



**Autocorp Holding Public Company Limited**  
**Management Discussion and Analysis**  
**Operating Results for the year ended 31 December 2021**

**Business Overview**

Autocorp Holding Public Company Limited (ACG) operates its business as a holding company investing in other companies. There are 2 subsidiaries. One is the Honda Maliwan Company Limited with 99.74% that businesses are car and accessories sales, repair service and Honda branded spare parts sales, including finance and insurance providing services. The Group company is one of the Honda dealers with the highest number of showrooms and service centres in Thailand. Presently, it operates 9 branches in 5 high potential provinces in the Northeastern and the Southern region of Thailand, namely Khon Kaen, Buriram, Surin, Phuket and Krabi.

Another subsidiary is Autoclik by ACG Company Limited (“Autoclik”), established on August 8, 2020 with 99% of shareholding, which engages in the business of spare part sales and quick repair service for every car brand (Fast Fit). Autoclik opened its first branch in March 2021. Currently, there are total 5 branches, 2 branches in Phuket and 3 branches in Bangkok Metropolitan Region. As planned, the Group is determined to invest in branch expansion by considering areas with high economic potential and population. Although, Fast fit business requires low investment, the Group will construct plans and collect information and use them to make investment decisions carefully.

**Overall operating performance**

For overall operating performance, the Group company’s net profit for the year ended 31 December 2021 was Baht 28.22 million, decreased by Baht 6.95 million or 19.76% when compared to the year ended 31 December 2020. In overall, it is caused by Autoclik’s performance as it has just begun its operation, causing expenses for branch opening preparation. Most of the expenses were from staff training by an expert in automotive business to build quality standard and service, marketing plan and advertisement to introduce the company and to satisfy customers. For Honda Maliwan, net profit increased by 19.34% when compared to the year ended 31 December 2020, mainly due to a decrease in finance costs, resulting in better performance.

## Analysis of the operating performance

### The Comparison of performance in the year ended 31 December 2020 and 2021

Unit: Million Baht

Key financial information	2020	2021	Change	
			+(-)	%
Revenue from cars and accessories dealership	1,604.26	1,275.07	(329.19)	(20.52%)
Revenue from repair and maintenance services and spare parts dealership	393.21	388.47	(4.74)	(1.21%)
<b>Total revenue from sale and rendering of services</b>	<b>1,997.47</b>	<b>1,663.54</b>	<b>(333.93)</b>	<b>(16.72%)</b>
<b>Gross profit</b>	<b>175.31</b>	<b>168.12</b>	<b>(7.19)</b>	<b>(4.10%)</b>
Commission income	60.92	49.49	(11.43)	(18.76%)
Distribution costs	56.52	53.36	(3.16)	(5.59%)
Administrative expenses	125.95	122.80	(3.15)	(2.50%)
Finance costs	25.79	17.25	(8.54)	(33.11%)
<b>Profit for the period</b>	<b>35.17</b>	<b>28.22</b>	<b>(6.95)</b>	<b>(19.76%)</b>

#### Revenues

Revenue from sale and rendering of services of 2021 was Baht 1,663.54 million, decreased by Baht 333.93 million or 16.72% when compared to 2020. The details are as follows:

- **Revenue from cars and accessories dealership**

Revenue from cars and accessories dealership was Baht 1,275.07 million decreased by Baht 329.19 million or 20.52%. On overall, the decrease was caused by the COVID-19 pandemic causing an economic slowdown. The domestic automotive industry has been affected, causing the decrease in sales. The sales of Honda Maliwan decreased by 21.13% when compared to 2020.

- **Revenue from repair and maintenance services**

Revenue from repair and maintenance services and spare parts sales was Baht 388.47 million, decreased by Baht 4.74 million or 1.21% due to the impact from the decrease in cumulative car sales in 2020, decrease 10.05% in number of cars entering the service for general repair service (GR) and 7.16% decrease in body and paint repair service (BP)

- **Commission income**

Commission income was Baht 49.49 million, decreased by Baht 11.43 million or 18.76%, as a result of a decrease in sales volume. However, the decrease in commission income was in a smaller proportion than the sales. This is because the company had received higher finance commission income per contract.

### Expenses

- **Distribution cost**

Distribution cost was Baht 53.38 million, decreased by Baht 3.16 million or 5.59% mainly due to the decrease in the sale commission from the decrease in car sales and marketing expenses.

- **Administrative expenses**

Administrative expenses were Baht 122.80 million decreased by Baht 3.15 million or 2.50% mainly from the cost control operation.

- **Finance costs**

Finance costs were Baht 17.25 million, decreased by 8.54 million or 33.11%. The main reason was from the change in inventory management to suit the existing and future needs of the customers, causing ability to partially refund the promissory note to reduce interest, which is one of ways to control costs.

### Statement Financial Position Analysis

#### Assets

Unit: Million Baht

Key financial information	31	31	Change	
	December 2020	December 2021	+ / (-)	%
<b>Total assets</b>	<b>1,322.57</b>	<b>1,298.98</b>	<b>(24.17)</b>	<b>(1.83%)</b>
Cash and cash equivalents	162.54	169.63	7.09	4.36%
Inventories	240.08	140.96	(99.12)	(41.29%)
Property, plant and equipment	671.93	707.19	35.26	5.25%
Right-of-use asset	106.21	132.73	26.52	24.97%

As at 31 December 2021, the total assets of the Group company were at Baht 1,298.40 million, decreased by Baht 24.17 million or 1.83% from 31 December 2020. The details of significant changes are as follows:

- **Cash and cash equivalents**

Cash and cash equivalents as at 31 December 2021 were Baht 169.63 million, increased by Baht 7.09 million or 4.36%. The details of cash flow analysis are shown on the next page.

- **Inventories**

Inventories as at 31 December 2021 were Baht 140.96 million, decreased by Baht 99.12 million or 41.29%, mainly due to Baht 105.52 million or 49.52% on decrease in car inventory from the better management of inventories and had sale more cars during the Q4/2021. The average inventory period was 49 days, decreased by 25 days from 2020.

- **Property, plant and equipment**

Property plant and as at 31 December 2021 was Baht 707.19 million, increased by Baht 35.26 million or 5.25% from the construction and opening 4 branches of Autoclik in 2021. Presently, Autoclik is constructing 2 more branches.

- **Right-of-use asset**

Right-of-use asset as at 31 December 2021 was Baht 132.73 million, increased by Baht 26.52 million or 24.97% because of the land agreement of 4 branches of Autoclik in 2021

## Liabilities

Unit: Million Baht

Key financial information	31	31	Change	
	December 2020	December 2021	+ / (-)	%
<b>Total liabilities</b>	<b>659.71</b>	<b>631.12</b>	<b>(28.59)</b>	<b>(4.33%)</b>
Bank overdrafts and short-term loans from financial institutions	320.00	300.00	(20.00)	(6.25%)
Trade accounts payable	107.19	85.82	(21.37)	(19.94%)
Other current payable	25.51	34.33	8.82	34.57%
Long-term loan from financial institution	88.45	59.75	(28.70)	(32.45%)
Lease liabilities	110.37	139.36	28.99	26.27%

As at 31 December 2021, the total liabilities of the Group company were at Baht 631.12 million, decreased by Baht 28.59 million or 4.33% from 31 December 2020. The details of significant changes are as follows:

- **Bank overdrafts and short-term loans from financial institutions**  
Bank overdrafts and short-term loans from financial institutions as at 31 December 2021 were Baht 300 million, decreased by Baht 20 million or 6.25% due to a repayment of promissory notes which was a result from the better management of inventory by the Company.
- **Trade accounts payable**  
Trade accounts payable as at 31 December 2021 was Baht 85.82 million, decreased by Baht 21.37 million or 19.94% mainly due to more trade account payable for car purchase of Honda Maliwan was due at the end of December 2021. Therefore, the outstanding payable balance decreased. The average payment period was 26 days, decreased by 6 days from 2020.
- **Other current payable**  
Other current payable as at 31 December 2021 was Baht 34.33 million, increased by Baht 8.82 million or 34.57%, mainly due to construction payable of Autoclik increased from there were 2 branches that completed and opened in December 2021.
- **Long-term loan from financial institution**  
Long-term loan from financial institution as at 31 December 2021 was Baht 59.75 million, decreased by Baht 28.70 million or 32.45%, due to loan repayment in accordance with agreement.
- **Lease liabilities**  
Lease liabilities as at 31 December 2021 was Baht 139.36 million, increased by Baht 28.99 million or 26.27% because of the land agreement of 4 branches of Autoclik in 2021

## Equity

As at 31 December 2021, the total equity of the Group company was at Baht 667.28 million, decreased by Baht 4.42 million or 0.67% from 31 December 2020, due to dividend payment Baht 24 million and net profit amounted to Baht 28.22 million.

## Statement of Cash Flow Analysis

Unit: Million Baht

Cash Flow	2020	2021
EBITDA	113.49	97.01
Change in operating assets and liabilities	261.01	60.10
Net cash flows from (used in) operating activities	374.50	157.11
Net cash flows from (used in) investing activities	(10.90)	(58.29)
Net cash flows from (used in) financing activities	(354.96)	(91.73)
<b>Net cash increase (decrease)</b>	<b>8.64</b>	<b>7.09</b>
Cash at beginning of period	153.90	162.54
<b>Cash at ending of period</b>	<b>162.54</b>	<b>169.63</b>

As at 31 December 2021, the cash and cash equivalents were Baht 169.63 million. Net cash flow increased by Baht 7.09 million, mainly from the investing and financing activities.

- Net cash inflow from operating activities amounted to Baht 157.11 million includes the earnings before interest, taxes, depreciation and amortization amounted to Baht 97.01 million and the cash inflow from change in operating assets and liabilities amounted to Baht 60.10 million. The main transactions which caused the cash flow to increase were a Baht 97.48 million decrease in inventory, a Baht 21.37 million decrease in accounts payable and taxes paid amount Baht 11.02 million.
- Net cash outflow from investing activities amounted to Baht 58.29 million was mainly from the disbursement of construction costs 4 branches of Autoclik which operated in 202. Presently, Autoclik is constructing 2 more branches.
- Net cash outflow from financing activities amounted to Baht 91.73 million, was from short-term loans from financial institutions drawdown amounted to Baht 1,350 million, repayment of loan amounted to Baht 1,398.70 million, dividend payment Baht 23.99 million, lease liabilities payment amounted Baht 6.45 million and interest payment amounted to Baht 12.58 million.

Please be informed accordingly,

Yours sincerely

(Phanumast Rungkakulnuwat)

Chief Executive Officer