



August 13, 2024

Subject: Management discussion and analysis for the second quarter ended June 30, 2024
Attention: The President,
The Stock Exchange of Thailand

Vintcom Technology Public Company Limited (the “Company”) would like to submit the management discussion and analysis of the Company’s and its subsidiaries’ results of operations for the second quarter ended June 30, 2024. In addition, the Company would also like to provide clarification regarding changes of the Company and its subsidiaries’ operating results more than 20% compared to the same period of last year.

Operating results

Operating results of the Company and its subsidiaries (Unit : Million Baht)	Q2/2024	Q2/2023	Changes +/-	6 months/ 2024	6 months/ 2023	Changes +/-
Revenue from sales and services	470	545	(13.6%)	812	1,028	(21.0%)
Gross profit	99	109	(9.1%)	185	210	(12.2%)
Other income	5	9	(53.5%)	13	15	(13.7%)
Share of profit (loss) of associate	(2)	(14)	(86.2%)	(2)	(14)	(89.4%)
Distribution costs	(19)	(15)	27.0%	(33)	(32)	3.6%
Administrative expenses	(44)	(54)	(18.6%)	(91)	(99)	(8.2%)
Impairment gain (loss)	1	-	>100%	1	-	>100%
Finance costs	(2)	(3)	(27.9%)	(4)	(6)	(24.0%)
Profit (loss) before tax	39	34	13.7%	69	75	(7.1%)
Net profit (loss) after tax	31	25	19.8%	55	57	(4.2%)
Non-controlling interests	(5)	(6)	(25.9%)	(10)	(13)	(21.0%)
Net profit (loss) of parent company	26	19	35.7%	45	44	0.8%
Gross profit margin (%)	21.1%	20.0%		22.7%	20.5%	
Net profit margin (%)	5.4%	3.4%		5.4%	4.3%	

In the second quarter of 2024, the Company and its subsidiaries had revenue from sales and services that decreased from the same quarter of the previous year, but had a slightly higher gross profit margin than the same period of the previous year, and had a net profit of THB 25.6 million (Q2/2023: THB 18.9 million), with a gross profit that was THB 9.9 million lower than the same period of the previous year due to lower revenue from sales and services. However, the Company had a decrease in share of losses from associates under the equity method of THB 11.7 million, and had a gain from reversing impairment losses of THB 1.5 million, resulting in an increase in net profit of 6.7 million baht, with further details and explanations as follows:



1. Revenue from sales and services

In the second quarter of 2024, the Company and its subsidiaries had revenue from sales and services of THB 470.5 million, a decrease of THB 74.3 million or 13.6 % from the same period of the previous year, due to a decrease in revenue from large-scale projects both domestically and from the CLM countries compared to the same period of the previous year.

2. Gross profit

In Q2/2024, gross profit was THB 99.3 million (Q2/2023: THB 109.2 million). Further, gross profit margin was 21.1% slightly increased from the same period of last year (Q2/2023: 20.0%).

3. Distribution costs

For the second quarter of 2024, distribution costs were THB 18.9 million, an increase of 27.0 % from the same period of the previous year, mainly due to increased personnel expenses in the sales department. Distribution costs were mainly from personnel expenses, commissions and marketing expenses, accounting for 4.0 % of total revenue (Q2/2023: 2.7 %).

4. Administrative expenses

Administrative expenses of Q2/2024 totaled THB 43.6 million, a decrease of 18.6% from Q2/2023, which was THB 53.6 million. The Company and its subsidiaries' administrative expenses mainly consisted of personnel expenses, office rental and office-facility service expenses, depreciation and amortization expenses, etc. Administrative expenses accounted for 9.2% of total revenue (Q2/2023: 9.7 %).

5. Net profit and Net profit margin

For the second quarter of 2024, the Company and its subsidiaries' net profit was THB 25.6 million, leading to THB 6.7 million increase, or 35.7% from Q2/2023. Total proportion of net profit to total revenue was 5.4% (Q2/2023: 3.4%).

Financial Position

Assets

Majority of the Company and its subsidiaries' total assets comprised of account receivables and other receivables, cash and cash equivalent, and goodwill. Total assets as at June 30, 2024 and December 31, 2023 were THB 1,344.2 million and THB 1,459.2 million, respectively. In sum, the decrease in total assets was THB 115.0 million or 7.9%.

Cash and cash equivalent as at June 30, 2024 and December 31, 2023 were THB 242.1 million and THB 313.3 million, respectively. Account receivables and other current receivables as at June 30, 2024 and December 31, 2023 was THB 559.7 million and THB 560.4 million, respectively, a decrease of THB 0.6 million.



Investment in associates as at June 30, 2024 and December 31, 2023 were THB 19.2 million and THB 20.7 million, respectively. This was investment in 18.3% of interests in M Intelligence's issued and paid-up ordinary shares. THB 1.5 million decrease was due to share of loss recognized in accordance of equity method.

Goodwill amounting to THB 210 million derived from the acquisition of 100% in interests of I-Secure.

Liabilities

The Group's liabilities, approximately 89.4 percent of total liabilities, are current liabilities, consisting of trade and other payables, contract liabilities and short-term loans from financial institutions. Significant non-current liabilities include trade and other payables and provisions for employee benefits. Total liabilities as of June 30, 2024 and December 31, 2023 amounted to THB 724.8 million and THB 825.8 million, respectively, a decrease of THB 101.0 million or 12.2 percent, due to a decrease in trade and other payables and contract liabilities of THB 211.0 million and an increase in short-term loans from financial institutions of THB 119.5 million.

Shareholders' Equity

Total shareholders' equities of the Company as at June 30, 2024 and December 31, 2023 amounted to THB 580.1 million and THB 580.1 million, respectively, slightly changed from net profit of THB 44.8 million, other comprehensive income of THB 10.5 million and dividend payment of THB 55.3 million.

Please be informed accordingly.

Yours Sincerely,

(Mrs. Songsri Srirungroungjit)
Managing Director
Vintcom Technology Public Company Limited