



บริษัท สบาย เทคโนโลยี จำกัด (มหาชน)
230 ถนนบางขุนเทียน-ชายทะเล แขวงแสมดำ
เขตบางขุนเทียน กรุงเทพมหานคร 10150

(-Translation-)

10 November 2020

Subject Management Discussion and Analysis

Financial Performance for the year ended 31 December 2019

To President

The Stock Exchange of Thailand

Sabuy Technology Public Company Limited (“the Company”) provides Management Discussion and Analysis for the year ended 31 December 2019 as follows

Item	For the year ended					
	31 December 2018		31 December 2019		Change	
	THB mm	%	THB mm	%	THB mm	%
Sale revenue	586.46	44.17	359.20	28.08	(227.26)	(38.75)
Service revenue	728.50	54.87	875.41	68.43	146.91	20.17
Other revenue	12.82	0.97	44.76	3.50	31.94	249.14
Total revenue	1,327.78	100.00	1,279.37	100.00	(48.41)	(3.65)
Gross profit	568.98	42.85	513.20	40.11	(55.77)	(9.80)
Total expenses	496.79	37.42	500.15	39.09	3.36	0.68
Net profit	85.01	6.40	57.81	4.52	(27.20)	(32.00)
Net profit (Parent Co.)	91.82	6.92	57.99	4.53	(33.83)	(36.84)
Item	Unit	2018	2019			
Gross profit margin	%	43.27	41.57			
Net profit margin	%	6.40	4.52			
Earnings per share (EPS)	THB/share	0.11	0.07			

Financial Performance for the Year Ended 31 December 2019

Revenue

The total revenue in 2019 equals to THB 1,234.61 million, a decline from 2018, resulted from change in accounting policy related to recognition of revenue from sale of top-up machines from one-time recognition to service revenue recognition over the period of 5 years from the date of sale to clients. For the purpose of comparison and financial analysis, management has prepared projected revenue of the Company in case

TAS18 were still applied. Based on this, the Company would have recognized total sale and service revenue for 2019 for the amount of THB 1,467.75 million which were increase from the preceding year. Such increase is attributable to the followings: 1) an increase in revenue from the vending machine business from THB 140.76 million in 2018 to THB 352.34 million in 2019 which is in line with an increase in number of vending machines from 1,397 at the end of 2018 to 3,928 at the end of 2019 and 2) increase in revenue from the top-up machine business from THB 552.18 million in 2018 to THB 660.61 million in 2019 thanks to increase in transaction fee related to the top-up machine business in response to increasing transaction values and volumes, increasing number of top-up machines of the Company and adjustments of top-up machine service fee rate and per transaction revenue sharing between the Company and owners of top-up machines

Gross Profit

Consolidated gross profit for 2019 totaled THB 513.19 million which represents a gross margin of 41.57%. Gross profit for 2019 fell from the preceding year due to lower revenue from sale of top-up machines. The Company changed its revenue recognition policy for the top-up machine business on 1 January 2019 whereby it will recognize revenue and corresponding costs from sale of top-up machines over the period of 5 years from the date of sale of top-up machines to clients.

For purpose of comparison and financial analysis, management prepared projected revenue and costs in case the Company were still adopt TAS 18. Consolidated gross profit for 2019 under TAS18 were THB 597.63 million which represents a gross margin of 40.72%. This increases from the preceding year due to 1) declining gross profit of the top-up machine business in response to lower sale revenue with higher amount of cost of sale related to machine refurbishment costs 2) higher gross profit from the vending machine business in response to higher sale revenue and higher gross margin thanks to higher purchasing lower from high volume procurement and 3) increasing gross profit from the top-up machine business due to increasing transaction fee in response to higher business volumes and values via top-up machines, increasing number of the Company's top-up machines and adjustments of service fee rate and revenue sharing between the Company and owners of top-up machines.

Net Profit

The Company achieved a net profit of THB 57.81 million or a net margin of 4.52% in 2019. The Company's net profit in 2019 declined from 2018 thanks to change in revenue recognition policy related to sale of top-up machines in accordance with TFRS15. Thus, profit from sale of top-up machines will be gradually recognized over the 5-year service period as well. The Company also recognized lower amount of installment interest due to lower number of top-up machines that could be sold. The Company's SG&A also increased as it needed to recognize loss from sale of defaulted receivables and share-based expense related to SABUY-ESOP1. In fact, the Company's net profit of THB 57.81 million in 2019 came in part from

outstanding credit return revenue for the amount of THB 39.02 million, the amount of which to be recognized in the future depending upon many uncontrollable factors that are beyond the Company's projection. Credit return revenue is thus uncertain and may be lower or higher than the amount the Company recognized in 2019, and this will of course impact the Company's net profit in each relevant period.

Item	For the year ended					
	31 December 2018		31 December 2019		Change	
	THB mm	%	THB mm	%	THB mm	%
Total assets	1,772.68	100.00	2,261.07	100.00	488.39	27.55
Total liabilities	395.91	22.33	807.29	35.70	411.38	103.91
Total shareholders' equity	1,376.77	77.67	1,453.78	64.30	77.01	5.59
Equity belonging to shareholders of parent	1,354.40	76.40	1,418.80	62.75	64.40	4.76
Item	Unit	2018		2019		
Current ratio	time	2.42		0.76		
Debt-to-equity ratio	time	0.29		0.56		

Statement of Financial Position

Total Assets

Total assets at the end of 2019 rose by THB 488.39 million or 27.55% from the end of 2018 due mainly to an increasing of top-up machines that are the Company's core assets and the increase in vending machines following the growth of VDP.

Total Liabilities

Consolidated liabilities at the end of 2019 rose by THB 411.38 million or 103.91% from the end of 2018 due mainly to increase in short-term loans from financial institutions and entering into a sale-and-leaseback agreement by a subsidiary with a financial institution

Shareholders' Equity

Shareholders' equity at the end of 2019 rose by THB 77.01 million or 5.59% from the end of 2018 thanks to increase in the Company's retained earnings.

Analysis of Key Financial Ratios

Current Ratio

Consolidated liquidity ratio at the end of 2019 declined from the end of 2018 due to adoption of TFRS no.15 which results in reclassification of top-up machines waiting for sale to clients from inventory (a current asset) to building and equipment improvements (a non-current asset). Thus, total current assets amount at the end of 2019 fell from the end of 2018.

Debt-to-equity ratio

Consolidated debt-to-equity ratio of the Company at the end of 2019 increased from the end of 2018 due mainly to increase in both loans from financial institutions which were incurred to support the Company's operations and liabilities under financial lease agreements related to entering into a sale-and-leaseback agreement by a subsidiary

Please be informed accordingly

Yours sincerely,

-Mr. Chookiat Rujjanapornpajee-

Mr. Chookiat Rujjanapornpajee

Chief Executive Officer

Sabuy Technology Public Company Limited