previous quarter of 9.1 million baht, representing 141 percent, or an increase of 5.2 million baht, or 50 percent, from the 1st quarter of 2023 due to increased sales climb and still maintaining good gross profit margins and can also control the level of selling and administrative expenses. As a result, comprehensive income in this period increased significantly.



## Financial Position

Statement of financial position (abbreviated form)	31 March 67.	31 December 67.	Increase (Decrease)	%QoQ
Current Assets	208.6	170.6	38.0	22.3
Non-current Assets	44.0	43.4	0.6	1.4
Total Assets	252.6	214.0	38.6	18.0
Current Liability	85.6	62.3	23.3	37.4
Non-current Liability	15.0	15.1	(0.1)	(0.7)
Total Liability	100.6	77.4	23.2	30.0
Shareholders' Equity	152.0	136.6	15.4	11.3

## Assets

Statement of financial position (abbreviated form)	31 March 67.	31 December 67.	Increase (Decrease)	%QoQ
Cash and cash equivalents *	38.0	48.1	(10.1)	(21.0)
Trade and other accounts receivables - net	112.0	56.7	55.3	97.5
Inventories - net	51.0	56.4	(5.4)	(9.6)
Other current assets	14.6	16.5	(1.9)	(11.5)
Investment property	10.8	10.8	-	-
Fixed assets, intangible assets and right-of-use assets - net	9.6	7.8	1.8	23.1
Other non-current assets	16.7	17.7	(1.0)	(5.6)
<b>Total Assets</b>	<b>252.7</b>	<b>214.0</b>	<b>38.7</b>	<b>18.1</b>

Note \* Includes a list of bank deposits that have usage restrictions.

As of March 31, 2024, the company had total assets of 252.7 million baht, an increase of 38.7 million baht from December 31, 2023, representing a growth rate of 38.7 percent of total assets in the same quarter last year. Due to the following reasons



- An increase in trade and other account receivables of 55.3 million baht, representing 98 percent from the end of December 2023, due to sales of the smart park project. which has a longer credit day than general customers.
- A decrease in cash and cash equivalents of 10.0 million baht, representing 21 percent from the end of December 2023, due to payment for goods at the end of March 2024

### Liability

Statement of financial position (abbreviated form)	31 March 67.	31 December 67.	Increase (Decrease)	%QoQ
Loans from financial institutions **	31.7	26.0	5.7	21.9
Trade and other account payables	37.3	25.0	12.3	49.2
Liabilities under lease liabilities **	6.1	4.8	1.3	27.1
Current income tax payable	11.3	8.4	2.9	34.5
<b>Other current liabilities</b>	9.7	8.1	1.6	19.8
<b>Employee benefit obligations</b>	4.5	5.1	(0.6)	(11.8)
<b>Total debts</b>	<b>100.6</b>	<b>77.4</b>	<b>23.2</b>	<b>30.0</b>

Note \*\* Includes both current and non-current liabilities.

As of March 31, 2024, the company had total liabilities of 100.6 million baht, an increase from 77.4 million baht as of December 31, 2023, representing 30 percent of total liabilities in the previous year. Due to the following reasons

- An increase in loans from financial institutions of 5.7 million baht, representing 21.9 percent from the end of December 2023, due to the company ordering products from abroad using a short-term credit line (Trust Receipt).
- An increase in trade and other account payables of 12.3 million baht, representing 49.2 percent from the end of December 2023, due to the company purchasing products to sell to the smart park project at the end of March 2024 and the payment has not yet been due.

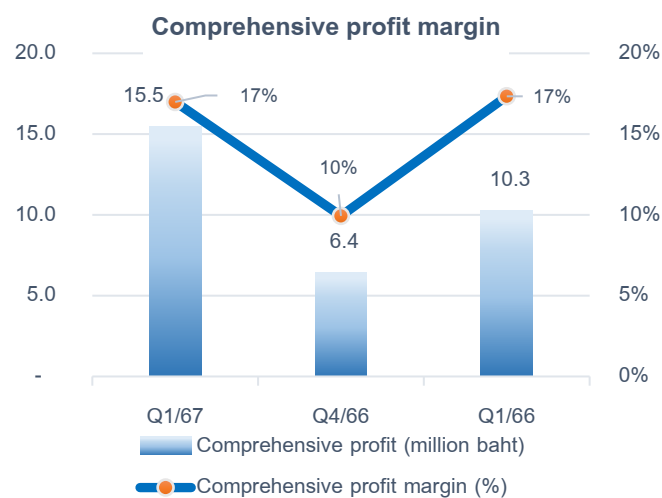
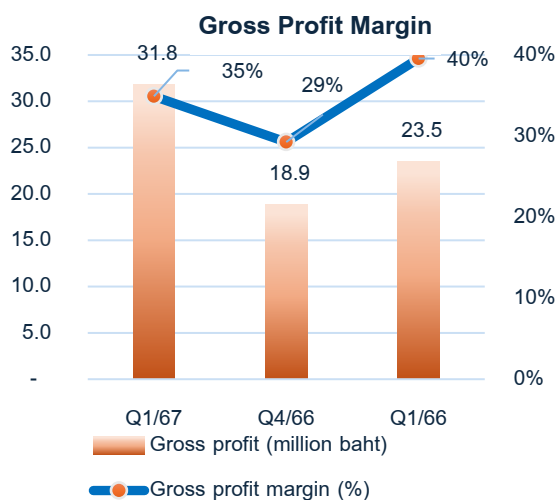
## Shareholders' equity

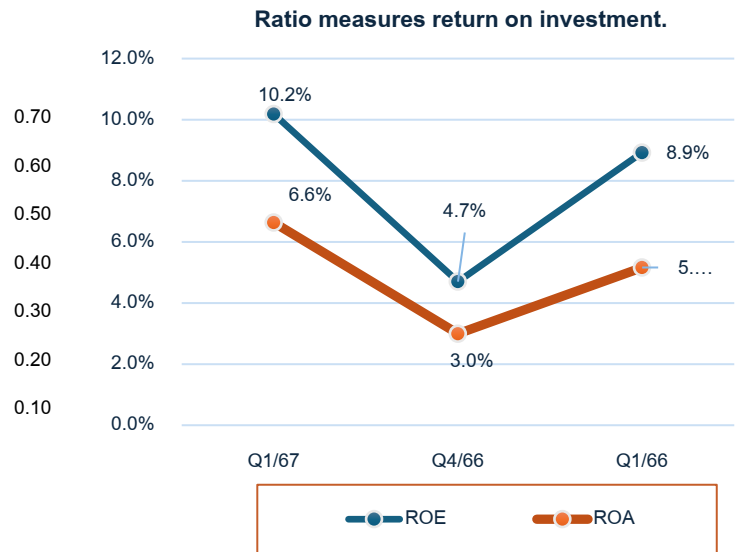
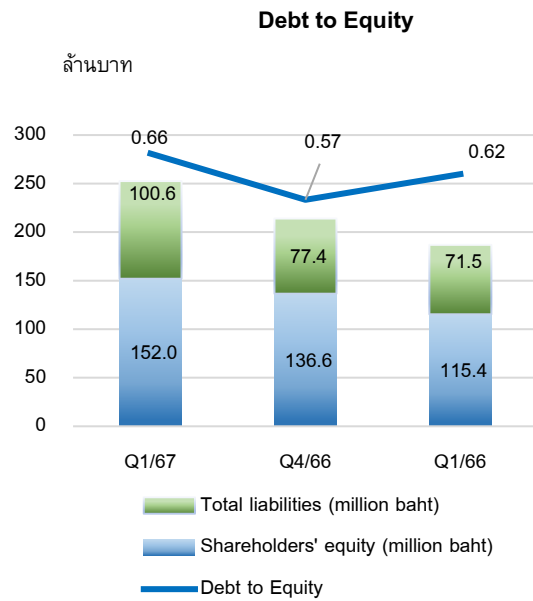
As of March 31, 2024, the company had shareholders' equity of 152 million baht, an increase of 15.4 million baht from December 31, 2023, representing a rate of 11.3 percent of the previous year's amount due to the increase in retained earnings from the total comprehensive profit for the 1st quarter of 2024.

## Important financial ratios

Financial ratios	Quarter	Quarter	Increase	%QoQ	Quarter	Increase	%YoY
	1/2567	4/2566	(Decrease)		1/2566	(Decrease)	
Gross profit ratio (GP Margin)	35%	29%	6%	19%	40%	-5%	-12%
Net Profit Ratio (Net Profit)	17%	10%	7%	71%	17%	0%	-2%
EBITDA ratio	17%	15%	2%	14%	25%	-7%	-29%
Debt to equity ratio (D/E)	0.66	0.57	9%	16%	0.62	4%	6%
Return on assets (ROA)	6.6%	3.0%	3.6%	120.0%	5.2%	1.4%	26.9%
Return on Equity Ratio (ROE)	10.2%	4.7%	5.5%	117.0%	8.9%	1.3%	14.6%

\*\*ROA&ROE - not Pro Rata (3m profit)





Sincerely Yours,



Nuchanat Sangchat

Chief Financial Officer