บริษัท ออลล่า จำกัด (มหาชน)
ALLA PUBLIC COMPANY LIMITED

8 May 2020 Alla Public Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Business Performance Overview

The operating performance of the Group for the first quarter of 2020 has improved, compared to the same period of the prior year. Both the revenues from contracts with customers and the gross profit of the Group increased, resulting in the increase of the Group's net profits as well. The Group continued to receive orders from the customers continuously. The revenues backlog of the Group as at the end of the first quarter was Baht 275 million compared to the end of prior year.

The Group still has solid financial structure, has continued cash flow from operations, good liquidity ratio and low debt to equity ratio as well.

Consolidated Financial Performance for the first quarter of 2020

Operating Income			
(Thousand Baht)	1Q 2020	1Q 2019	%Chg.
Revenues from contracts with customers	125,301	97,924	28%
Other income	2,181	3,226	(32%)
Total Operating Income	127,482	101,150	26%

Revenues structure						
	1Q 2020		1Q 2019		Change	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Revenue from sales						
Crane and Electric Hoist	62,718	49%	43,740	44%	18,978	43%
Loading Dock and Equipment	30,110	24%	19,475	19%	10,635	55%
Warehouse management system and Equipment	987	1%	-	-	987	100%
Total revenue from sales	**93,815**	**74%**	**63,215**	**63%**	**30,600**	**48%**
Revenue from services						
Crane and Electric Hoist	24,830	19%	29,284	29%	(4,454)	(15%)
Loading Dock and Equipment	6,528	5%	5,397	5%	1,131	21%
Training center	128	0%	28	0%	100	357%
Total revenue from services	**31,486**	**25%**	**34,709**	**34%**	**(3,223)**	**(9%)**
Other income	**2,181**	**2%**	**3,226**	**3%**	**(1,045)**	**(32%)**
Total Operating Income	127,482	100%	101,150	100%	26,332	26%

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Total operating income for the first quarter of 2020 of the Group were Baht 127 million increased from the same period of prior year of Baht 26 million or 26%. Revenue from sale of crane and electric hoist increased by Baht 19 million or 43%. Revenue from sale of loading dock and equipment increased by Baht 11 million or 55%. The Group also had revenue from sale of warehouse management systems and equipment in the amount of Baht 1 million.

However, revenue from services slightly decreased by Baht 3 million or 9%, which decreased from crane and hoist service segment by Baht 4 million and increased from loading dock and equipment service segment by Baht 1 million.

In addition, other income of the Group decreased by Baht 1 million or 32% mainly due to loss from foreign exchange.

During this quarter, the Company received dividend of Baht 22.5 million from its subsidiary, which this transaction had been eliminated in the consolidated financial statements.

As at March 2020, the Group had revenues backlog of Baht 275 million, which decreased by Baht 8 million or 3% compared to prior year, such backlog will gradually be recognized as revenues from the second quarter of 2020 onward.

Operating Expenses			
(Thousand Baht)	1Q 2020	1Q 2019	%Chg.
Cost of sales and services	80,762	68,101	19%
Selling expenses	7,558	7,292	4%
Administrative expenses	22,206	21,922	1%
Total Operating Expenses	110,526	97,315	14%

Total operating expenses for the first quarter of 2020 of the Group were Baht 111 million increased from the same period of prior year of Baht 13 million or 14%. The mainly causes due to

- Cost of sales and services increased in line with revenues from contracts with customers.
- Selling expenses and Administrative expenses increased from expenses related to employees due to annual salary adjustment.

Other Items			
(Thousand Baht)	1Q 2020	1Q 2019	%Chg.
Finance cost	48	69	(30%)
Income tax expenses	3,370	931	262%
Total Other Items	3,418	1,000	242%

- Finance cost decreased by 30% due to the repayment of lease liabilities.
- Income tax expenses increased by 262% in line with the operating profit.

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Profitability Analysis			
(Thousand Baht)	1Q 2020	1Q 2019	%Chg.
Gross profit	44,539	29,823	49%
Gross profit margin	36%	30%	
Net profit	13,538	2,835	378%
Net profit margin	11%	3%	
Basic earnings per share (Baht)	0.023	0.005	360%

- Gross profit increased of Baht 15 million or 49%, with the gross profit margin at 36% increased 6% from the prior year, due to the efficiency of costing management.
- Net profit increased of Baht 11 million or 378%, with the net profit margin at 11% increased 8% from the prior year, which increased in line with the gross profit.
- Basic earnings per share increased of Baht 0.018 or 360% in line with the increase of net profit.

Consolidated Financial Position for the first quarter of 2020

Financial Position			
(Thousand Baht)	March 2020	December 2019	%Chg.
Total Assets	1,084,769	1,120,767	(3%)
Total Liabilities	206,120	255,656	(19%)
Total Shareholders' Equity	878,649	865,111	2%

- Total assets decreased of Baht 36 million or 3% mainly due to the payment to trade and other payables.
- Total liabilities decreased of Baht 50 million or 19% mainly due to the payment to trade and other payables.
- Total shareholders' equity increased of Baht 14 million from net profit of the period.

Liquidity and Capital Management

Cash Flows		
(Thousand Baht)	1Q 2020	1Q 2019
Net cash from operating activities	81,831	27,011
Net cash from (used in) investing activities	134,839	(4,039)
Net cash used in financing activities	(578)	(874)
Net increase in cash and cash equivalents	216,092	22,098
Beginning cash and cash equivalents	170,136	118,216
Ending cash and cash equivalents	386,228	140,314

For the first quarter of 2020, the Group had net increase in cash and cash equivalent of Baht 216 million from the beginning balance of Baht 170 million. As a result, cash and cash equivalents at the end of the period was Baht 386 million. Details of cash flows by activities during the period were as follows:-

- Net cash from operating activities were Baht 82 million.
- Net cash from investing activities were Baht 135 million mainly from sale of investment in trading securities.
- Net cash used in financing activities were Baht 1 million mainly due to the repayment of lease liabilities.

Ratios Analysis		
	1Q 2020	1Q 2019
Return on Asset (%)	12.72%	9.04%
Return on Equity (%)	13.28%	9.49%
Current ratio (x)	4.88	2.97
Total debt to equity (x)	0.23	0.39

Return on asset and return on equity increased by 3.68% and 3.79%, respectively, due to the increase of profit. Current ratio increased by 1.91x and Total debt to equity ratio decreased by 0.16x due to the decrease in current liabilities as from trade accounts payable and deposit received in advance. In addition, the Group had increase of profit when compared to the same period of prior year.