



No. NCAP-ACC-2021-04

Next Capital Public Company Limited
163 Thai Samut Building, 15th floor,
Surawongse road, Suriyawongse, Bangrak,
Bangkok 10500

November 9, 2021

Subject Management Discussion and Analysis for the 3-month and 9-month ended September 30, 2021

To President
The Stock Exchange of Thailand

Next Capital Public Company Limited (“The Company”) and its subsidiary have informed the operating result for the 3-month and 9-month ended September 30, 2021 as follows:

For operating result for the 3-month ended September 30, 2021, Profit owners of the parent was 73.56 million baht compared to net profit of 68.22 million baht in the same period of the previous year. It increased by 5.34 million baht or equaled to a growth rate of 7.83%. The detail is as follows:

(Unit : Million baht)

Statement of Comprehensive Income (Consolidated)	For the 3-month ended		Changes	
	Sep 30, 2021	Sep 30, 2020	Amount	Percentage
Revenue				
Interest income from hire-purchase	261.45	214.86	46.59	21.68
Fee and service income	35.76	28.15	7.61	27.03
Other income	52.23	46.19	6.04	13.08
Total revenue	349.44	289.20	60.24	20.83
Expenses				
Selling and administrative expenses	132.90	104.60	28.30	27.06
Expected credit loss	97.94	77.13	20.81	26.98
(Gain) Loss on disposals and diminution in value of foreclosed assets	2.60	(4.12)	6.72	(163.11)
Finance costs	23.52	27.08	(3.56)	(13.15)
Total expenses	256.96	204.69	52.27	25.54
Profit before income tax expense	92.48	84.51	7.97	9.43
Income tax expense	(18.93)	(16.29)	(2.64)	16.21
Profit for the period	73.55	68.22	5.33	7.81
Profit owners of the parent	73.56	68.22	5.34	7.83
Basic earnings per share (Baht per share)	0.08	0.11	(0.03)	(27.27)

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1. Revenue for the 3-month ended September 30, 2021 was 349.44 million baht compared to revenue of 289.20 million baht in the same period of the previous year. It increased by 60.24 million baht or equaled to a growth rate of 20.83%. This resulted from the recognition of interest income from hire-purchase amounting to 261.45 million baht which increased by 46.59 million baht or equaled to a growth rate of 21.68% compared to the same period of the previous year. It resulted from an increase in new hire-purchase contracts that effected to fee and service income increased in the same direction. Moreover, other income which mainly consisted of bad debt recoveries was increased as well.

2. Total expenses for the 3-month ended September 30, 2021 was 256.95 million baht compared to expenses of 204.69 million baht in the same period of the previous year. It increased by 52.27 million baht or equaled to a growth rate of 25.54%. It mainly resulted from selling and administrative expenses amounting to 132.90 million baht which increased by 28.30 million bath or equaled to a growth rate of 27.06% compared to the same period of the previous year. The main reason was an increase in the number of employee and compensation. Moreover, expected credit losses was 97.94 million baht which increased by 20.81 million baht or equaled to a growth rate of 26.98%. It resulted from an increase in new hire-purchase contracts compared to the same period of the previous year.

For operating result for the 9-month ended September 30, 2021, Profit owners of the parent was 222.99 million baht compared to net profit of 138.88 million baht in the same period of the previous year. It increased by 84.11 million baht or equaled to a growth rate of 60.56%. The detail is as follows:

(Unit : Million baht)

Statement of Comprehensive Income (Consolidated)	For the 9-month ended		Changes	
	Sep 30, 2021	Sep 30, 2020	Amount	Percentage
Revenue				
Interest income from hire-purchase	736.04	658.49	77.55	11.78
Fee and service income	95.63	74.31	21.32	28.69
Other income	153.82	118.29	35.53	30.04
Total revenue	985.49	851.09	134.40	15.79
Expenses				
Selling and administrative expenses	375.69	300.29	75.40	25.11
Expected credit loss	258.35	295.29	(36.94)	(12.51)
(Gain) Loss on disposals and diminution in value of foreclosed assets	2.38	(8.00)	10.38	(129.75)
Finance costs	70.06	87.30	(17.24)	(19.75)
Total expenses	706.48	674.88	31.60	4.68
Profit before income tax expense	279.01	176.21	102.80	58.34
Income tax expense	(56.02)	(37.33)	(18.69)	50.07
Profit for the period	222.99	138.88	84.11	60.56
Profit owners of the parent	222.99	138.88	84.11	60.56
Basic earnings per share (Baht per share)	0.25	0.23	0.02	8.70

1. Revenue for the 9-month ended September 30, 2021 was 985.49 million baht compared to revenue of 851.09 million baht in the same period of the previous year. It increased by 134.40 million baht or equaled to a growth rate of 15.79%. This resulted from the recognition of interest income from hire-purchase amounting to 736.04 million baht which increased by 77.55 million baht or equaled to a growth rate of 11.78% compared to the same period of the previous year. It resulted from an increase in new hire-purchase contracts that effected to fee and service income increased in the same direction. Moreover, other income which mainly consisted of bad debt recoveries was increased as well.

2. Total expenses for the 9-month ended September 30, 2021 was 706.48 million baht compared to expenses of 674.88 million baht in the same period of the previous year. It increased by 31.60 million baht or equaled to a growth rate of 4.68%. It mainly resulted from selling and administrative expenses amounting to 375.69 million baht which increased by 75.40 million bath or equaled to a growth rate of 25.11% compared to the same period of the previous year. The main reason was an increase in the number of employee and compensation and collection fees paid to outsource companies. However, expected credit losses amounting to 258.35 million baht which decreased by 36.94 million baht. It resulted from the staging of hire-purchase receivables was better than the same period of the previous year.

(Unit : Million baht)

Statement of financial position (Consolidated)	As of		Changes	
	Sep 30, 2021	Dec 31, 2020	Amount	Percentage
Assets	4,924.54	4,656.68	267.86	5.75
Liabilities	3,012.90	2,980.39	32.51	1.09
Equity	1,911.64	1,676.29	225.35	13.44
Debt to equity ratio	1.58	1.78	(0.20)	11.24

1. Total assets Total assets of the Company as of September 30, 2021 was 4,924.54 million baht which increase from the year ended 2020 by 267.86 million baht or equaled to a growth rate of 5.75%. The increase was due to hire-purchase receivables. As of September 30, 2021, hire-purchase receivables increased by 870.12 million baht or equaled to 23.27% compared to the year ended 2020. A growth of hire-purchase receivables was in line with the Company's business expansion. However, cash and cash equivalent was decreased by 630.96 million baht since the Company used in business operation.

2. Total liabilities Total liabilities of the Company as of September 30, 2021 was 3,012.90 million baht which increased by 32.51 million baht or equaled to a growth rate of 1.09%. The main reason was trade and other payables amounting to 281.08 million baht which increased by 139.08 million baht or equaled to 97.94%. It resulted from an increase in trade payables for motorcycles which were in accordance with the Company's normal payment due. However, the net repayments on short-term borrowings from financial institutions were



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50.00 million baht and long-term borrowings from financial institutions were 65.97 million bath. As a result, the portion of current and non-current borrowings were 34.70% and 65.30% of total borrowings, respectively.

3. Equity Equity of the Company as of September 30, 2021 and December 31, 2020 were 1,911.64 million baht and 1,676.29 million baht, respectively. The main reason was the retained earnings increased in accordance with a growth of net profit.

4. Debt to Equity Ratio As of September 30, 2021 and December 31, 2020, debt to equity ratio of the Company was 1.58 times and 1.78 times, respectively. It resulted from an increase in equity.

Please be informed accordingly

Yours sincerely,

(Ms. Kruakao Yerabut)

Chief Financial Officer