



No. NCAP-ACC-2022-04

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

November 9, 2022

Subject Management Discussion and Analysis for the 3-month and 9-month ended September 30, 2022

To President

The Stock Exchange of Thailand

Next Capital Public Company Limited and its subsidiary (“The Company”) have informed the operating result for the 3-month and 9-month ended September 30, 2022 as follows:

For operating result for the 3-month ended September 30, 2022, Profit owners of the parent was 16.22 million baht compared to net profit of 73.56 million baht in the same period of the previous year. It decreased by 57.34 million baht or equaled to a decrease rate of 77.95%. The detail is as follows:

(Unit : Million baht)

Statement of Comprehensive Income (Consolidated)	For the 3-month ended		Changes	
	Sep 30, 2022	Sep 30, 2021	Amount	Percentage
Revenue				
Interest income from hire-purchase	397.55	261.45	136.10	52.06
Fee and service income	39.74	35.76	3.98	11.13
Other income	51.07	52.23	(1.16)	(2.22)
Total revenue	488.36	349.44	138.92	39.76
Expenses				
Selling and administrative expenses	168.64	132.90	35.74	26.89
Expected credit loss	253.28	97.94	155.34	158.61
Loss on disposals and diminution in value of foreclosed assets	6.68	2.60	4.08	156.92
Finance costs	38.98	23.52	15.46	65.73
Total expenses	467.58	256.96	210.62	81.97
Profit before income tax expense	20.78	92.48	(71.70)	(77.53)
Income tax expense	(4.56)	(18.93)	14.37	(75.91)
Profit for the period	16.22	73.55	(57.33)	(77.95)
Profit owners of the parent	16.22	73.56	(57.34)	(77.95)
Basic earnings per share (Baht per share)	0.01	0.08	(0.07)	(87.50)

บริษัท เน็กซ์ แลปปีตอล จำกัด (มหาชน) (Next Capital Public Company Limited)

Headquarters: 163 Thai Samut Building, 15th Floor, Surawongse Road, Suriyawongse, Bangrak, Bangkok 10500 Tel. (02)117-5999 Fax (02) 117-5959

สำนักงานใหญ่: 163 อาคารไทยสมุทร ชั้น 15 ถนนสุรวงศ์ แขวงสุริยวงส์ เขตบางรัก กรุงเทพมหานคร 10500 Tel. (02)117-5999 Fax (02) 117-5959



Next Capital

1. Revenue for the 3-month ended September 30, 2022 was 488.36 million baht compared to revenue of 349.44 million baht in the same period of the previous year. It increased by 138.92 million baht or equaled to a growth rate of 39.76%. This resulted from the recognition of interest income from hire-purchase amounting to 397.55 million baht which increased by 136.10 million baht or equaled to a growth rate of 52.06% 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.

2. Total expenses for the 3-month ended September 30, 2022 was 467.58 million baht compared to expenses of 256.96 million baht in the same period of the previous year. It increased by 210.62 million baht or equaled to a growth rate of 81.97%. It mainly resulted from expected credit losses amounting to 253.28 million baht was increased by 155.34 million baht or equaled to a 158.61%. It resulted from increases in new hire-purchase contracts and overdue ratio compared to the same period of the previous year. Moreover, selling and administrative expenses amounting to 168.64 million baht which increased by 35.74 million bath or equaled to a growth rate of 26.89%. The main reasons were increases in the number of employee and compensation and collection fees paid to outsource companies. In addition, finance costs amounting to 38.98 million bath was increased by 15.46 million baht or equaled to 65.73% compared to the same period of the previous year. It resulted from an increase in borrowings in accordance with the Company's business expansion and using cash as working capital.

For operating result for the 9-month ended September 30, 2022, Profit owners of the parent was 94.53 million baht compared to net profit of 222.99 million baht in the same period of the previous year. It decreased by 128.46 million baht or equaled to a decrease rate of 57.61%. The detail is as follows:

(Unit : Million baht)

Statement of Comprehensive Income (Consolidated)	For the 9-month ended		Changes	
	Sep 30, 2022	Sep 30, 2021	Amount	Percentage
Revenue				
Interest income from hire-purchase	1,133.40	736.04	397.36	53.99
Fee and service income	140.51	95.63	44.88	46.93
Other income	158.39	153.82	4.57	2.97
Total revenue	1,432.30	985.49	446.81	45.34
Expenses				
Selling and administrative expenses	534.36	375.69	158.67	42.23
Expected credit loss	651.79	258.35	393.44	152.29
Loss on disposals and diminution in value of foreclosed assets	7.97	2.38	5.59	234.87
Finance costs	118.34	70.06	48.28	68.91
Total expenses	1,312.46	706.48	605.98	85.77
Profit before income tax expense	119.84	279.01	(159.17)	(57.05)
Income tax expense	(25.37)	(56.02)	30.65	(54.71)
Profit for the period	94.47	222.99	(128.52)	(57.63)
Profit owners of the parent	94.53	222.99	(128.46)	(57.61)
Basic earnings per share (Baht per share)	0.09	0.25	(0.16)	(64.01)

บริษัท เน็กซ์ แอปปีตอล จำกัด (มหาชน) (Next Capital Public Company Limited)

Headquarters: 163 Thai Samut Building, 15th Floor, Surawongse Road, Suriyawongse, Bangrak, Bangkok 10500 Tel. (02)117-5999 Fax (02) 117-5959

สำนักงานใหญ่: 163 อาคารไทยสมุทร ชั้น 15 ถนนสุรวงศ์ แขวงสุริยวงศ์ เขตบางรัก กรุงเทพมหานคร 10500 Tel. (02)117-5999 Fax (02) 117-5959



Next Capital

1. Revenue for the 9-month ended September 30, 2022 was 1,432.30 million baht compared to revenue of 985.49 million baht in the same period of the previous year. It increased by 446.81 million baht or equaled to a growth rate of 45.34%. This resulted from the recognition of interest income from hire-purchase amounting to 1,133.40 million baht which increased by 397.36 million baht or equaled to a growth rate of 53.99% 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.

2. Total expenses for the 9-month ended September 30, 2022 was 1,312.46 million baht compared to expenses of 706.48 million baht in the same period of the previous year. It increased by 605.98 million baht or equaled to a growth rate of 85.77%. It mainly resulted from expected credit losses amounting to 651.79 million baht was increased by 393.44 million baht or equaled to 152.29%. It resulted from increases in new hire-purchase contracts and overdue ratio compared to the same period of the previous year. Moreover, selling and administrative expenses amounting to 534.36 million baht which increased by 158.67 million bath or equaled to a growth rate of 42.23%. The main reasons were increases in the number of employee and compensation and collection fees paid to outsource companies. In addition, finance costs amounting to 118.34 million bath was increased by 48.28 million baht or equaled to 68.91% compared to the same period of the previous year. It resulted from an increase in borrowings in accordance with the Company's business expansion and using cash as working capital.

(Unit : Million baht)

Statement of financial position (Consolidated)	As of		Changes	
	Sep 30, 2022	Dec 31, 2021	Amount	Percentage
Assets	8,516.58	5,831.17	2,685.41	46.05
Liabilities	4,359.26	3,822.89	536.37	14.03
Equity	4,157.32	2,008.28	2,149.04	107.01
Debt to equity ratio	1.05	1.90	-	-

1. Total assets Total assets of the Company as of September 30, 2022 was 8,516.58 million baht which increased from the year ended 2021 by 2,685.41 million baht or equaled to a growth rate of 46.05%. The main reason was an increase of hire-purchase receivables. As of September 30, 2022, hire-purchase receivables increased by 1,930.21 million baht or equaled to 35.33% compared to the year ended 2021 which was in line with the Company's business expansion. Moreover, Cash and cash equivalents increased by 621.62 million baht or equaled to 828.41% compared to the year ended 2021. It resulted from the proceeds from the offering of newly issued ordinary shares to the existing company shareholders in proportion to their shareholdings in June 2022 amounting to 2,025.00 million baht. Whereas the Company used cash as working capital and repayments for borrowings.



2. Total liabilities Total liabilities of the Company as of September 30, 2022 was 4,359.26 million baht which increased from the year ended 2021 by 536.37 million baht or equaled to a growth rate of 14.03%. The main reason was long-term borrowings from financial institutions increased by 1,527.46 million baht since the Company had to manage liquidity in order to provide sufficient sources of funds in accordance with the Company's continuous business expansion. At the same time, the Company repaid short-term borrowings from financial institutions and related parties amounting to 485.00 and 300.00 million baht, respectively. As a result, the portion of current and non-current borrowings were 42.45% and 57.55% of total borrowings, respectively.

3. Equity Equity of the Company as of September 30, 2022 and December 31, 2021 were 4,157.32 million baht and 2,008.28 million baht, respectively. It increased by 2,149.04 million baht or equaled to a growth rate of 107.01%. It resulted from the Company issued ordinary shares amounting to 450 million shares in June 2022 and retained earnings increased in accordance with a growth of net profit.

4. Debt to Equity Ratio As of September 30, 2022 and December 31, 2021 debt to equity ratio of the Company was 1.05 times and 1.90 times, respectively. It resulted from an increase in equity.

Please be informed accordingly

Yours sincerely,

(Ms. Kruakao Yerabut)

Chief Financial Officer