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Reference 012/2023 (2566)

Subject Management Discussion and Analysis of the Financial Performance for the nine-month period ended 30 September 2023

Attention President  
The Stock Exchange of Thailand

PRTR Group Public Company Limited and its subsidiaries (“PRTR” or the “Company”) would like to report on our financial performance for the nine-month period ended 30 September 2023, with total revenues of Baht 4,654.6 million and net profit of Baht 146.0 million. The details of significant changes are as follow:

### Financial Performance

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	For the nine-month period ended					
	30-Sep-22		30-Sep-23		Change	
	Million THB	% Revenue	Million THB	%Revenue	Million THB	%
<b>REVENUES</b>						
Revenue from rendering of services	4,480.3	100.0%	4,646.4	99.8%	166.1	3.7%
Other income	1.9	0.0%	8.2	0.2%	6.3	331.6%
<b>Total Revenues</b>	<b>4,482.2</b>	<b>100.0%</b>	<b>4,654.6</b>	<b>100.0%</b>	<b>172.4</b>	<b>3.8%</b>
<b>EXPENSES</b>						
Cost of rendering of services	4,001.5	89.3%	4,166.7	89.5%	165.2	4.1%
Administrative expenses	278.8	6.2%	308.9	6.6%	30.1	10.8%
<b>Total Expenses</b>	<b>4,280.3</b>	<b>95.5%</b>	<b>4,475.6</b>	<b>96.2%</b>	<b>195.3</b>	<b>4.6%</b>
<b>Profit before finance costs and income tax</b>	<b>201.9</b>	<b>4.5%</b>	<b>179.0</b>	<b>3.8%</b>	<b>(22.9)</b>	<b>(11.3%)</b>
Finance costs	15.8	0.4%	8.5	0.2%	(7.3)	(46.2%)
<b>Profit Before Income Tax Expense</b>	<b>186.1</b>	<b>4.2%</b>	<b>170.5</b>	<b>3.7%</b>	<b>(15.6)</b>	<b>(8.4%)</b>
Income tax expense	39.1	0.9%	24.5	0.5%	(14.6)	(37.3%)
<b>Net Profit For the Year</b>	<b>147.0</b>	<b>3.3%</b>	<b>146.0</b>	<b>3.1%</b>	<b>(1.0)</b>	<b>(0.7%)</b>
<b>PROFIT ATTRIBUTABLE TO</b>						
Owners of the parent	149.8	3.3%	152.1	3.3%	2.3	1.5%
Non-controlling interests	(2.8)	(0.1%)	(6.1)	(0.1%)	(3.3)	(119.2%)
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>						
<b>NET PROFIT FOR THE YEAR</b>	<b>151.3</b>	<b>3.4%</b>	<b>152.1</b>	<b>3.3%</b>	<b>0.8</b>	<b>0.5%</b>
Other comprehensive income for the year - net of tax	(2.7)	(0.1%)	(6.1)	(0.1%)	(3.4)	(127.3%)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>148.6</b>	<b>3.3%</b>	<b>146.0</b>	<b>3.1%</b>	<b>(2.6)</b>	<b>(1.8%)</b>

## Total Revenues

Total Revenues, including service revenue and other income for the nine-month period ended 30 September 2022 and 2023, The Company's total revenue was Baht 4,482.2 million and Baht 4,654.6 million, respectively, increased by Baht 172.4 million or 3.8%.

## Revenue from rendering of services

For the nine-month period ended 30 September 2022 and 2023, The Company's revenue from rendering of services were Baht 4,480.3 million and 4,646.4 million, respectively, increased by Baht 166.1 million or 3.7% due to continuing growth in core services, both outsourcing service and recruitment service, as well as new service, Integrated Learning Service and HRIS Platform. In overall, the Company generate revenue continually growth with the quality of service and potential to provide integration in one-stop service which cover recruitment in various industries and capability to recruit all levels of staff positions for clients.

Revenue by service segment is as follows:

Revenue by services	For the nine-month period ended					
	30-Sep-22		30-Sep-23		Change	
	Million THB	%	Million THB	%	Million THB	%
Revenue from rendering of services - outsource	4,291.4	95.7%	4,420.0	95.0%	128.6	3.0%
Revenue from rendering of services - recruitment	182.4	4.1%	203.4	4.4%	21.0	11.5%
Revenue from rendering of services - Integrated learning Service *	6.6	0.1%	11.1	0.2%	4.5	68.6%
Revenue from rendering of services - Online Job Platform **	-	-	1.7	0.0%	1.7	100.0%
Revenue from rendering of services - HRIS Platform ***	-	-	10.2	0.2%	10.2	200.0%
Other Revenue	1.9	0.0%	8.2	0.2%	6.2	321.1%
<b>Total Revenues</b>	<b>4,482.3</b>	<b>100.0%</b>	<b>4,654.6</b>	<b>100.0%</b>	<b>172.3</b>	<b>3.8%</b>

\* Commencing to generate revenue in late 2021

\*\* Commencing to generate revenue in Q4/2022

\*\*\* Commencing to generate revenue in Q2/2023

### (1) Revenue from outsourcing services

For the nine-month period ended 30 September 2022 and 2023, the Company generated revenue from outsourcing service of Baht 4,291.4 million and Baht 4,420.0 million, respectively, increased by Baht 128.6 million or 3.0%. The Company's growth come from new customers in retail and wholesale of consumer products business, consumer electronics/mobile gadgets business and construction materials business, which grow continuously including consumer spending in the first half of 2023 and bonus payment in consumer electronics/mobile gadgets business.

(2) Revenue from recruitment services

For the nine-month period ended 30 September 2022 and 2023, the Company generated revenue from recruitment service of Baht 182.4 million and 203.4 million, respectively, increasing Baht 21.0 million or 11.5% from the demand for staff continued in Junior and Executive Position, including increased in revenue from new customers.

Platform services consist of (3) integrated learning service that provides service through online and offline channels, (4) online job platform and (5) HRIS platform. These platforms are in the first phase of business development. For the nine-month period ended 30 September 2022 and 2023, the Company generate revenue from integrated learning service of Baht 6.6 million and Baht 11.1 million, respectively, increased by Baht 4.5 million or 68.6% and generate revenue from new HRIS platform service of Baht 10.2 million.

### Cost of Services

For the nine-month period ended 30 September 2022 and 2023, The Company had cost of services of Baht 4,001.5 million and Baht 4,166.7 million, respectively, increasing by Baht 165.2 million or 4.1%, mainly due to following:

(1) cost of outsourcing service was Baht 4,076.8 million, increasing Baht 137.8 million or 3.5%. The increase was attributed to increase in salary, wage and overtime expenses from number of outsourcing staff for sale service of new customers and increase in salaries and related benefits of some groups of outsourcing staff such as officers and factory workers. Including with raising up of commission and incentive expense attributable to PC staffs from the same period in 2022, following improvement in consumer spending in the first half of the year 2023. As a result, the revenue was growing in line with such an increase in the cost.

(2) cost of recruitment service was Baht 75.8 million, increasing Baht 16.4 million or 27.5%, derived from rising PRTR recruiting new staff to strengthen capacity of recruitment team for support the expansion of recruitment service.

### Gross Profit Margin

For the nine-month period ended 30 September 2022 and 2023, The Company had a gross profit of Baht 478.9 million and Baht 479.7 million, respectively, and gross profit margin of 10.7% and 10.3%, respectively, slightly decreasing by mainly factor from (1) Rising in variable income of employee, while service fee of variable income slightly lower from service fee generated from the fixed income of outsource staff (2) Reduction of the employer's social security contribution rate in last year 2022 and (3) Rising PRTR recruiting new staff to strengthen capacity of recruitment team for support the expansion of recruitment service.

## Administrative Expenses

For the nine-month period ended 30 September 2022 and 2023, Administrative expenses were Baht 278.8 million and Baht 308.9 million, respectively, increasing Baht 30.1 million or 10.8%. Mainly due to (1) Increasing in administrative expenses for support in new HRIS platform service (2) Increasing number of HR client services staff and recruiter to support capability to supply services for PRTR customers, including with related expense such as Software license for rendering of services. (3) Expenses for the issuance and initial public offering of securities (IPO) such as roadshow, advertised, consultant fee, legal fee and others fee for one-time payment.

## Financial Costs

Financial costs were Baht 8.5 million, decreasing Baht 7.3 million from the third quarter of 2022, in line with the decrease in interest expense from a financial institution and during the nine-month period ended 30 September 2023, the Company had fully repayment for short-term borrowings from a financial institution.

## Income Tax Expense

Income tax expense	For the nine-month period ended	
	30-Sep-22	30-Sep-23
Profit Before Income Tax Expense	186.1	170.5
Income tax expense	39.1	24.5
Effective tax rate	21.0%	14.4%

Effective tax rate is under 20% mainly due to 5 years loss carry forward from subsidiaries which able to use right of expense deduction in tax calculation, including with double deduction expense and expense from issuance and initial public offering of securities (IPO) which in accounting standards accept to deduction with additional paid-in capital, while the Company can use to be expense in tax calculation.

## Statements of Financial Position

CONSOLIDATED FINANCIAL POSITION	As at				Changed	
	31-Dec-22		30-Sep-23		Million baht %	
	Million baht	%	Million baht	%		
Total Assets	1,505.7	100.0%	1,993.0	100.0%	487.3	32.4%
Total Liabilities	1,054.6	70.0%	508.7	25.5%	(545.9)	(51.8%)
Total Shareholders' Equity	451.1	30.0%	1,484.3	74.5%	1,033.2	229.0%

### Total Assets

Total assets as at 30 September 2023 of Baht 1,993.0 million, increasing by 32.4%, compared to the 2022 year-end with Baht 1,505.7 million, was mainly due to increase in deposit at banks from issuing additional shares capital from initial public offering (IPO) and refundable income tax (withholding tax deducted from service revenue), including with invest in intangible asset (HRIS Platform).

### Total Liabilities

Total liabilities as at 30 September 2023 of Baht 508.7 million, decreasing by 51.8%, compared to the 2022 year-end with Baht 1,054.6 million, was mainly due to repayment in loans from financial institutions.

### Total Shareholder Equity

Total shareholder equity as at 30 September 2023 of Baht 1,484.3 million, increasing Baht 1,033.2 million or 229.0% compared to the 2022 year-end with Baht 451.1 million, was mainly due to (1) Paid-in Capital and Paid-up premium on shares from initial public offering (IPO) of Baht 1,046.4 million (2) comprehensive income for the six-month period ended 30 September 2023 of Baht 146.0 million. And (3) Dividend payment total of 183.0 million Baht.

### Key Financial Ratio

Financial Ratios	Quarter 3	
	Year 2022	Year 2023
Gross Profit Margin (%)	10.7	10.3
Net Profit Margin (Owners of the parent) (%)	3.3	3.3
Current Ratio (times)	1.4	4.9
D/E Ratio (times)	2.3	0.3
Earning per Share (Baht)	0.8	0.3

## Cash Flow Liquidity and Capital Resource

Statement of Cashflows (Unit : Million Baht)	As at			
	30-Sep-22	30-Sep-23	Change	%
<b>Cash Flow from Operating Activities</b>				
Net cash provided by operating activities	101.2	151.7	50.5	49.9%
<b>Cash Flow from Investing Activities</b>				
Net cash used in investing activities	(40.5)	(200.6)	(160.0)	-394.7%
<b>Cash Flow from Financing Activities</b>				
Net cash used in financing activities	(85.3)	315.4	400.7	469.6%
Net increase (decrease) in cash and cash equivalents	(24.7)	266.5	291.2	1177.5%
Cash and cash equivalents as at 1 January	121.5	112.5	(9.0)	-7.4%
<b>Cash and cash equivalents as at</b>	<b>96.8</b>	<b>379.0</b>	<b>282.2</b>	<b>291.7%</b>

As at 30 September 2023, The Company has Cash and Cash Equivalent balance total of Baht 379.0 million, which increasing from the Cash Flow from Operating Activities total of Baht 151.7 million and has Net Cash used in Investing Activities total of Baht 200.6 million from invest in fixed deposits in total of Baht 150 million and purchased of the new software (HRIS platform and Jobs platform) in total of Baht 46.6 million, and Net Cash received in Financing Activities total of Baht 315.4 million for repayment of loan to Financial Institution total of Baht 548.5 million and Dividend payment total of Baht 183.0 million. Company has Cash increase from Paid-in Capital and Paid-up premium on shares from initial public offering (IPO) of Baht 1,046.4 million

Please be informed accordingly.

Yours faithfully,

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 (Risara Charoenpanich)  
 Chief Executive Officer