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August 13, 2024

Subject: Management's Discussion and Analysis for Six Months Ended June 30, 2024

To The President  
The Stock Exchange of Thailand

**Management's Discussion and Analysis**  
**Consolidated Financial Statements**  
**For six months ended June 30, 2024**

**Overall Group Performance**

**Table 1: Overall Financial Performance**

**Unit: million baht**

	<b>6M 2024</b>	<b>6M 2023</b>	<b>Change</b>	<b>%YoY</b>
Revenues	690.84	608.86	81.98	13.5%
Gross Profit	347.33	309.97	37.36	12.1%
Adjusted EBT*	198.80	163.90	34.90	21.3%
EBT	190.17	148.63	41.54	27.9%
Net Profit	163.85	132.66	31.19	23.5%
% Gross Profit Margin	50.3%	50.9%		
% Adjusted EBT	28.8%	26.9%		

	<b>Q2 2024</b>	<b>Q2 2023</b>	<b>Change</b>	<b>%YoY</b>	<b>Q1 2024</b>
Revenues	345.17	307.37	37.80	12.3%	345.67
Gross Profit	173.01	159.21	13.80	8.7%	174.32
Adjusted EBT*	104.40	81.67	22.73	27.8%	94.40
EBT	93.32	76.71	16.61	21.7%	96.85
Net Profit	81.78	70.57	11.21	15.9%	82.07
% Gross Profit Margin	50.1%	51.8%			50.4%
% Adjusted EBT	30.2%	26.6%			27.3%

Note:

\* Adjusted Earnings before tax which exclude the effect of transactions from gain/loss on valuation of financial investment, Exchange gain (loss), one-off income (expenses) and Amortization expense of intangible asset from Purchase Price Allocation (PPA).

**Revenues**

For 6M 2024, The Humanica Group of Companies ("HUMAN" or the "Company") delivered sales and service revenue of 690.84mb (6M 2023: 608.86mb), an increase of 81.98mb or 13.5%. HR Solutions revenue increased 75.88mb or 13.7% from organic growth 67.31mb which mostly increased from license income (SaaS model), payroll outsourcing income and implementation income and increased from new business

from HRM Consulting Company Limited (New subsidiary) 8.57mb. Financial Solutions revenue increased 6.10mb or 10.8%.

For Q2 2024, the revenue increased by 37.80mb or 12.3% to 345.17mb (Q2 2023: 307.37mb) from HR Solutions 32.35mb or 11.6% and Financial Solutions 5.45mb or 18.7%.

### **Gross Profit**

For 6M 2024, gross profit grew +37.36mb or +12.1% and gross profit margin (GPM) slightly decreased from 50.9% to 50.3% as revenue grew +81.98mb and cost increased -44.62mb from increase in staff cost -30.50mb, license cost -6.67mb and cloud cost -4.60mb.

For Q2 2024, gross profit increased by +13.80mb or +8.7% and gross profit margin decreased from 51.8% to 50.1% as revenue grew +37.80mb and cost increased -24.01mb from increase in staff cost -17.00mb, license cost -4.82mb and cloud cost -2.88mb.

### **Adjusted EBT/EBT**

#### For 6M 2024,

Adjusted EBT closed at 198.80mb (6M 2023: 163.90mb), an increase of 34.90mb or 21.3% from

- Gross Profit grew +37.36mb
- Increase of SG&A expense -1.37mb (increase from marketing and traveling expenses)
- Share of loss from associates and Joint Venture -1.43mb

EBT closed at 190.17mb (6M 2023: 148.63mb) increased by 41.54mb or 27.9% mostly from

- Adjusted EBT grew +34.90mb
- Exchange gain increased +8.62mb

#### For Q2 2024,

Adjusted EBT increased by 22.73mb or 27.8% to 104.40mb (Q2 2023: 81.67mb) from

- Gross Profit grew +13.80mb
- Decrease of SG&A expense +5.14mb (decrease from staff cost and professional fee)
- Share of profit from associates and Joint Venture +2.34mb
- Interest and dividend income +1.43mb

EBT increased by 16.61mb or 21.7% to 93.32mb (Q2 2023: 76.71mb) from

- Adjusted EBT grew +22.73mb
- Loss on valuation of financial investment -3.00mb
- Exchange gain decreased -1.00mb
- PPA amortization -0.5mb

### **Net Profit**

The net profit after tax closed at 163.85mb (6M 2023: 132.66mb), increasing by 31.19mb or 23.5% with overall net profit margin up to 23.7% (6M 2023: 21.8%) due to a growth in EBT +41.54 less increased in income tax -10.35mb.

For Q2 2024, the net profit increased by 11.21mb or 15.9% to 81.78mb (Q2 2023: 70.57mb) due to increasing in EBT +16.61mb less increase in income tax -5.39mb.

## Segment Report

**Table 2: The breakdown performance by business entities**

Unit: million baht

	6M 2024			6M 2023		
	HR Solutions	Financial Solutions	Total	HR Solutions	Financial Solutions	Total
<u>Revenue</u>						
-Thailand	353.63	62.34	415.97	318.40	56.24	374.64
-Indonesia	205.33	-	205.33	179.70	-	179.70
-Other SEA	69.54	-	69.54	54.52	-	54.52
<b>Total revenue</b>	<b>628.50</b>	<b>62.34</b>	<b>690.84</b>	<b>552.62</b>	<b>56.24</b>	<b>608.86</b>
Gross Profit	330.71	16.62	347.33	294.68	15.29	309.97
Operating Profit	167.84	7.53	175.37	133.10	6.28	139.38

	Q2 2024			Q2 2023		
	HR Solutions	Financial Solutions	Total	HR Solutions	Financial Solutions	Total
<u>Revenue</u>						
-Thailand	180.75	34.59	215.34	159.75	29.14	188.89
-Indonesia	99.29	-	99.29	93.68	-	93.68
-Other SEA	30.54	-	30.54	24.80	-	24.80
<b>Total revenue</b>	<b>310.58</b>	<b>34.59</b>	<b>345.17</b>	<b>278.23</b>	<b>29.14</b>	<b>307.37</b>
Gross Profit	162.75	10.26	173.01	151.06	8.15	159.21
Operating Profit	82.58	5.64	88.22	68.51	3.39	71.90

In Table 2, The Company's segment report comprises 2 business units, HR Solutions and Financial Solutions.

### **6M 2024/6M 2023**

#### HR Solutions

- HR solutions revenue increased 75.88mb or 13.7% to 628.50mb (6M 2023: 552.62mb). This increase is mainly due to increasing revenue from license income (SaaS model), payroll outsourcing income and implementation income which increased from Thailand 35.23mb or 11.1%, Indonesia 25.63mb or 14.3% and others 15.02mb or 27.5%.
- Gross profit increased 36.03mb or 12.2% to 330.71mb (6M 2023: 294.68mb) as revenue grew +75.88mb and cost increased -39.85mb.
- Operating profit increased 34.74mb or 26.1% to 167.84mb (6M 2023: 133.10mb).

#### Financial Solutions

- Financial solutions revenue increased 6.10mb or 10.8% to 62.34mb (6M 2023: 56.24mb) from recognition of license income from new clients.

- Gross profit increased 1.33mb or 8.7% to 16.62mb (6M 2023: 15.29mb) as revenue grew +6.10mb and cost increased -4.77mb.
- Operating profit increased 1.25mb or 19.9% to 7.53mb (6M 2023: 6.28mb).

## Q2 2024/Q2 2023

### HR Solutions

- HR solutions revenue increased 32.35mb or 11.6% to 310.58mb (Q2 2023: 278.23mb). This increase is mainly due to increasing revenue from license income (SaaS model), payroll outsourcing income and implementation income which increased from Thailand 21.00mb or 13.1%, Indonesia 5.61mb or 6.0% and others 5.74mb or 23.1%.
- Gross profit increased 11.69mb or 7.7% to 162.75mb (Q2 2023: 151.06mb) as revenue grew +32.35mb and cost increased -20.66mb.
- Operating profit increased 14.07mb or 20.5% to 82.58mb (Q2 2023: 68.51mb).

### Financial Solutions

- Financial solutions revenue increased 5.45mb or 18.7% to 34.59mb (Q2 2023: 29.14mb) from recognition of license income from new clients in Q2 2024.
- Gross profit increased 2.11mb or 25.9% to 10.26mb (Q2 2023: 8.15mb) as revenue grew +5.45mb and cost increased -3.34mb.
- Operating profit increased 2.25mb or 66.4% to 5.64mb (Q2 2023: 3.39mb).

### The recurring and non-recurring revenue:

**Table 3: The break down revenue by recurring & non-recurring revenue.**

Unit: million baht

6M 2024	Thailand			Indonesia	Other SEA	Total	% Proportion
	HR Solutions	Financial Solutions	Total	HR Solutions	HR Solutions		
Recurring	244.46	41.15	285.61	138.35	62.36	486.32	70.4%
Non-Recurring	109.18	21.19	130.37	66.97	7.18	204.52	29.6%
Total Revenues	353.64	62.34	415.98	205.32	69.54	690.84	100.0%

6M 2023	Thailand			Indonesia	Other SEA	Total	% Proportion
	HR Solutions	Financial Solutions	Total	HR Solutions	HR Solutions		
Recurring	221.12	36.26	257.38	122.85	52.49	432.72	71.1%
Non-Recurring	97.28	19.98	117.26	56.85	2.03	176.14	28.9%
Total Revenues	318.40	56.24	374.64	179.70	54.52	608.86	100.0%

Q2 2024	Thailand			Indonesia	Other SEA	Total	% Proportion
	HR Solutions	Financial Solutions	Total	HR Solutions	HR Solutions		
Recurring	122.87	21.21	144.08	68.79	28.11	240.98	69.8%
Non-Recurring	57.89	13.38	71.27	30.49	2.43	104.19	30.2%
Total Revenues	180.76	34.59	215.35	99.28	30.54	345.17	100.0%

Q2 2023	Thailand			Indonesia	Other SEA	Total	% Proportion
	HR Solutions	Financial Solutions	Total	HR Solutions	HR Solutions		
Recurring	112.07	18.60	130.67	63.58	23.67	217.92	70.9%
Non-Recurring	47.68	10.54	58.22	30.10	1.13	89.45	29.1%
Total Revenues	159.75	29.14	188.89	93.68	24.80	307.37	100.0%

### 6M 2024/6M 2023

Overall, the Company's recurring revenue proportion decreased from 71.1% in 6M2023 to 70.4% in 6M2024 while non-recurring revenue proportion increased from 28.9% to 29.6%. Recurring revenue reported an overall increase of 53.60mb or 12.4%. We registered stronger growth in recurring SaaS and payroll outsourcing service revenue.

Non-recurring revenue increased 28.38mb or 16.1% from 6M2023, mainly due to increasing in implementation income.

### Q2 2024/Q2 2023

The Company's recurring revenue proportion decreased from 70.9% in Q2 2023 to 69.8% in Q2 2024 while non-recurring revenue proportion increased from 29.1% to 30.2%. Recurring revenue reported an overall increase of 23.06mb or 10.6%, driven by income from software and human resources system and payroll outsourcing service.

Non-recurring revenue increased 14.74mb or 16.5% from Q2 2023, mainly due to increasing in implementation and change request income.

## Financial Position

Table 4: Overall Financial Position

Unit: million baht

<u>Assets</u>	As of Dec 31, 2023	%	As of Jun 30, 2024	%	Change YoY	% YoY
Cash and cash equivalents	613.03	15.0%	476.35	11.0%	(136.68)	(22.3%)
Current financial assets	93.26	2.3%	56.18	1.3%	(37.08)	(39.8%)
Trade & Other receivable	185.88	4.5%	209.83	4.9%	23.95	12.9%
Current contract assets	71.06	1.7%	78.54	1.8%	7.48	10.5%
Inventory	6.35	0.2%	6.88	0.2%	0.53	8.3%
Short-term loan to a third party	-	-	138.00	3.2%	138.00	-
Other current Asset	4.83	0.1%	4.20	0.1%	(0.63)	(13.0%)
Non-current financial assets	484.64	11.8%	535.35	12.4%	50.71	10.5%
Right to use assets	129.98	3.2%	121.15	2.8%	(8.83)	(6.8%)
Goodwill	1,914.51	46.7%	2,050.36	47.5%	135.85	7.1%
Non-Current asset	595.80	14.5%	635.42	14.8%	39.62	6.6%
<b>Total Assets</b>	<b>4,099.34</b>	<b>100.0%</b>	<b>4,312.26</b>	<b>100.0%</b>	<b>212.92</b>	<b>5.2%</b>
<u>Liabilities</u>						
Current liability	304.73	7.4%	329.23	7.6%	24.50	8.0%
Non-Current liability	194.92	4.8%	184.24	4.3%	(10.68)	(5.5%)
<b>Total liabilities</b>	<b>499.65</b>	<b>12.2%</b>	<b>513.47</b>	<b>11.9%</b>	<b>13.82</b>	<b>2.8%</b>
<b>Shareholders' equity</b>	<b>3,599.69</b>	<b>87.8%</b>	<b>3,798.79</b>	<b>88.1%</b>	<b>199.10</b>	<b>5.5%</b>
<b>Total liabilities and Shareholders' equity</b>	<b>4,099.34</b>	<b>100.0%</b>	<b>4,312.26</b>	<b>100.0%</b>	<b>212.92</b>	<b>5.2%</b>

**(a) Total assets**

Total assets as of June 30, 2024 stand at 4,312.26mb, an increase of 212.92mb or 5.2%. The increase was mainly due to higher non-current financial assets 50.71mb, trade and other receivables 23.95mb, short-term loan to other 138.00mb which was DataOn's loan to third party in Indonesia with a fixed interest rate at 12% per annum, the maturity date in December 31, 2024 and secured by collateral and goodwill 135.85mb which increased from recognition of gain on FX of DataOn group's goodwill USD 51.72 million to convert closing rate.

**(b) Total Liabilities**

Total liability as of June 30, 2024 was 513.47mb, increasing by 13.82mb or 2.8%, mainly due to increasing in trade and other payables 13.78mb and contract liabilities 8.91mb.

(c) **Shareholders' equity**

Total shareholder's equity as of June 30, 2024 was 3,798.79mb, increasing by 199.10mb or 5.5%, mainly due to increasing in unappropriated retained earnings 39.13mb and other components of equity 168.86mb (increased from translation adjustments through other comprehensive income of DataOn group's goodwill).

**Cash Flow Statement**

Unit: million baht

	6M 2023	6M 2024
Net cash provided by (used in)		
Cash Flow from Operating (CFO)	179.85	228.10
Cash Flow from Investing (CFI)	(60.61)	(209.53)
Cash Flow from Financing (CFF)	(130.26)	(159.00)
Net increase (decrease) in cash and cash equivalents	(11.02)	(140.43)

**Cash Flow from Operating Activities**

CFO for 6M 2024 was 228.10mb mainly came from EBITDA +245mb. The management will consider using the surplus CFO in investment or any other activities to create better value for the Company.

**Cash Flow from Investing Activities**

CFI for 6M 2024 was -209.53mb mainly due to additional investment in associated companies, financial assets, software development and short-term loan to an external company.

**Cash Flow from Financing Activities**

CFF for 6M 2024 was -159.00mb due to finance lease payment -26.57mb and dividend payment -132.43mb.

Please be informed accordingly.

Yours sincerely,

Mr. Soontorn Dentham  
Chief Executive Officer