



IIG 009/2024

13 Aug 2024

Subject: Management discussion and analysis for the period ended Jun 30, 2024

Attn: Governors and President Market for Alternative Investment (MAI)

I&I Group Public Company Limited (“the Company”) would like to submit the management discussion and analysis of the operating results for the period ended June 30, 2024, as follows:

Overall Group Performance	For the three months ended						Change Increase/(Decrease) (QoQ)		Change Increase/(Decrease) (YoY)	
	31 March 2024 (Q1'24)		30 June 2024 (Q2'24)		30 June 2023 (Q2'23)		(B-A)		(B-C)	
	- A -		- B -		- C -					
	THB mm	%	THB mm	%	THB mm	%	THB mm	%	THB mm	%
Sales and Services Revenues	252.58	98.9	265.77	97.8	210.26	99.1	13.19	5.2	55.51	26.4
Other Revenue	2.90	1.1	5.90	2.2	1.90	0.9	3.00	103.6	4.00	210.7
Total Revenue	255.48	100.0	271.67	100.0	212.16	100.0	16.19	6.3	59.51	28.1
Cost of Sales and Services	230.59	90.3	235.42	86.7	236.54	111.5	4.83	2.1	(1.12)	(0.5)
Gross Margin (Exclude Other Income)	21.99	8.6	30.35	11.2	(26.28)	(12.4)	8.36	38.0	56.63	(215.5)
Selling Expenses	13.02	5.1	16.56	6.1	12.70	6.0	3.54	27.2	3.86	30.4
Administrative Expenses	37.92	14.8	33.04	12.2	23.42	11.0	(4.88)	(12.9)	9.62	41.1
Profit Before Finance Costs and Income Tax	(26.05)	(10.2)	(13.35)	(4.9)	(60.50)	(28.5)	12.70	(48.8)	47.15	(78.0)
Finance Costs	(6.84)	(2.7)	(6.79)	(2.5)	(3.44)	(1.6)	0.05	(0.7)	(3.35)	97.4
Profit Before Tax	(32.89)	(12.9)	(20.14)	(7.4)	(63.94)	(30.1)	12.75	(38.8)	43.80	(68.5)
Income Tax	8.48	3.3	(3.96)	(1.5)	12.86	6.1	(12.44)	(146.7)	(16.82)	(130.8)
Net Profit After Tax	(24.41)	(9.6)	(24.10)	(8.9)	(51.08)	(24.1)	0.31	(1.3)	26.98	(52.8)



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Overall Group Performance	For the Six months ended				Change	
	30 June 2024 (6M '24) - A -		30 June 2023 (6M'23) - B -		Increase/(Decrease) (YoY) (A – B)	
	ล้านบาท	%	ล้านบาท	%	ล้านบาท	%
Sales and Services Revenues	518.35	98.3	458.03	98.4	60.32	13.2
Other Revenue	8.80	1.7	7.32	1.6	1.48	20.3
Total Revenue	527.15	100.0	465.35	100.0	61.80	13.3
Cost of Sales and Services	466.01	88.4	474.13	101.9	(8.12)	(1.7)
Gross Margin (Exclude Other Income)	52.34	9.9	(16.10)	(3.5)	68.44	(425.1)
Selling Expenses	29.58	5.6	24.44	5.3	5.14	21.0
Administrative Expenses	70.96	13.5	60.70	13.0	10.26	16.9
Profit Before Finance Costs and Income Tax	(39.40)	(7.5)	(93.92)	(20.2)	54.52	(58.1)
Finance Costs	(13.63)	(2.6)	(5.52)	(1.2)	(8.11)	146.9
Profit Before Tax	(53.03)	(10.1)	(99.44)	(21.4)	46.41	(46.7)
Income Tax	4.52	0.9	19.91	4.3	(15.39)	(77.3)
Net Profit After Tax	(48.51)	(9.2)	(79.53)	(17.1)	31.02	(39.0)

Summary of Performance

Sales and Services Revenues (6M YoY)

For the period ended June 30, 2024, the Company recorded total sales and service revenue of THB 518.35 million. This is equal to a slight increase of 13.2% YoY. Mainly from Service revenue of Enterprise Resource Planning (ERP) and Placement service.



Table 1: Sales and Services Revenues by type of service for the period ended June 30, 2024 (6M YoY)

Revenue Types	For the period ended June 30				Change	
	2024		2023		Increase/(Decrease)	
	THB mm	%	THB mm	%	THB mm	%
1. Revenue from Customer Relationship Management (CRM) ^{/1}	176.97	33.6	193.23	41.5	(16.26)	(8.4)
2. Revenue from Enterprise Resource Planning (ERP)	159.68	30.3	106.62	22.9	53.06	49.8
3. Revenue from Consulting services of Customer Experience Management (CEM) and Digital Marketing	17.05	3.2	24.24	5.2	(7.19)	(29.7)
4. Revenue from Placement Service	155.09	29.4	128.13	27.5	26.96	21.0
5. Revenue from Software Development	9.56	1.8	5.81	1.3	3.75	64.5
Sales and Services Revenues	518.35	98.3	458.03	98.4	60.32	13.2
Other Revenue	8.80	1.7	7.32	1.6	1.48	20.2
Total Revenue	527.15	100.0	465.35	100.0	61.80	13.3

Note: ^{/1}Revenue from Customer Relationship Management (CRM) included Revenue from Data Analytics (iiG Data)

1. Revenue from Customer Relationship Management (CRM)

For the period ended June 30, 2024, the Revenue from Customer Relationship Management (CRM) decreased by 8.4% YoY. The main reason is that revenue from implementation and application management services for CRM systems. However, the revenue from the subscription service of Salesforce software increased YoY, mainly from last year's customer base.

2. Revenue from Enterprise Resource Planning (ERP)

For the period ended June 30, 2024, the revenue from Enterprise Resource Planning (ERP) increased by 49.8% YoY, mainly from the increase in revenue from Implementation and Application Management Services for ERP Systems by 105% from the new project and the Increase in revenue of subscription service from new customer base by 43%



3. Revenue from Consulting services of Customer Experience Management (CEM) and Digital Marketing

For the period ended June 30, 2024, the revenue from consulting services and implementation specialized in brand strategy planning, customer experience management, and digital marketing decreased by 29.7% compared to the same period of last year.

4. Revenue from Placement Service

For the period ended June 30, 2024, the revenue from placement service increased THB 26.96 million or 21.0% compared to the same period of last year, mainly from new customer base.

Table 2: Sales and Services Revenues by type of recurring and non-recurring (6M YoY)

Revenue Types	For the period ended June 30,				Change	
	2024		2023		Increase/(Decrease)	
	THB mm	%	THB mm	%	THB mm	%
Revenues- Recurring	377.42	71.6	339.2	72.9	38.22	11.3
Revenues- Non - Recurring	140.93	26.7	118.83	25.5	22.10	18.6
Sales and Services Revenues	518.35	98.3	458.03	98.4	60.32	13.2
Other Revenue	8.80	1.7	7.32	1.6	1.48	20.2
Total Revenue	527.15	100.0	465.35	100.0	61.80	13.3

Cost of Sales and Services

For the period ended June 30, 2024, the Company's cost of sales and services mainly came from the cost of consultation and Implementation system. For the period ended June 31, 2024, the Company recorded a cost of sales and services of THB 466.01 million or 88.4% of sales, decreased 1.7% YoY.

Selling Expenses

For the period ended June 30, 2024, the Company recorded selling expenses of THB 29.58 million or 5.6% of total revenues. It was slightly increased. The main reason came from the Selling expense from new business.

Selling and Administrative Expenses

For the period ended June 30, 2024, the Company recorded selling and administrative expenses of THB 70.96 million or 13.5% of total. 16.9% increase compared to the same period of last year. The main reason came from 1). An expense from the newly acquired business of Lansing Business System Co., Ltd. Early last year. 2). Management fee and 3). Number of. Employee increased during the year.



Net Profit (Loss) After Tax

For the period ended June 30, 2024, Net Loss after tax of THB 48.51 million or (9.2%) of total revenues or decreased by 39.2% compared to the same period of last year.

Statement of Financial Position ended 30 June 2024

Financial Position	30 June 2024		31 December 2023		Change Increase/(Decrease)	
	THB mm	%	THB mm	%	THB mm	%
Assets						
Cash and cash equivalents	60.22	4.0	83.20	5.4	(22.98)	(27.6)
Trade and Other receivables, net	212.36	14.1	245.41	16.0	(33.05)	(13.5)
Unbilled receivables	212.98	14.1	228.66	14.9	(15.68)	(6.9)
Prepaid software license fees	139.82	9.3	96.08	6.3	43.74	45.5
Other current assets	43.05	2.9	41.67	2.7	1.38	3.3
Deposits at the bank used as collateral	101.38	6.7	110.58	7.2	(9.20)	(8.3)
Goodwill	514.97	34.1	514.97	33.6	-	-
Other non-current assets	224.53	14.9	212.74	13.9	11.79	5.5
Total assets	1,509.31	100.0	1,533.31	100.0	(24.00)	(1.6)
Liabilities						
Current liabilities	817.31	54.2	791.87	51.6	25.44	3.2
Non-current liabilities	84.20	5.6	85.14	5.6	(0.94)	(1.1)
Total liabilities	901.51	59.7	877.01	57.2	24.50	2.8
Equity	607.80	40.3	656.30	42.8	(48.50)	(7.4)
Total liabilities and equity	1,509.31	100.0	1,533.31	100.0	(24.00)	(1.6)

Total Assets

Total assets as of 30 June 2024 are THB 1,509.31 million, an increase of THB 24.00 million or 1.6% compared to total assets as of 31 December 2023. The main reason for this is that cash and Accounts Receivable decreased by THB 71.7 million, and License Prepayment increased by THB 43.7 million.

Total Liabilities

Total liabilities as of 30 June 2024 is THB 901.51 million, increased by 24.50 or 2.8% compared to total liabilities as of 31 December 2023 due to the short-term loans from related parties increased by THB 23.0 million.



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Equity

Total equity as of 31 Jun 2024 is THB 607.80 million, an increase of THB 48.50 million or 7.4%, mainly due to net loss last year.

AR Turnover and Collection Period

The standard credit term for our clients runs between 30-120 days, depending on the type of sales and service. Most of the company's and its subsidiaries' credit terms are 30 days. As of 30 June 2024, the DSO (Day Sales Outstanding) was 76 days on average, a slight decrease of 15 days from 91 days as of 31 December 2023.

Please be informed accordingly.

Sincerely Yours,

Mr. Somchai Mekasuvanroj

Chief Executive Officer

I&I Group Public Company Limited