

D.T.C. Enterprise Public Company Limited and its subsidiaries Management Discussion and Analysis Operating Results as at 30 June 2023

Overview of Quarter 2/2023 Operating Results

As at 30 June 2023, the total revenue of D. T. C. Enterprise Public Company Limited and its subsidiaries (“DTC Group”) was THB 338.33 million, an increase of THB 13.72 million or 4.23%. Total cost of sales and rendering of services were THB 168.77 million, an increase of THB 14.56 million or 9.44%. The gross profit was THB 163.27 million, a decrease of THB (4.03) million or 2.41%. The selling and administrative expenses were THB 117.07 million, a decrease of THB (0.63) million or 0.54%, and the net profit was THB 39.73 million, an increase of THB 2.13 million or 5.66%, as compared to the 2nd quarter of 2022 operating results as follows:

(Unit : THB million)

| Consolidated Financial Statements | The 2 nd Quarter | | Difference | % |
|--|-----------------------------|---------------|---------------|---------------|
| | 2023 | 2022 | | |
| Revenue from sales and rendering of services | 332.04 | 321.51 | 10.53 | 3.28 |
| Other revenue | 6.29 | 3.10 | 3.19 | 102.90 |
| Total revenues | 338.33 | 324.61 | 13.72 | 4.23 |
| Cost of sales and rendering of services | 168.77 | 154.21 | 14.56 | 9.44 |
| Gross profit | 163.27 | 167.30 | (4.03) | (2.41) |
| Selling and administrative expenses | 117.07 | 117.70 | (0.63) | (0.54) |
| Net profit for the period | 39.73 | 37.60 | 2.13 | 5.66 |

Profit & Loss Analysis

Revenue from sales and rendering of services

DTC Group’s revenue almost comprises of revenue from sales and rendering of services. In 2nd quarter 2023 and 2022, the revenue from sales and rendering of services were THB 332.04 million and THB 321.51 million, an increase of THB 10.53 million or 3.28%, representing 98.14% and 99.05% of the total revenues, respectively. The increased revenue in the current period was driven by revenue from rental services and other services, mainly from customers’ demand for incorporating new technologies to optimize their organizations. Additionally, the rental product has been increasing its popularity, driven by evolving usage pattern in line with contemporary trends.

Cost of sales and rendering of services

In the 2nd quarter 2023 and 2022, the cost of sales and rendering of services were THB 168.77 million and THB 154.21 million, respectively. Total cost increased by THB 14.56 million or 9.44%. The increase in cost was consistent with the increase in revenue.

Gross Profit

In the 2nd quarter 2023 and 2022, the gross profit was THB 163.27 million and THB 167.30 million, or 49.17% and 52.04%, respectively. DTC Group has decreased gross profit by THB (4.03) million or 2.41% because DTC Group has revenue from sales of products decreased and increased costs of sales and services resulting in lower gross profits.

Selling and Administrative Expenses

In the 2nd quarter 2023 and 2022, DTC Group's selling and administrative expenses were THB 117.07 million, and THB 117.70 million, respectively. The expenses decreased by THB (0.63) million, or 0.54% the main reasons as follows:

In the 2nd quarter 2023 and 2022, DTC Group's selling expenses amounted to THB 22.80 million, and THB 22.65 million, respectively. The expenses increased by THB 0.15 million, or 0.66%, mainly from the increase in commission expenses .

In the 2nd quarter 2023 and 2022, DTC Group's administrative expenses amounted to THB 94.27 million, and THB 95.05 million, respectively. The expenses decreased by THB (0.78) million, or 0.82%, DTC Group has changed both external auditor and internal auditor in FY2023, resulting in a decrease in expenses amounting to THB (0.63) million. Additionally, the consulting fees also decreased because the company incurred these expenses in the previous year in preparation for its initial public offering (IPO).

Net Profit

In the 2nd quarter 2023 and 2022, The net profit was THB 39.73 million, and THB 37.60 million, respectively, an increase of THB 2.13 million, or 5.66%. The main reason for the significant increase in profitability was the economic recovery when compared to the previous year. There has been an increase in foreign investments since mid-year of FY2022 in the transportation and logistics businesses, main customers of the company, being able to operate as usual as previously stated.

DTC Group's Financial Position

As at 30 June 2023, total assets is THB 1,695.98 million, an increase of THB 28.17 million, or 1.69 %, The major assets include cash and cash equivalents of THB 868.61 million, property plants and equipment of THB 281.74 million, inventory of THB 100.46 million, and trade and other receivables of THB 95.94 million.

The increased assets are THB 28.17 million, or 1.69 %, compared to 31 December 2022 mainly due to increased assets, which were included trade and other receivables of THB 12.41 million, other current financial asset THB 150.00 million, decoration of vehicle monitoring and support center is increased the property, plants and equipment value by THB 27.47 million, other non-current financial assets - debenture THB 30.00 million, However, cash and cash equivalents decreased by THB (202.81) million, consisting of cash flow from operating activities of THB 6.70 million, cash flow out of investment activities THB (201.49) million and cash flow out of financing activities of THB (8.02) million.

As at 30 June 2023, DTC Group's total liabilities were THB 272.72 million, an decrease of THB (8.85) million, or 3.14% compared to 31 December 2022, as a consequence of an decrease from in contractual obligations and trade and other current payables because the company group has paid the due debt.

As at 30 June 2023, DTC group's total shareholders' equity amounted to THB 1,423.26 million, an increase of THB 37.02 million, or 2.67%. The main reason is the increase in registered share capital for the distribution of dividends to shareholders.

Please be informed accordingly.

Sincerely yours



(Ms. Jiraporn Lailuk)
Deputy Chief Executive Officer
Chief Financial Officer