

D.T.C. Enterprise Public Company Limited and its Subsidiaries Management Discussion, Analysis, and Operating Results for the First Quarter of 2024, ending 31 March 2024

Summary of the Operating Results for the First Quarter of 2024

On 31 March 2024, D.T.C. Enterprise Public Company Limited and its subsidiaries (“DTC Group”) had total revenue of THB 184.50 million, an increase of THB 18.94 million or 11.44%; the total cost of sales and services of THB 82.97 million, a decrease of THB 0.35 million or 0.42%; a gross profit of THB 97.33 million, an increase of THB 17.54 million or 21.98%; sales and administrative expenses of THB 64.18 million, an increase of THB 5.05 million or 8.54% and a net profit of THB 27.97 million, an increase of THB 11.36 million or 68.39%, compared to the operating results of 2023 as follows.

(Unit : THB Million)

Consolidated Financial Statements	First Quarter		Difference	%
	2024	2023		
Revenue from sales and services	180.30	163.11	17.19	10.54
Other revenue	4.20	2.45	1.75	71.43
Total revenues	184.50	165.56	18.94	11.44
Cost of sales and services	82.97	83.32	(0.35)	(0.42)
Gross profit	97.33	79.79	17.54	21.98
Sales and administrative expenses	64.18	59.13	5.05	8.54
Net profit for the period	27.97	16.61	11.36	68.39

Analysis of the DTC Group Profit and Loss

Revenue from Sales and Services

The DTC Group revenue was mainly from sales and services. In the first quarter of 2024 and 2023, the revenue from sales and services were THB 180.30 million and THB 163.11 million, respectively, an increase of THB 17.19 million or 10.54%, or 97.72% and 98.52% of the total revenue, respectively. The increase of revenue was mainly attributable to the fact that DTC Group had successfully developed its goods control and tracking system software, and the smart city application software that increased the operational efficiency for its customers.

Cost of sales and services

The DTC Group cost of sales and services in the first quarters of 2024 and 2023 were THB 82.97 million and THB 83.32 million, respectively, a decrease of THB 0.35 million and 0.42%, due to the following.

The DTC Group cost of services in the first quarters of 2024 and 2023 were THB 79.02 million and THB 76.31 million, respectively, an increase of THB 2.71 million and 3.55%, in line with the increase of revenue from services as stated above.

The DTC Group cost of sales of products in the first quarters of 2024 and 2023 were THB 3.95 million and THB 7.01 million, respectively, a decrease of THB 3.06 million or 43.65%. This was mainly due to an increase in the device rental service for GPS Tracking and Mobile DVR following the launching of new products and upgrading functions to meet the changing needs in the first quarter, as a result, customers preferred the device rental service and the sales decreased.

Gross Profit

The DTC Group gross profit in the first quarter of 2024 and 2023 were THB 97.33 million and THB 79.79 million, or 53.98% and 48.92%, respectively, an increase of THB 17.54 million or 21.98%. This was mainly due to the increase in revenue from the development of a software for control and monitoring cargo transportation, and software for smart city to increase operating efficiency for customer organizations. In addition, the software system, being the main cost, has been continuously developed and the cost was efficiently managed and the gross profit increased.

Selling and Administrative Expenses

The DTC Group sales and administrative expenses in the first quarters of 2024 and 2023 were THB 64.18 million and THB 59.13 million, respectively, an increase of THB 5.05 million or 8.54%, for the following reasons.

The sales expenses in the first quarters of 2024 and 2023 were THB 14.04 million and THB 11.66 million, respectively, an increase of THB 2.38 million or 20.41%, this was mainly due to the increase in sales commission in line with increasing payments, compared with the same quarter of the previous year.

The administrative expenses in the first quarters of 2024 and 2023 were THB 50.14 million and THB 47.47 million, respectively, an increase of THB 2.67 million or 5.62%, mainly due to the adjustment of salary bases and personnel incentives to increase motivation and effectiveness in line with the goal to increase operational effectiveness and business expansion in 2024, resulting in an increase in administrative expenses

Net Profit

The DTC Group net profit for the first quarter of 2024 and 2023 were THB 27.97 million and THB 16.61 million, respectively, an increase of THB 11.36 million or 68.39%. The increase was mainly due to an increase in revenue from projects in the public and private sectors; an increase of interest income from investment in mutual funds, debentures, and deposits with financial institutions. In addition, the increase in net profit was due to effective cost management.

Analysis of the DTC Group Financial Position

As at 31 March 2024, DTC Group had total assets of THB 1,774.81 million, an increase of THB 29.06 million or 1.66%. This was mainly due to the increase in cash and cash equivalent of THB 44.03 million, following payments from customers for projects in the public and private sectors, these had been delivered in 2023; and a decrease of trade accounts receivable and other receivables of THB 16.68 million, in line with the increase of cash and cash equivalent following payments from customers during this quarter.

As at 31 March 2024, DTC Group had total liabilities of THB 263.80 million, an increase of THB 0.40 million or 0.15%, compared to that of 31 December 2023. The increase was mainly due to an increase of liabilities arising from contracts, as the DTC Group had received an advance payment in this quarter from a project for maintenance for one year.

As at 31 March 2024, DTC Group's shareholder's equity was THB 1,511.01 million, an increase of THB 28.66 million or 1.93%, this was mainly due to the increase in net profit for this quarter.

Please be informed accordingly.

Sincerely yours

A handwritten signature in blue ink, appearing to be "Ms. Jiraporn Lailuk", is positioned above the printed name.

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