

Autocorp Holding Public Company Limited and its subsidiaries

Management Discussion and Analysis for the 3rd Quarter 2024

Overall Performance

Autocorp Holding Public Company Limited (“ACG” or “the Company”) and its subsidiaries (“the Group”) reported a net profit for the nine-month period ended September 30, 2024, of Baht 16.76 million, an increase of 15.19% from Baht 14.55 million compared to 2023. For Q3/2024, net profit was Baht 4.45 million, an increase of 155.75% from Baht 1.74 million compared to Q3/2023

The Group's total revenue for the nine-month period ended September 30, 2024, was Baht 1,162.54 million, a decrease of 15.12% from Baht 1,369.61 million. On a quarterly basis, total revenue in Q3/2024 was Baht 353.01 million, a decrease of 16.56% from Baht 423.06 million compared to Q3/2023. The main reason was a decrease in revenue from cars and accessories dealership by Baht 267.09 million or 28.68%. On a quarterly basis, revenue decreased by Baht 92.66 million, or 33.47%. Total expenses for the nine-month period ended September 30, 2024, amounted to Baht 1,117.90 million, a decrease of 15.76% from Baht 1,326.97 million. On a quarterly basis, total expenses in Q3/2024 were Baht 340.79 million, a decrease of 17.39% from Baht 412.52 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 2.84% compared to the first nine months of 2023, reflecting improved profitability.

Overall Performance for the car dealership and service center business had total revenue of Baht 1,033.65 million for the nine-month period ended September 30, 2024, a decrease of 19.13% compared to 2023. On a quarterly basis, revenue in Q3/2024 was Baht 308.84 million, a decrease of 20.77%. 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 increased income per car. The car dealership and service center business had an increase in gross profit margin of 3.63% compared to the first nine 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 nine-month period ended September 30, 2024, was Baht 138.56 million, an increase of 38.97%. On a quarterly basis, revenue in Q3/2024 was Baht 47.55 million, an increase of 31.61%. 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 2.63% compared to the first nine months of 2023.

Operating results for the 3rd Quarter of 2024

(Unit: THB million)	Jan-Sep 2023	Jan-Sep 2024	%	Quarter 3/2023	Quarter 3/2024	%
Total revenue	1,369.61	1,162.54	(15.12%)	423.06	353.01	(16.56%)
- Revenue from cars and accessories dealership	931.15	651.02	(30.08%)	276.88	171.18	(38.18%)
- Revenue from repair and maintenance services and spare parts dealership	398.50	477.11	19.73%	136.00	172.79	27.05%
Total revenue from sale and rendering of services	1,329.65	1,128.13	(15.16%)	412.88	343.97	(16.69%)
- Commission income	31.76	23.62	(25.63%)	8.39	6.67	(20.50%)
- Other income	8.20	10.79	31.59%	1.79	2.37	32.40%
Cost of sales and rendering of services	1,164.79	956.18	(17.91%)	360.64	289.40	(19.75%)
Gross profit	164.86	171.95	4.30%	52.24	54.57	4.46%
Distribution costs	43.11	43.83	1.67%	13.81	13.26	(3.98%)
Administrative expenses	119.07	117.89	(0.99%)	38.07	38.13	0.16%
Finance costs	14.78	15.31	3.59%	5.30	4.66	(12.08%)
Tax expense	13.31	12.57	(5.56%)	3.50	3.11	(11.14%)
Net Profit	14.55	16.76	15.19%	1.74	4.45	155.75%
Gross profit margin	12.40%	15.24%	22.90%	12.65 %	15.86%	25.38%
Net Profit Margin	1.06%	1.44%	35.85%	0.41%	1.26%	207.32%

Revenue from sale and rendering of services for the first nine months of 2024 amounted to Baht 1,128.13 million, a decrease of 15.16% from Baht 1,329.65 million. When comparing quarterly, revenue from sales and rendering of services in Q3/2024 amounted to Baht 343.97 million, a decrease of 16.69% from Baht 412.88 million compared to Q3/2023, with the following details:

- **Revenue from cars and accessories dealership** for the first nine months of 2024 amounted to Baht 651.02 million, a decrease of 30.08% from Baht 931.15 million. The main reason for this decrease was a 32.36% decrease in car sales volume compared to 2023. On a quarterly basis, revenue in Q3/2024 amounted to Baht 171.18 million, a decrease of 38.18% from Baht 276.88 million. The main reason for this decrease was a 32.23% decrease in car sales volume compared to Q3/2023.
- **Revenue from repair and maintenance services and spare parts dealership** for the first nine months of 2024 amounted to Baht 477.11 million, an increase of 19.73% from Baht 398.50 million. On a quarterly basis, revenue in Q3/2024 was Baht 172.79 million, an increase of 27.05% from Baht 136.00 million compared to Q3/2023. This increase was due to a rise in revenue from the Fast Fit business by Baht 37.96 million, or 38.54%, compared to the first nine months of 2023, and an increase of Baht 11.12 million, or 31.19%, 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 35.28%, reflecting a successful brand awareness strategy.

In the dealership and service center business, revenue increased by Baht 40.68 million, or 13.55%, compared to the first nine months of 2023, and increased by Baht 25.67 million, or 25.58%, on a quarterly basis, due to the income per car for the general maintenance section increasing by 17.70% and the body and paint repair segment increased by 6.48% compared to the first nine months of 2023.

Commission income for the first nine months of 2024 amounted to Baht 23.62 million, a decrease of 25.63% from Baht 31.76 million compared to 2023. On a quarterly basis, commission income in Q3/2024 was Baht 6.67 million, a decrease of 20.50% from Baht 8.39 million compared to Q3/2023. 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 nine months of 2024 amounted to Baht 43.83 million, an increase of 1.67% from Baht 43.11 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 Q3/2024 amounted to Baht 13.26 million, a slight decrease of 3.98% from Baht 13.81 million compared to Q3/2023.

Administrative expenses for the first nine months of 2024 amounted to Baht 117.89 million, a decrease of 0.99% from Baht 119.07 million compared to 2023. The main reason is a decrease in share-based employee benefit expenses. On a quarterly basis, administrative expenses in Q3/2024 were Baht 38.13 million, an increase of 0.16% from Baht 38.07 million compared to Q3/2023.

Financial Position

(Unit: THB million)	31 December 2023	30 September 2024	+ / (-)	%
Cash and cash equivalents	173.14	132.23	(40.91)	(23.63%)
Trade accounts receivable	49.60	33.76	(15.84)	(31.94%)
Inventories	155.64	118.47	(37.17)	(23.88%)
Property, plant and equipment	623.71	603.05	(20.66)	(3.31%)
Other assets	367.24	353.45	(13.79)	(3.76%)
Total assets	1,369.33	1,240.96	(128.37)	(9.37%)
Short-term loans from a financial institution	320.00	220.00	(100.00)	(31.25%)
Trade accounts payable	89.25	73.49	(15.76)	(17.66%)
Long-term loans from a financial institution	27.35	15.20	(12.15)	(44.42%)
Other liabilities	237.43	225.24	(12.19)	(5.13%)
Total liabilities	674.03	533.93	(140.10)	(20.79%)
Total equity	695.30	707.03	11.73	1.69%
Total liabilities and equity	1,369.33	1,240.96	(128.37)	(9.37%)

Total assets amounted to Baht 1,240.96 million, a decrease of 9.37% from Baht 1,369.33 million, mainly due to:

- Cash and cash equivalents decreased by Baht 40.91 million or 23.63% due to cash outflows from financing activities. The details of the liquidity analysis are on the next page.
- Trade receivables decreased by Baht 15.84 million or 31.94% due to the outstanding balance of trade receivables of finance company decreasing and corresponds to a decrease in car sales.
- Inventories decreased by Baht 37.17 million or 23.88% due to car inventories decreasing by Baht 31.03 million.

Total liabilities amounted to Baht 533.93 million, a decrease of 20.79% 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 decreased by Baht 15.76 million or 17.66% due to a reduction in car purchases, which aligns with the decrease in car inventory compared to the end of 2023.
- Long-term loans from a financial institution decreased by Baht 12.15 million or 44.42% due to repayment of loans according to contracts.

Equity amounted to Baht 707.03 million, an increase of 1.69% from Baht 695.30 million due to a net profit of Baht 16.76 million, warrants to purchase common shares increased by Baht 2.98 million and decreased from dividend payments of Baht 8.00 million.

Liquidity analysis

(Unit: THB million)

	Jan-Sep 2023	Jan-Sep 2024
EBITDA	84.21	88.86
Change in operating assets and liabilities	(60.19)	20.24
Net cash flows from (used in) operating activities	24.02	109.10
Net cash flows from (used in) investing activities	(36.39)	(9.74)
Net cash flows from (used in) financing activities	(19.05)	(140.27)
Net cash increase (decrease)	(31.42)	(40.91)
Cash at beginning of period	146.12	173.14
Cash at ending of period	114.70	132.23

- **Net cash inflow from operating activities** amounted to Baht 109.10 million includes the earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to Baht 88.86 million and the cash inflow from change in operating assets and liabilities amounted to Baht 20.25 million. The main transactions which caused the cash flow to increase were Baht 15.84 million decrease in trade accounts receivable, Baht 41.23 million decrease in inventories and Baht 15.76 million decrease in trade accounts payable and taxes paid amounted to Baht 17.14 million.
- **Net cash outflow from investing activities** amounted to Baht 9.74 million mainly due to payment for the purchase of vehicles and equipment amounted Baht 11.69 million.
- **Net cash outflow from financing activities** amounted to Baht 140.27 million, was from loans from financial institutions drawdown amounted to Baht 1,580.00 million, repayment of loan amounted to Baht 1,692.15 million, lease liabilities payment amounted to Baht 11.14 million, interest payment amounted to Baht 9.01 million and dividend payment amounted to Baht 7.98 million.

Please be informed accordingly,

Yours sincerely

(Mr. Phanumast Rungkakulnuwat)

Chief Executive Officer