



8 August 2022

To Director and Manager

The Stock Exchange of Thailand

Subject Management Discussion and Analysis for the period ended June 30, 2022

President Automobile Industries Public Company Limited's operating results for 6-month period ending 30 June 2022 and financial statement as at 30 June 2022 are follows:

#### Operating results

Income Statement	For the 6-month period ended					
	30 June 2022		30 June 2021		Change Increase (decrease)	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
<u>Revenues</u>						
Sales	414.97	96.88	369.62	95.52	45.35	12.27
Gain on exchange	5.57	1.30	11.25	2.91	(5.68)	(50.49)
Other income	7.79	1.82	6.10	1.57	1.69	27.70
<b>Total revenues</b>	<b>428.33</b>	<b>100.00</b>	<b>386.97</b>	<b>100.00</b>	<b>41.36</b>	<b>10.69</b>
<u>Expense</u>						
Cost of sales	347.32	81.09	273.89	70.78	73.43	26.81
Selling and distribution expense	11.22	2.62	12.70	3.28	(1.48)	(11.65)
Administrative expense	21.79	5.09	21.46	5.55	0.33	1.54
<b>Total expense</b>	<b>380.33</b>	<b>88.80</b>	<b>308.05</b>	<b>79.61</b>	<b>72.28</b>	<b>23.46</b>
<b>Operation Profit</b>	<b>48.00</b>	<b>11.20</b>	<b>78.92</b>	<b>20.39</b>	<b>(30.92)</b>	<b>(39.18)</b>
Finance Cost	2.79	0.65	4.62	1.19	(1.83)	(39.61)
<b>Profit before income tax expense</b>	<b>45.21</b>	<b>10.55</b>	<b>74.30</b>	<b>19.20</b>	<b>(29.09)</b>	<b>(39.15)</b>
Income Tax expense	(0.41)	(0.10)	14.28	3.69	(14.69)	(102.87)
<b>Profit for the period</b>	<b>45.62</b>	<b>10.65</b>	<b>60.02</b>	<b>15.51</b>	<b>(14.40)</b>	<b>(23.99)</b>

#### Sale income

Sale income for the 6-month period ending 30 June 2022 is 414.97 million Baht, increased by 45.35 million Baht, or 12.27% as compared to the sale income in the same period of the last year as the Company expanded the production capacity to support the increased demand from international customers, as well as increased product offerings.



#### Gain on exchange

Gain on exchange for the 6-month period ending 30 June 2022 is 5.57 million Baht, decreased by 5.68 million Baht, or 50.49% as compared to the gain on exchange in same period of last year. During the first 6-month period of 2021, Thailand experienced weakening of the currency and the Company held cash in US Dollars currency more than in 2022. Thus, in the first 6-month period of 2022, the gain on exchange is lower than that of 2021.

#### Other income

Other income for the 6-month period ending 30 June 2022 is 7.79 million Baht, increased by 1.69 million Baht, or 27.70% as compared to the same period of the last year. This is mainly due to the increase in sales of scrap and scrap price.

#### Cost of sales

Cost of sales for the 6-month period ending 30 June 2022 is 347.32 million Baht, increased by 73.43 million Baht, or 26.81% as compared to the same period of the last year. This is largely due to the increased in raw material price, Aluminum, as well as high costs of repairing machines causing increased in cost of sales. Additionally, increased revenue also reflects increased cost of sales.

For the 6-month period ending 30 June 2022, the company has gross profit of 67.65 million Baht, or gross profit margin 16.30%. The gross profit decreased by 28.08 million Baht, or 29.33% (gross profit margin was 25.90% during the same period of the last year). This is largely due to the increase raw material price, Aluminum, as well as high costs of repairing machines causing increase in cost of sales.

#### Selling and distribution expense

Selling and distribution expense for the 6-month ending 30 June 2022 is 11.22 million Baht, decreased by 1.48 million Baht, or 11.65% as compared to the same period of the last year. This is mainly due to decrease in freight expenses.

#### Administrative expense

Administrative expense for the 6-month period ending 30 June 2022 is 21.79 million Baht, increase 0.33 million Baht, or 1.54% as compared to the same period of the last year, which has no significant changes from previous year.



#### Finance cost

Finance cost for the 6-month period ending 30 June 2022 is 2.79 million Baht decrease 1.83 million Baht, or 39.61% as compared to the same period of the last year. This is repayment of short-term loans to financial institutes as well as repayment of long-term loans during year 2021. Thus, the first 6-month period of 2022 experienced a decrease in finance cost.

#### Income tax expense

Income tax revenue for the 6-month period ending 30 June 2022 is 0.41 million Baht, while the 6-month period of last year was an income tax expense. In the year 2022, the Company received tax exemption from BOI.

#### Net profit

Net profit for the 6-month period ending 30 June 2022 is 45.62 million Baht decrease 14.40 million Baht, or 23.99% as compared to the same period of the last year. This is mainly from the decrease in gross profit and gain of exchange from 2021.

#### Statement of Financial Position

Finance Position	As at					
	30 June 2022		31 December 2021		Change Increase (decrease)	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Total Assets	1,239.67	100.00	1,145.27	100.00	94.40	8.24%
Total Liabilities	342.74	27.65	243.96	21.30	98.78	40.49%
Total shareholders' equity	896.93	72.35	901.31	78.70	(4.38)	(0.49%)

#### Asset

As of 30 June 2022, the Company has the total asset 1,239.67 million Baht, increased by 94.40 million Baht, or 8.24% from 31 December 2021. Inventory increase mainly from raw materials and trading goods. Increase inventory of raw materials was to support the problems of raw material shortage, and increase in inventory of trading goods to support the expansion of product offerings. Additionally, increase in assets was also from increase in Accounts Receivable in Q2/2022 as a result from increase in sales revenue and account receivables not yet due.

#### Liabilities

As of 30 June 2022, the Company has a total liability of 342.74 million Baht, increased by 98.78 million Baht, or 40.49% from 31 December 2021, which is mainly due to using short-term loans as working capital.



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#### Shareholder's equity

As of 30 June 2022, the Company has total equity 896.93 million Baht, decreased by 4.38 million Baht, or 0.49% from 31 December 2021. Decrease in total equity was due to the dividend payment from operating results in 2021, causing a decrease in retained earnings as well as increase in net profit during the period.

Please be informed accordingly

Sincerely yours,

Mr. Somchai Lertkajomkitti  
Chief Executive Officer