



21 February 2022

To Director and Manager

The Stock Exchange of Thailand

Subject Management Discussion and Analysis for the year ended December 31, 2021

President Automobile Industries Public Company Limited's operating results for 12-month period ending 31 December 2021 and the financial statement as at 31 December 2021 are as follows:

Operating results

Income Statement	For the 12-month period ended					
	31 December 2021		31 December 2020		Change Increase (decrease)	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
<u>Revenues</u>						
Sales	696.51	95.58	666.93	97.73	29.58	4.44
Gain on exchange	19.63	2.69	-	-	19.63	100.00
Other Income	12.57	1.72	15.49	2.27	(2.92)	(18.85)
Total revenues	728.71	100.00	682.42	100.00	46.29	6.78
<u>Expense</u>						
Cost of sales	522.72	71.73	503.8	73.83	18.92	3.76
Selling and distribution expense	23.56	3.23	25.92	3.80	(2.36)	(9.10)
Administrative expense	41.45	5.69	41.91	6.14	(0.46)	(1.10)
Impairment loss on property, plant and equipment	-	-	2.99	0.44	(2.99)	(100.00)
Loss on exchange	-	-	0.30	0.04	(0.30)	(100.00)
Total expense	587.73	80.65	574.92	84.25	12.81	2.23
Operating Profit	140.98	19.35	107.50	15.75	33.48	31.14
Finance Cost	6.56	0.90	12.90	1.89	(6.34)	(49.15)
Profit before income tax expense	134.42	18.45	94.60	13.86	39.82	42.09
Income tax expense	26.74	3.67	17.74	2.60	9.00	50.73
Profit for the period	107.68	14.78	76.86	11.26	30.82	40.10
Other Comprehensive Income	(0.31)	(0.04)	-	-	(0.31)	(100.00)
Total Comprehensive Income	107.37	14.74	76.86	11.26	30.51	39.70

Sale income

Sale income for the year ending 31 December 2021 is 696.51 million Baht, increase by 29.58 million Baht, or 4.44% as compared to the sale income in the same period of the last year. The sale income increase is due to the global automotive spare parts market recovering from the Covid-19 pandemic.



Gain on exchange

Gain on exchange for the year ending 31 December 2021 is 19.63 million Baht, increase by 19.34 million Baht, or 6,579.20% as compared to the gain on exchange in same period of last year. This is mainly due to continuous depreciation of Thai currency during in this year.

Other income

Other income for the year ending 31 December 2021 is 12.57 million Baht decrease by 2.92 million Baht, or 18.85% as compared to the same period of the last year. The is due to decrease in transaction service.

Cost of sales

Cost of sales for the year ending 31 December 2021 is 522.72 million Baht increase by 18.92 million Baht, or 3.76% as compared to the cost of sales in same period of the last year. Aligned to the increase in sale income, the cost of sales would increase inline with the sale income. However, cost of sales increase at the lower rate as compared to the sale income increase because the Company was able to reduce costs significantly by utilizing production technology to improve efficiency in raw material usage, increase productivity and achieve economies of scale.

For the year ending 31 December 2021, the Company has a gross profit of 173.79 million Baht, or gross profit margin 24.96%, (gross profit margin was 24.46% during the same period of last year). The gross profit increase by 10.66 million Baht, or 6.54% as the Company is able to manage costs more efficiently.

Selling and distribution expense

Selling and distribution expense for the year ending 31 December 2021 is 23.56 million Baht, decrease by 2.36 million Baht, or 9.10% as compared to the same period of last year. This is mainly due to decrease in shipping and freight expense.

Administrative expense

Administrative expense for the year ending 31 December 2021 is 41.45 million Baht, decrease 0.46 million Baht, or 1.10% as compare to the same period of last year.

Finance cost

Finance Cost for the year ending 32 December 2021 is 6.56 million Baht, decreased 6.34 million Baht, or 49.15% as compare to the same period of last year. There was a full repayment of short-term loan and long-term loan during the period



Net profit

Net profit for the year ending 31 December 2021 is 107.37 million Baht, increase by 30.82 million Baht, or 40.10% as compared to the same period of last year. This is mainly from the increase in sales, increase in gross profit margin from cost reduction, as well as increase in gain of exchange.

Statement of Financial Position

Finance position	As at					
	31 December 2021		31 December 2020		Change Increase (decrease)	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Total Assets	1,145.27	100.00	1,025.71	100.00	119.56	11.66
Total Liabilities	243.96	21.30	556.83	54.29	(312.87)	(56.19)
Total shareholders' equity	901.31	78.70	468.88	45.71	432.43	92.23

Asset

As of 31 December 2021, the Company has the total asset 1,145.27 million Baht, increase by 119.56 million Baht, or 11.66% from 31 December 2020. This increase is due to increase of raw materials inventory in responses to the global raw material shortage as well as rising and volatile raw material price. Another reason for the increased in total asset is due to the increase in trade accounts receivables aligned to the sales revenue increase, as well as increase in Land, Buildings and Equipment from Solar Rooftop installation during the period.

Liabilities

As of 31 December 2021, the Company has a total liability of 243.96 million Baht, decrease by 312.87 million Baht or 56.19% from 31 December 2020 mainly due to the repayment of long-term loan and short-term loan during the period.

Shareholder's equity

As of 31 December 2021, the Company has total equity 901.31 million Baht, increase by 432.43 million Baht or 92.23% from 31 December 2020. This mainly from the Initial Public Offering (IPO) which increase the registered capital and share premium, as well as the increase in net profit during the period.

Please be informed accordingly

Sincerely yours,

Somchai Lertkajornkitti
Chief Executive Officer