

Autocorp Holding Public Company Limited and its subsidiaries

Management Discussion and Analysis for the 2nd Quarter 2024

Overall Performance

Autocorp Holding Public Company Limited (“ACG” or “the Company”) and its subsidiaries (“the Group”) reported a net profit for the six-month period ended June 30, 2024, of Baht 12.31 million, a decrease of 3.90% from Baht 12.81 million compared to 2023. For Q2/2024, net profit was Baht 5.20 million, a decrease of 13.04% from Baht 5.98 million compared to Q2/2023.

The Group's total revenue for the six-month period ended June 30, 2024, was Baht 809.53 million, a decrease of 14.48% from Baht 946.55 million. On a quarterly basis, total revenue in Q2/2024 was Baht 373.62 million, a decrease of 18.73% from Baht 459.73 million compared to Q2/2023. The main reason was a decrease in revenue from cars and accessories dealership by Baht 174.43 million or 26.66%. On a quarterly basis, revenue decreased by Baht 96.59 million, or 30.94%. Total expenses for the six-month period ended June 30, 2024, amounted to Baht 777.11 million, a decrease of 15.02% from Baht 914.45 million. On a quarterly basis, total expenses in Q2/2024 were Baht 358.96 million, a decrease of 19.16% from Baht 444.04 million, mainly as a result of cost of sale, which corresponded with the decrease in sales revenue. Additionally, the Group's gross profit margin increased by 2.69% compared to the first six months of 2023, reflecting improved profitability.

Overall of Performance for the car dealership and service center business had total revenue of Baht 724.80 million for the six-month period ended June 30, 2024, a decrease of 18.41% compared to 2023. On a quarterly basis, revenue in Q2/2024 was Baht 332.73 million, a decrease of 22.78%. The main reason was the car and accessories sales segment due to a decrease in car sales volume. However, the maintenance service and spare parts sales segment had better performance due to an increase in the number of cars serviced. The car dealership and service center business had an increase in gross profit margin of 2.90% compared to the first six months of 2023.

In the business segment of selling spare parts and quick repair service for all brands of cars (“Fast Fit”) had total revenue for the six-month period ended June 30, 2024, was Baht 91.01 million, an increase of 43.19%. On a quarterly basis, revenue in Q2/2024 was Baht 44.01 million, an increase

of 39.14%. This growth was primarily due to the addition of two new branches compared to 2023. Currently, there are 15 branches in operation. The Fast Fit business had an increased gross profit margin of 2.94% compared to the first six months of 2023.

Operating results for the 2nd Quarter of 2024

(Unit: THB million)	Jan-Jun 2023	Jan-Jun 2024	%	Quarter 2/2023	Quarter 2/2024	%
Total revenue	946.55	809.53	(14.48%)	459.73	373.62	(18.73%)
- Revenue from cars and accessories dealership	654.27	479.84	(26.66%)	312.15	215.56	(30.94%)
- Revenue from repair and maintenance services and spare parts dealership	262.50	304.32	15.93%	131.52	145.17	10.38%
Total revenue from sale and rendering of services	916.77	784.16	(14.46%)	443.67	360.73	(18.69%)
- Commission income	23.37	16.94	(27.51%)	11.19	7.45	(33.42%)
- Other income	6.41	8.43	31.51%	4.87	5.44	11.70%
Cost of sales and rendering of services	804.15	666.77	(17.08%)	387.92	304.84	(21.42%)
Gross profit	112.62	117.39	4.24%	55.75	55.90	0.27%
Distribution costs	29.31	30.57	4.30%	14.64	14.58	(0.41%)
Administrative expenses	80.99	79.76	(1.52%)	41.48	39.54	(4.68%)
Finance costs	9.48	10.66	12.45%	4.95	4.93	(0.40%)
Tax expense	9.81	9.46	(3.57%)	4.76	4.53	(4.83%)
Net Profit	12.81	12.31	(3.90%)	5.98	5.20	(13.04%)
Gross profit margin	12.28%	14.97%	21.86%	12.57%	15.49%	23.31%
Net Profit Margin	1.35%	1.52%	12.36%	1.30%	1.39%	7.00%

Revenue from sale and rendering of services for the first six months of 2024 amounted to Baht 784.16 million, a decrease of 14.46% from Baht 916.77 million. When comparing quarterly, revenue from sales and rendering of services in Q2/2024 amounted to Baht 360.73 million, a decrease of 18.69% from Baht 443.67 million compared to Q2/2023, with the following details :

- **Revenue from cars and accessories dealership** for the first six months of 2024 amounted to Baht 479.84 million, a decrease of 26.66% from Baht 654.27 million. The main reason for this decrease was a 32.40% decrease in car sales volume compared to 2023. On a quarterly basis, revenue in Q2/2024 amounted to Baht 215.56 million, a decrease of 30.94% from Baht 312.15 million. The main reason for this decrease was a 34.04% decrease in car sales volume compared to Q2/2023.
- **Revenue from repair and maintenance services and spare parts dealership** for the first six months of 2024 amounted to Baht 304.32 million, an increase of 15.93% from Baht 262.50 million. On a quarterly basis, revenue in Q2/2024 was Baht 145.17 million, an increase of 10.38% from Baht 131.52 million compared to Q2/2023. This increase was due to a rise in revenue from the Fast Fit business by Baht 26.84 million, or 42.70%, compared to the first six months of 2023, and an increase of Baht 12.13 million, or 38.83%, on a quarterly basis, due to the opening of two additional branches. Furthermore, the number of cars serviced at branches operating since 2023 increased by 26.70%, reflecting a successful brand awareness strategy.

In the dealership and service center business, revenue increased by Baht 22.94 million, or 11.28%, compared to the first six months of 2023, and increased by Baht 8.96 million, or 8.78%, on a quarterly basis, due to the number of cars serviced for the general maintenance section increasing by 1.09% and income per car increasing by 13.81% compared to the first six months of 2023.

Commission income for the first six months of 2024 amounted to Baht 16.94 million, a decrease of 27.51% from Baht 23.37 million compared to 2023. On a quarterly basis, commission income in Q2/2024 was Baht 7.45 million, a decrease of 33.42% from Baht 11.19 million compared to Q2/2023. The decline was primarily due to a decrease in car sales volume. As a result, commission income from providing finance and insurance decreased, which tends to follow the volume of car sale.

Distribution costs for the first six months of 2024 amounted to Baht 30.57 million, an increase of 4.30% from Baht 29.31 million compared to 2023. The main reason is personnel expenses and the increased promotional costs of the Fast Fit business. On a quarterly basis, distribution costs in

Q2/2024 amounted to Baht 14.58 million, a slight decrease of 0.41% from Baht 14.64 million compared to Q2/2023.

Administrative expenses for the first six months of 2024 amounted to Baht 79.76 million, a decrease of 1.52% from Baht 80.99 million compared to 2023. On a quarterly basis, administrative expenses in Q2/2024 were Baht 39.54 million, a decrease of 4.68% from Baht 41.48 million compared to Q2/2023. The main reason is a decrease in share-based employee benefit expenses.

Financial Position

(Unit: THB million)	31 December 2023	31 March 2024	+ / (-)	%
Cash and cash equivalents	173.14	151.82	(21.32)	(12.31%)
Trade accounts receivable	49.60	34.33	(15.27)	(30.79%)
Inventories	155.64	129.70	(25.94)	(16.67%)
Property, plant and equipment	623.71	607.10	(16.61)	(2.66%)
Other assets	367.24	360.10	(7.14)	(1.94%)
Total assets	1,369.33	1,283.05	(86.28)	(6.30%)
Short-term loans from a financial institution	320.00	220.00	(100.00)	(31.25%)
Trade accounts payable	89.25	109.33	20.08	22.50%
Long-term loans from a financial institution	27.35	19.25	(8.10)	(29.62%)
Other liabilities	237.43	232.48	(4.95)	(2.08%)
Total liabilities	674.03	581.06	(92.97)	(13.79%)
Total equity	695.30	701.99	6.69	0.96%
Total liabilities and equity	1,369.33	1,283.05	(86.28)	(6.30%)

Total assets amounted to Baht 1,283.05 million, a decrease of 6.30% from Baht 1,369.33 million, mainly due to:

- Cash and cash equivalents decreased by Baht 21.32 million or 12.31% due to cash outflows from financing activities. The details of the liquidity analysis are on the next page.

- Trade receivables decreased by Baht 15.27 million or 30.79% due to the outstanding balance of trade receivables of finance company decreasing and corresponds to a decrease in car sales.
- Inventories decreased by Baht 25.94 million or 16.67% due to car inventories decreasing by Baht 22.64 million.

Total liabilities amounted to Baht 581.06 million, a decrease of 13.79% from Baht 674.03 million, mainly due to:

- Short-term loans from a financial institution decreased by Baht 100.00 million or 31.25% due to repayment of promissory note.
- Trade accounts payable increased by Baht 20.08 million or 22.50% due to the purchase of cars at the end of June 2024, outstanding payables that were not yet due for payment have increased when compared to the end of 2023.
- Long-term loans from a financial institution decreased by Baht 8.10 million or 29.62% due to repayment of loans according to contracts.

Equity amounted to Baht 701.99 million, an increase of 0.96% from Baht 695.30 million due to a net profit of Baht 12.31 million, warrants to purchase common shares increased by Baht 2.38 million and decreased from dividend payments of Baht 8.00 million.

Liquidity analysis

(Unit: THB million)

	Jan-June 2023	Jan-June 2024
EBITDA	59.28	61.81
Change in operating assets and liabilities	(16.19)	49.62
Net cash flows from (used in) operating activities	43.09	111.43
Net cash flows from (used in) investing activities	(21.75)	(2.72)
Net cash flows from (used in) financing activities	(18.06)	(130.03)
Net cash increase (decrease)	3.28	(21.32)
Cash at beginning of period	146.12	173.14
Cash at ending of period	149.40	151.82

- **Net cash inflow from operating activities** amounted to Baht 111.43 million includes the earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to Baht 61.81 million and the cash inflow from change in operating assets and liabilities amounted to Baht 49.62 million. The main transactions which caused the cash flow to increase were Baht 15.27 million decrease in trade accounts receivable, Baht 25.94 million decrease in inventories and Baht 20.08 million increase in trade accounts payable and taxes paid amounted to Baht 9.01 million.
- **Net cash outflow from investing activities** amounted to Baht 2.72 million mainly due to payment for the purchase of vehicles and equipment amounted Baht 5.13 million.
- **Net cash outflow from financing activities** amounted to Baht 130.03 million, was from loans from financial institutions drawdown amounted to Baht 1,340.00 million, repayment of loan amounted to Baht 1,448.10 million, lease liabilities payment amounted to Baht 7.52 million, interest payment amounted to Baht 6.43 million and dividend payment amounted to Baht 7.98 million

Please be informed accordingly,

Yours sincerely

(Phanumast Rungkakulnuwat)

Chief Executive Officer