



Executive Summary

1Q2024 Financial Summary

Financial performance of Advice IT Infinite Public Company Limited and its subsidiaries, as per the consolidated financial statements of Q1/2024 compared to the same period of the year 2023, is as follows:

| | | | | | | |
|---------------|-------------|-----|----------|---------|--------------|--------|
| Total Revenue | amounted to | THB | 3,568.38 | million | increased by | 3.23% |
| Gross Profit | amounted to | THB | 334.25 | million | increased by | 14.64% |
| Net Profit | amounted to | THB | 56.45 | million | increased by | 19.69% |

1. Statement of comprehensive income (consolidated) for the three-month period ended March 31, 2024 and 2023

| Statement of Comprehensive Income (Consolidated) (Unit: Million Baht) | Q1/2023 | | Q1/2024 | | Increase (Decrease) | %YoY |
|---|-----------------|----------------|-----------------|----------------|------------------------|---------------|
| | Amount | % | Amount | % | | |
| Sales and services | 3,455.04 | 99.95% | 3,567.40 | 99.97% | 112.36 | 3.25% |
| Cost of sales and services | 3,163.48 | 91.51% | 3,233.15 | 90.61% | 69.67 | 2.20% |
| Gross Profit | 291.56 | 8.43% | 334.25 | 9.37% | 42.68 | 14.64% |
| Other income | 1.78 | 0.05% | 0.98 | 0.03% | (0.80) | (45.03%) |
| Total revenues | 3,456.82 | 100.00% | 3,568.38 | 100.00% | 111.56 | 3.23% |
| Distribution costs | 140.16 | 4.05% | 159.58 | 4.47% | 19.42 | 13.86% |
| Administrative expenses | 88.53 | 2.56% | 105.99 | 2.97% | 17.45 | 19.72% |
| Profit from operating activities | 64.65 | 1.87% | 69.66 | 1.95% | 5.01 | 7.74% |
| Finance income | 1.80 | 0.05% | 0.26 | 0.01% | (1.54) | (85.79%) |
| Finance cost | 7.66 | 0.22% | 3.59 | 0.10% | (4.07) | (53.16%) |
| Profit before income tax expenses | 58.79 | 1.70% | 66.33 | 1.86% | 7.54 | 12.82% |
| Tax expense | 11.63 | 0.34% | 9.88 | 0.28% | (1.75) | (15.06%) |
| Total comprehensive income for the period | 47.16 | 1.36% | 56.45 | 1.58% | 9.29 | 19.69% |



Revenue from sales and services

At the end of 1Q2024, the Company has a total of 112 branches, consisting of 16 branches in Bangkok and vicinity, and 96 branches upcountry. The Company's distribution channels can be divided into three types, as follows:

| Revenue structure categorized by business groups (Unit: Million Baht) | Q1/2023 | | Q1/2024 | | Increase (Decrease) | %YoY |
|---|-----------------|----------------|-----------------|----------------|------------------------|--------------|
| | Amount | % | Amount | % | | |
| Retail Business | 2,175.67 | 62.97% | 2,406.90 | 67.47% | 231.22 | 10.63% |
| Wholesale Business | 1,251.26 | 36.22% | 1,132.04 | 31.73% | (119.23) | (9.53%) |
| Service | 28.10 | 0.81% | 28.47 | 0.80% | 0.36 | 1.29% |
| Revenue from Sales and Services | 3,455.04 | 100.00% | 3,567.40 | 100.00% | 112.36 | 3.25% |

Income Statement Analysis

Revenue

In Q1/2024, revenue from sales and services amounted to THB 3,567.40 million, increased by THB 112.36 million YoY (+3.25%). The increase in sales revenue was mainly contributed by (1) Retail businesses, which saw an increase in income of THB 231.22 million YoY (+10.63%). Divided into revenue from (2) Online retail sales increased by THB 130.68 million YoY (+17.06%). (3) Revenue from retail sales through branches increased by THB 92.75 million YoY (+7.52%). (4) Revenue from retail sales to corporate customers (Commercial) increased by THB 7.79 million YoY (+4.42%). (5) And service income increased by THB 0.36 million YoY (+1.29%).

As for the channels with decreased income, namely the (1) Wholesale business, there was a decrease in income of THB 119.23 million YoY (-9.53%), consisting of a decrease in income from (2) Dealer THB 96.02 million YoY (-11.80%). (3) And income from Franchises decreased by THB 23.21 million YoY (-5.31%).



In Q1/2024, overall revenue increased from the smartphone product group. The Apple product line, especially the Apple and Samsung brands, the company became an official distributor of Apple products last year; products were gradually put on sale in branch stores, which resulted in increased sales. As for the brand, Samsung has launched a new smartphone, which has received a good response due to the introduction of AI technology. In addition, the company has joined Samsung to create the Samsung Finance Plus campaign, where consumers can make purchases directly through installment payments with Samsung Finance Plus, thereby stimulating more sales in the smartphone product segment. Including the growth of sales in the form of selling through online channels, Marketplace has increased greatly from the company's Focus on selecting products in groups that are desired by consumers. Marketplace promotions have been created to attract customers, such as store discounts and additional Marketplace discounts, causing sales through the Marketplace online channel to increase. In addition, the company Organized Advice IT Expo activities on the online website and branches. All over the country, to target customers who want products at Commart prices. Throughout March 2024, the company has organized Advice IT Expo activities through storefronts as well as online channels. To increase sales channels at promotional prices and encourage consumers to come back and buy more IT products, the company has expanded additional branches by opening 2 new branches in Bangkok and vicinity and 4 branches in other provinces in order for consumers to have increased access to products. In conjunction with the government policy of the Easy E-Receipt project, consumers can use tax deduction rights with VAT-registered businesses that can issue electronic tax invoices (E-tax), which stimulates sales to increase again.

Channels that have significantly increased revenue include online retail channels. An increase of THB 130.68 million was made from online sales channels through Marketplace, especially sales through Shopee and Lazada, as well as other Marketplace channels. This results from the company's focus on selecting products, adding more products, and organizing activities with various marketplaces, such as the Double Day campaign, which includes creating store discounts and marketplace discounts to attract customers to buy more products. In addition, the company Has additional payment channels for products. Payment via True Money, credit card promotions, tracking product delivery, making exclusive products in collaboration with brands in specific channels, and marketing in the form of communication through online channels. And it is increasing consult about IT products. In March 2024, the company organized an Advice IT Expo activity through its website. To sell products at promotional prices to replace Commart activities that the company did not participate in during Such a time.

Retail sales through branches an increase of THB 92.75 million due to the company The storefront has been improved and developed. The company branches have been added to attract customers' attention and continuously cover all customer groups. And this year, the company plans to open more new branches. Expand retail sales channels by focusing on department stores in the cities in each region. And there has been a makeover of branches nationwide to renovate them to be modern.



They create various credit card promotions and add payment channels, such as accepting payments through True Money and promoting different sales forms on television, radio, and multiple media. In addition, during March 2024, the company organized Advice IT Expo activities through storefronts and online channels. Therefore, causing increased sales.

Retail sales for commercial customers have grown by THB 7.79 million due to the company setting up a commercial sales team to supervise corporate customers. They focus on computer notebook products and network equipment. And expand product categories to the hardware and software group to provide corporate customers with access to all types of desired products.

The channels with significantly decreased income are: Income from wholesale dealers decreased by THB 96.02 million, and income from wholesale franchises decreased by THB 23.21 million due to customers' significantly decreasing purchasing power compared to Q1/2023.

In terms of product categories, sales increased YoY. (1) Especially in the Mobile product, increased by THB 106.27 million (+238.54%), (2) iPhone/iPad product, increased by THB 73.33 million (+146.28%), (3) Notebook product, increased by THB 20.30 million (+2.48%) and other product groups, Sales increased by THB 38.29 million (+7.99%). Most of the increased sales were in the smartphone segment. And accessories This is a result of adding Apple and Samsung products to shift the brand's position, causing products in this group to sell well. The company still emphasizes selling products, accessories, and primary products.

As for the product group whose sales decreased, including the (1) Desktop & AIO & Service product group, decreased by THB 55.68 million (-14.33%), (2) DIY product decreased by THB 48.76 million (-4.00%). Other products decreased by THB 21.77 million (-5.09%). Sales of main products continued to decrease compared to the same period. The previous year, because of this group of products, most of them were sold to commercial customers, mainly government agencies. This group of customers must wait for the government budget. According to the fiscal year, which was released later than scheduled.

Cost of sales and services

In Q1/2024, the cost of sales and services amounted to THB 3,233.15 million, increased by THB 69.67 million YoY (+2.20%) in line with the increase in revenue from sales and services.

Gross Profit

In Q1/2024, gross profit amounted to THB 334.25 million, increased by THB 42.68 million YoY (+14.64%). Gross profit margin was 9.37% as a result of an increased proportion of online sales and retail sales. The company Buys products directly from suppliers, reducing purchases from Sub-Distributors, therefore increasing GP.



Selling and administration expenses

In Q1/2024, selling and administration expenses amounted to THB 265.56 million, increased by THB 36.88 million YoY (+16.12%) and accounted for 7.44% of total revenue compared to the Q1/2023.

Selling expenses amounted to THB 159.58 million, an increase by THB 19.42 million YoY (+13.86%) and accounted for 4.47% of total revenue. Most of the increased expenses were due to (1) Marketplace fees, which increased by THB 15.53 million. This is related to an increase in online retail sales through the Marketplace channel and various Marketplace fees, (2) Rent and common services an increase by THB 3.97 million was due to the rise of 6 branch stores.

Expenses that significantly decreased were caused mainly by marketing expenses, which decreased by THB 9.14 million, because in Q1/2024, the company did not participate in Commart event activities, thus causing expenses related to Commart events to decrease, with the company organizing Advice IT Expo activities instead through the company website and storefront branches nationwide and increasing advertising media for additional speaker products.

Administrative expenses amounted to THB 105.99 million, an increase by THB 17.45 million YoY (+19.72%) and accounting for 2.97% of total income. The increased expenses were mainly caused by (1) Employee expenses an increase of THB 11.35 million from bonus estimates, and an increase in personnel in the management department to make the company more efficient. In addition, employee welfare costs have increased because the company Has group insurance for employees. (2) Expenses for selling securities increased by THB 3.53 million due to the company selling IPO shares during January 2024, thus incurring expenses such as advertising media costs for publicizing the IPO event, Talk Show service fees for the IPO event.

Financial costs

In Q1/2024, financial costs amounted to THB 3.59 million, decreased by THB 4.07 million YoY (-53.16%) the company's Payment of additional capital from IPO fundraising was received and then used to repay the promissory note. And reduce the use of promissory notes, resulting in a significant decrease in interest expenses.

Net Profit

In Q1/2024, the Company's net profit amounted to THB 56.45 million, increased by THB 9.29 million YoY (+19.69%) due to all the reasons mentioned above. As a result, the Company's net profit increased.



2. Statement of financial position

| Statement of Financial Position (Consolidated) (Unit: Million Baht) | December 31, 2023 | | March 31, 2024 | | Increase (Decrease) | %YoY |
|---|-------------------|----------------|-----------------|----------------|------------------------|-----------------|
| | Amount | % | Amount | % | | |
| Cash and cash equivalents | 99.84 | 3.78% | 153.04 | 5.21% | 53.19 | 53.28% |
| Trade and other current receivables | 273.09 | 10.33% | 352.21 | 11.99% | 79.13 | 28.97% |
| Inventories | 1,366.64 | 51.70% | 1,574.46 | 53.60% | 207.82 | 15.21% |
| Total current assets | 1,739.57 | 65.81% | 2,079.71 | 70.80% | 340.14 | 19.55% |
| Restricted bank deposits | 178.90 | 6.77% | 136.90 | 4.66% | (42.00) | (23.48%) |
| Investment property | 24.87 | 0.94% | 24.61 | 0.84% | (0.25) | (1.02%) |
| Property, plant and equipment | 453.93 | 17.17% | 454.14 | 15.46% | 0.21 | 0.05% |
| Right-of-use assets | 155.92 | 5.90% | 152.04 | 5.18% | (3.88) | (2.49%) |
| Intangible assets | 5.96 | 0.23% | 5.71 | 0.19% | (0.24) | (4.11%) |
| Deferred tax assets | 36.80 | 1.39% | 36.07 | 1.23% | (0.73) | (1.98%) |
| Deposits for rental and service usage | 46.13 | 1.75% | 46.88 | 1.60% | 0.75 | 1.62% |
| Other non-current assets | 1.27 | 0.05% | 1.17 | 0.04% | (0.10) | (7.81%) |
| Total non-current assets | 903.78 | 34.19% | 857.53 | 29.20% | (46.25) | (5.11%) |
| Total assets | 2,643.35 | 100.00% | 2,937.23 | 100.00% | 293.89 | 11.12% |
| Overdraft and short-term borrowings from financial institutions | 344.24 | 13.02% | 359.71 | 12.25% | 15.46 | 4.49% |
| Trade and other current payables | 1,704.40 | 64.48% | 1,435.22 | 48.86% | (269.18) | (15.79%) |
| Current portion of long-term borrowings | 15.41 | 0.58% | 12.66 | 0.43% | (2.75) | (17.85%) |
| Current portion of lease liabilities | 72.10 | 2.73% | 73.28 | 2.49% | 1.18 | 1.64% |
| Corporate Income tax payable | 10.55 | 0.40% | 15.56 | 0.53% | 5.01 | 47.49% |
| Other current provisions | 10.15 | 0.38% | 12.06 | 0.41% | 1.92 | 18.91% |
| Total current liabilities | 2,156.86 | 81.60% | 1,908.50 | 64.98% | (248.35) | (11.51%) |
| Long-term borrowings from financial institution | 14.74 | 0.56% | 12.94 | 0.44% | (1.80) | (12.20%) |
| Lease liabilities | 82.91 | 3.14% | 77.20 | 2.63% | (5.71) | (6.89%) |
| Non-current provision for employee benefit | 68.19 | 2.58% | 70.77 | 2.41% | 2.58 | 3.78% |
| Other non-current provisions | 9.87 | 0.37% | 9.72 | 0.33% | (0.16) | (1.60%) |
| Total non-current liabilities | 175.71 | 6.65% | 170.62 | 5.81% | (5.09) | (2.89%) |
| Total liabilities | 2,332.56 | 88.24% | 2,079.12 | 70.79% | (253.44) | (10.87%) |
| Total shareholders' equity | 310.78 | 11.76% | 858.11 | 29.21% | 547.33 | 176.11% |
| Total liabilities and shareholders' equity | 2,643.35 | 100.00% | 2,937.23 | 100.00% | 293.89 | 11.12% |



Financial position analysis as of 31 March 2024

Assets

As of March 31, 2024, the Company's total assets amounted to THB 2,937.23 million, increased by THB 293.89 million (+11.12%) from the end of 2023, which can be divided into an increase in current assets of THB 340.14 million (+19.55%) and a decrease in non-current assets of THB 46.25 million (-5.11%), respectively.

An increase in current assets of THB 340.14 million was mainly due to an increase in inventory by THB 207.82 million (+15.21%) because of the Company's increase in smartphone products and accessories from various brands to support the business expansion plan of this product group. It also increased from preparing products for sale in the next quarter. (1) Trade and other current receivables increased by THB 79.13 million (+28.97%), mainly due to trade receivables an increase by THB 43.05 million (+49.72%) is due to commercial and franchise customer groups, which have credit for paying debts. This is in line with the increase in sales in those channels. Other current receivables increased by THB 36.08 million (+19.34%), mainly due to accrued promotional income and incentive receivables, which increased by THB 17.19 million (+10.47%). Revenue department receivable increased by THB 11.63 million (+135.76%). Prepaid expenses increased by THB 6.16 million (+119.93%). Because the Company provides group insurance to employees in the first year as a benefit. (3) Cash and cash equivalents increased by THB 53.19 million (+53.28%) from operating profits. Deducted from operating expenses and, the Company Withdraw guarantees lines from financial institutions used for various investment and financing activities.

A decrease in non-current assets of THB 46.25 million was mainly caused by (1) a decrease in restricted bank deposits of THB 42.00 million (-23.48%) due to the company Withdrawing the guarantee amount from 1 financial institution. (2) Right-of-use assets decreased by THB 3.88 million (-2.49%) from the depreciation of rental properties and leased vehicles.

The increase in non-current assets was mainly due to deposits for rental and service usage, which increased by THB 0.75 million (+1.62%) due to the payment of deposits for new branches in Q1/2024.



Liabilities

As of March 31, 2024, the Company's total liabilities amounted to THB 2,079.12 million, decreased by THB 253.44 million (-10.87%) from the end of 2023. which can be divided into a decrease in current liabilities of THB 248.35 million (-11.51%) and a decrease in non-current liabilities of THB 5.09 million (-2.89%).

A decrease in current liabilities of THB 248.35 million was mainly attributed to a decrease in (1) Trade and other current payables by THB 269.18 million (-15.79%). This was mainly caused by trade accounts payable, which decreased by THB 320.61 million (-19.86%) due to the credit term from paying creditors who had requested an extension of time in the previous year returning to regular credit term. With the company, buy products for cash. Reduce credit terms by negotiating additional product discounts. Other current payables increased by THB 51.43 million (+57.13%), mainly due to accrued dividends increasing by THB 43.40 million (+100.00%) from the announcement of dividend payments to shareholders during March 2024. Accrued expenses increased by THB 10.74 million (+26.12%) from recording accrued bonuses in Q1/2024. (2) Overdraft and short-term borrowings from financial institutions increased by THB 15.46 million (+4.49%) because the business began using the overdraft limit and promissory notes to pay trade creditors for product orders during March 2024. Corporate Income tax payable increased by THB 5.01 million (+47.49%) due to income tax from operations in Q1/2024.

A decrease in non-current liabilities of THB 5.09 million was mainly due to (1) a decrease in lease liabilities of THB 5.71 million (-6.89%) from the payment of building rental and vehicle leases per contract term, (2) a decrease in long-term borrowings from the financial institution of THB 1.80 million (-12.20%) from the repayment per loan schedule. (3) Non-current provision for employee benefit increased by THB 2.58 million (+3.78%).

Shareholders' equity

As of March 31, 2024, the Company's shareholders' equity amounted to THB 858.11 million. The Company's shareholders' equity composed of paid-up capital of THB 310.00 million, an increase in registered capital of THB 85.00 million, and a share premium of THB 449.28 million from the company First IPO securities, legal reserve of THB 31.00 million, unappropriated retained earnings of THB 79.76 million, and deficit on business combination under common control of THB 11.93 million.



3. Key financial ratios

| | Unit | 2023 | Q1/2024 |
|-------------------------------|------|------------|----------|
| Days sales outstanding | days | 2 | 3 |
| Days of inventory outstanding | days | 39 | 42 |
| Days payable outstanding | days | 47 | 41 |
| Cash conversion cycle | days | (6) | 4 |

Advice