



February 24th, 2023

Subject: Management discussion and analysis for the year ended December 31, 2022
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 year ended December 31, 2022 on the following:

Operating results

Operating results of the Company and its subsidiaries (Unit : Million Baht)	YE 2022	YE 2021	Changes +/(-)
Revenue from sales and services	2,012	1,857	8.3%
Gross profit	405	402	0.6%
Other income	30	20	48.1%
Share of profit of associate	(1)	16	(>100%)
Distribution costs	(60)	(53)	11.9%
Administrative expenses	(202)	(193)	4.9%
Impairment gain (loss)	2	1	>100%
Finance costs	(9)	(8)	18.2%
Profit (loss) before tax	165	186	(11.4%)
Net profit (loss) after tax	137	147	(7.2%)
Non-controlling interests	(25)	(21)	18.9%
Net profit (loss) of parent company	112	126	(11.6%)
Gross profit margin	20.1%	21.7%	
Net profit margin	5.5%	6.7%	

The Company and its subsidiaries’ overall operating results for the fiscal year 2022, revenue from sales and services was increased 8.3% because of the recovery of Thailand and also CLM countries’ economy. The contribution of revenue from cyber security to total revenue was increased from 28% to 36% in this year. While THB 15 million decrease, or 11.6%, in net profit resulted from increase in administrative expenses. Our 2022 net profits would have decreased by THB 1.6 million if the exceptional THB 13 million gain on dilution of investment in M Intelligences, realized in 2021, was excluded from comparison.

More detailed analysis has been discussed on the followings:



1. Revenue from sales and services

For the year 2022, the Company and its subsidiaries earned revenue from sales and services amounting to THB 2,012 million, THB 155 million or 8.3% increase from 2021 resulted from domestic major projects, and the recovery of Thailand and CLM countries' economy. Further, revenue from Cambodia and Myanmar increased by 32% from last year.

2. Gross profit

For the year 2022, the Company and its subsidiaries gross profit was THB 405 million (2021: THB 402 Million). Gross profit margin was 20.1% (2021: 21.7%), slightly lower than last year. The contribution of revenue from services to the total revenue increased from 34% to 39% with slight decrease in gross profit margin when compared to last year.

3. Distribution costs

In 2022, distribution costs was THB 60 million (2021: THB 53 Million). The 11.9% increase from last year resulted from increasing in staff expenses, commission, and marketing expenses, to generate more revenue. Distribution costs was 2.9% of revenue (2021: 2.9%).

4. Administrative expenses

Administrative expenses of 2022 was THB 202 million, 4.9% increase from 2021 mainly due to the increase in staff expenses and loss from foreign exchange rates. Administrative expenses composed of staff expenses, rental and office-facility service expenses, depreciation and amortization. The expenses was 9.9% of total revenue (2021: 10.3%).

5. Net profit and Net profit margin

For the year 2022, the Company and its subsidiaries' net profit was THB 112 million, THB 15 million decrease, or 11.5% from 2021. Total proportion of net profit to total revenue was 5.5% (2021: 6.7%).

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 of December 31, 2022 was THB 1,446 million. In sum, THB 161 million, 12.5%, increase in total assets was mainly due to the goods delivery close to the end of the year, and account receivables from major projects.

Cash and cash equivalent as of December 31, 2022 and 2021 were THB 215 million and THB 170 million, respectively. Account receivables and other current receivables as of December 31, 2022 and 2021 were THB 678 million and THB 552 million, respectively, which increased by THB 126 million from 2021.



Investment in associates as of December 31, 2022 and 2021 were THB 32 million and THB 33 million, respectively. This was investment in 18% equity interest in M Intelligence. The decrease resulted from share of loss recognized in accordance with the equity method.

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

Liabilities

Majority, or 82% of the Group's total liabilities was current, consisting of trade and other current payables, contract liabilities, and short-term borrowings from financial institutions. The significant amount of non-current liabilities comprised trade and other current payables, and employee benefit liabilities. Total liabilities as of December 31, 2022 was THB 808 million. In sum, THB 136 million increase in total liabilities, or 20.2% mainly came from THB 29 million increase in short-term borrowings from financial institutions, and THB 111 increase in trade payables as part of working capital.

Shareholders' Equity

Total shareholders' equities of the Company as of December 31, 2022 and 2021 were THB 585 million and THB 561 million, respectively. THB 24 million increase was due to net profit amounting to THB 112 million and dividend paid amounting to THB 89 million.

Please be informed accordingly.

Yours Sincerely,

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