

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

Overview of Quarter 3/2023 Operating Results

As at 30 September 2023, the total revenue of D.T.C. Enterprise Public Company Limited and its subsidiaries (“DTC Group”) was THB 558.63 million, an increase of THB 78.91 million or 16.45%. Total cost of sales and rendering of services were THB 268.46 million, an increase of THB 33.24 million or 14.13%. The gross profit was THB 277.99 million, an increase of THB 37.18 million or 15.44%. The selling and administrative expenses were THB 180.70 million, an increase of THB 8.08 million or 4.68%, and the net profit was THB 83.71 million, an increase of THB 31.32 million or 59.78%, as compared to the 3rd quarter of 2022 operating results as follows:

(Unit : THB million)

Consolidated Financial Statements	The 3 rd Quarter		Difference	%
	2023	2022		
Revenue from sales and rendering of services	546.45	476.03	70.42	14.79
Other revenue	12.18	3.69	8.49	230.08
Total revenues	558.63	479.72	78.91	16.45
Cost of sales and rendering of services	268.46	235.22	33.24	14.13
Gross profit	277.99	240.81	37.18	15.44
Selling and administrative expenses	180.70	172.62	8.08	4.68
Net profit for the period	83.71	52.39	31.32	59.78

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 3rd quarter 2023 and 2022, the revenue from sales and rendering of services were THB 546.45 million and THB 476.03 million, an increase of THB 70.42 million or 14.79%, representing 97.82% and 99.23% of the total revenues, respectively. The primary factor that mainly contributes to the revenue from rendering of services and other services increase is the customization of software services to enhance operational efficiency. Additionally, the increasing demand for both GPS tracking and MDVR rentals is increased due to customer usage pattern.

Cost of sales and rendering of services

In the 3rd quarter of 2023 and 2022, the cost of sales and rendering of services were THB 268.46 million and THB 235.22 million, Total cost increased by THB 33.24 million, or 14.13%. This increase in cost was consistent with the increase in total revenue.

Gross Profit

In the 3rd quarter 2023 and 2022, the gross profit was THB 277.99 million and THB 240.81 million, or 50.87% and 50.59%, respectively. DTC Group has increased gross profit by THB 37.18 million or 15.44%, mainly came from the DTC Group's revenue increase from customization of software services to enhance customer's operational efficiency. The primary cost is associated with the software system which DTC Group has continually been developing the system. Consequently, these costs were effectively managed, resulting in higher gross profit.

Selling and Administrative Expenses

In the 3rd quarter 2023 and 2022, DTC Group's selling and administrative expenses were THB 180.70 million, and THB 172.62 million, respectively. The expenses increased by THB 8.08 million, or 4.68% the main reasons as follows:

In the 3rd quarter 2023 and 2022, DTC Group's selling expenses were THB 35.45 million, and THB 34.49 million, respectively. The expenses increased by THB 0.96 million, or 2.78%, the main reason is the increase in commission expenses, which is consistent with the increase in revenue from sales and rendering of services.

In the 3rd quarter 2023 and 2022, DTC Group's administrative expenses were THB 145.25 million, and THB 138.13 million, respectively. The expenses increased by THB 7.12 million, or 5.15%, mainly from DTC Group has been continuously enhancing operational efficiency with aim of future business expansion. Consequently, the DTC Group has implemented salary base adjustment and increased employee incentives to enhance motivation, resulting in higher administrative expenses.

Net Profit

In the 3rd quarter 2023 and 2022, The net profit was THB 83.71 million, and THB 52.39 million, respectively, an increase of THB 31.32 million, or 59.78%. the main reason is DTC Group's revenue increasing due to economic fully recovery when compared with the prior period, with the industrial and commercial sectors operating as usual. Furthermore, in the current year, the customized solutions were delivered according to an agreed-upon submission schedule with customers, resulting in higher net profit.

DTC Group's Financial Position Analysis

As at 30 September 2023, total assets is THB 1,720.94 million, an increase of THB 53.13 million, or 3.19 %, The major assets include cash and cash equivalents of THB 800.81 million, property plants and equipment of THB 284.29 million, other current financial asset THB 220.11 million, trade and other receivables of THB 123.20 million and inventory of THB 92.61 million.

The increased assets are THB 53.13 million, or 3.19 %, when compared with 31 December 2022 mainly due to increased assets, which were included other current financial asset THB 220.11 million, investment in mutual funds of Baht 100.11 million which are held for trading, fixed deposit for 12 months with a financial institution of Baht 100.00 million bears interest at the rate 1.90% per annum and will be matured in June 2024, investment in debenture of Baht 20.00 million which bears interest at the rate 2.61% per annum and will be matured on June 16, 2024 , trade and other receivables of THB 39.67 million and other non-current financial assets for a long-term investment in debentures, totaling THB 30.00 million. However, cash and cash equivalents decreased by THB (270.61) million, consisting of cash flow from operating activities of THB 14.91 million, cash flow out of investment activities THB (275.33) million and cash flow out of financing activities of THB (10.19) million.

As at 30 September 2023, DTC Group's total liabilities were THB 253.69 million, a decrease of THB (27.88) million, or 9.90% when compared with 31 December 2022 This reduction is primarily due to a decrease in contractual obligations and trade and other current payables, resulting from the company group fulfilling its due debt payments.

As at 30 September 2023, DTC Group's total shareholders' equity amounted to THB 1,467.24 million, an increase of THB 81.00 million, or 5.84%. 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