



**Autocorp Holding Public Company Limited**  
**Management Discussion and Analysis**  
**Operating Results for the third quarter and the the nine-month periods ended**  
**30 September 2022**

**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 (“Honda Maliwan”) 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. 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 9 branches, 2 branches in Phuket, 6 branches in Bangkok Metropolitan Region and 1 branch in Chiang Mai. 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 nine-month periods ended 30 September 2022 was Baht 17.07 million, decreased by Baht 5.28 million or 23.62% when compared to 2021. On overall, the operating results of Autoclik 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, and from marketing plan and advertisement. For Honda Maliwan, net profit increased by 57.55%, mainly due to better performance of revenue from cars and accessories dealership caused from increase in sales volume 1.44% and an increase in average revenue per car.

For Q3/2022 performance, Net profit was Baht 5.25 million compared with Q3/2021, net profit decreased by Baht 0.97 million or 15.59% mainly caused from operating results of Autoclik because has just begun its operation. When compared to Q2/2022, net profit

increased Baht 0.75 million or 16.67%, because of performance of revenue from repair and maintenance services increased, due to the opening of branches of Autoclik.

#### Analysis of the operating performance

#### The Comparison of performance in the first nine months of 2022 and 2021

Unit: Million Baht

Key financial information	Jan-Sep	Jan-Sep	Change	
	2021	2022	+ / (-)	%
Revenue from cars and accessories dealership	913.56	984.22	70.66	7.73%
Revenue from repair and maintenance services and spare parts dealership	284.14	330.28	46.14	16.24%
<b>Total revenue from sale and rendering of services</b>	<b>1,197.70</b>	<b>1,314.50</b>	<b>116.80</b>	<b>9.75%</b>
<b>Gross profit</b>	<b>122.97</b>	<b>140.55</b>	<b>17.58</b>	<b>14.30%</b>
Commission income	35.98	39.00	3.02	8.39%
Distribution costs	38.15	44.04	5.89	15.44%
Administrative expenses	91.79	107.59	15.8	17.21%
Finance costs	12.60	13.00	0.40	3.17%
<b>Profit for the period</b>	<b>22.35</b>	<b>17.07</b>	<b>(5.28)</b>	<b>(23.62%)</b>

#### The Comparison of performance in Q3/2022, Q2/2022 and Q3/2021

Unit: Million Baht

Key financial information	Quarter	Quarter	Quarter	Change + / (-)	
	3/2021	2/2022	3/2022	YoY	QoQ
Revenue from cars and accessories dealership	274.40	320.02	274.65	0.09%	(14.18%)
Revenue from repair and maintenance services and spare parts dealership	90.19	109.15	112.49	24.73%	3.06%
<b>Total revenue from sale and rendering of services</b>	<b>364.59</b>	<b>429.17</b>	<b>387.14</b>	<b>6.19%</b>	<b>(9.79%)</b>
<b>Gross profit</b>	<b>38.10</b>	<b>44.68</b>	<b>48.32</b>	<b>26.82%</b>	<b>8.15%</b>
Commission income	10.52	13.35	10.24	(2.66%)	(23.30%)
Distribution costs	12.01	14.62	13.24	10.24%	(9.44%)
Administrative expenses	29.66	36.41	36.41	22.76%	0.00%
Finance costs	4.23	4.37	4.11	(2.84%)	(5.95%)
<b>Profit for the period</b>	<b>6.22</b>	<b>4.50</b>	<b>5.25</b>	<b>(15.59%)</b>	<b>16.67%</b>

## Revenue

Revenue from sale and rendering of services in the first nine months of 2022 was Baht 1,314.50 million, increased by Baht 116.80 million or 9.75% when compared to 2021.

By comparing quarterly, Revenue from sale and rendering of services in Q3/2022 was Baht 387.14 million, increased by Baht 22.55 million or 6.19% when compared to Q3/2021 and decreased by Baht 42.03 million or 9.79% when compared to Q2/2022. The details are as follows:

- **Revenue from cars and accessories dealership**

Revenue from cars and accessories dealership in the first nine months of 2022 was Baht 984.22 million, increased by Baht 70.66 million or 7.73% when compared to 2021, due to the launch of the new Honda HRV 2022. As a result, increase in sales volume 1.44% and the third round of COVID-19 pandemic occurred in Q1/2021, affecting sale volume in 2021. In addition, the average revenue per car increased by 5.24%.

By comparing quarterly, Revenue from cars and accessories dealership in Q3/2022 was Baht 274.65 million increased by Baht 0.25 million or 0.09% due to the average revenue per car increased by 12.18% when compared to Q3/2021. When comparing to Q2/2022, decreased by Baht 45.37 million or 14.18% because decrease in sales volume 19.23%, due to the problem of chip shortage in the automotive industry. As a result, the car is not enough to customer demand.

- **Revenue from repair and maintenance services**

Revenue from repair and maintenance services and spare parts sales in the first nine months of 2022 was Baht 330.28 million, increased by Baht 46.14 million or 16.24% when compared to 2021, mainly due to 4 branches of Autoclik which operated during the period.

By comparing quarterly, Revenue from repair and maintenance services and spare parts sales in Q3/2022 was Baht 112.49 million, increased by Baht 22.30 million or 24.73% from Q3/2021 due to the increase in opening of branches of Autoclick. When comparing to Q2/2022, revenue increased by 3.34 or 3.06% because of the increase in revenue from body repair and paint service of Honda Maliwan. This was due to the number of cars in service increased 2.03%.

- **Commission income**

Commission income in the first nine months of 2022 was Baht 39 million, increased by Baht 3.02 million or 8.39%, due to increase in car sales volume 1.44% when compared to 2021

By comparing quarterly, Commission income Q3/2022 was Baht 10.24 million, decreased by Baht 0.28 million or 2.66% from Q3/2021. When comparing to Q2/2022, it decreased by Baht 3.11 million or 23.30% from decrease in car sales volume, because commission income is caused by finance and insurance service providing. Therefore, commission income tends to depend on the volume of car sales.

## **Expense**

- **Distribution cost**

Distribution cost in the first nine months of 2022 was Baht 44.04 million, increased by Baht 5.89 million or 15.44% when compared to 2021, mainly due to an increase in car sales commission, according to the increase in car sales volume and caused by advertising and marketing activities of the opening of new branches of Autoclick.

By comparing quarterly, Distribution cost in Q3/2022 was Baht 13.24 million, increased by Baht 1.23 million or 10.24% from Q3/2021, caused by sale commission of Honda Maliwan. In addition, there was an increase in advertising and marketing activities of Autoclik. When comparing to Q2/2022, it decreased by Baht 1.38 million or 9.44% mainly due to the decrease in the sale commission from the decrease in car sales volume.

- **Administrative expenses**

Administrative expenses in the first nine months of 2022 was Baht 107.59 million, increased by Baht 15.80 million or 17.21% when compared to 2021 mainly from expenses for branch opening preparation of Autoclik and the increasing of fixed expense of each branch such as personnel expense and depreciation.

By comparing quarterly, Administrative expenses in Q3/2022 was Baht 36.41 million increased by Baht 6.75 million or 22.76% from Q3/2021 mainly from expenses for branch opening preparation of Autoclik.

- **Finance costs**

Finance costs in the first nine months of 2022 was Baht 13 million, increased by Baht 0.40 million or 3.17% when compared to 2021. The main reason is interest from financial lease increased Baht 1.47 million due to land lease agreement of Autoclik. However, interest expense on loans from financial institutions decreased by Baht 1.07 million.

By comparing quarterly, Finance costs in Q3/2022 was Baht 4.11 million, decreased by 0.12 million or 2.84% from Q3/2021. When comparing to Q2/2022, it decreased by Baht 0.26 million or 5.95% due to loans from financial institution decreased.

## Statement Financial Position Analysis

### Asset

Unit: Million Baht

Key financial information	31	30	Change	
	December 2021	September 2022	+ / (-)	%
<b>Total assets</b>	<b>1,298.40</b>	<b>1,253.97</b>	<b>(44.43)</b>	<b>(3.42%)</b>
Cash and cash equivalents	169.63	108.58	(61.05)	(35.99%)
Trade Accounts receivable	45.38	30.42	(14.96)	(32.97%)
Inventories	140.96	153.64	12.68	9.00%
<b>Other current assets</b>	<b>6.27</b>	<b>11.16</b>	<b>4.89</b>	<b>77.99%</b>
Right-of-use assets	132.73	145.85	13.12	9.88%

As at 30 September 2022, the total assets of the Group company were at Baht 1,253.97 million, decreased by Baht 44.43 million or 3.42% from 31 December 2021. The details of significant changes are as follows:

- **Cash and cash equivalents**

Cash and cash equivalents as at 30 September 2022 were Baht 108.58 million, decreased by Baht 61.05 million or 35.99%. The details of cash flow analysis are shown on the next page.

- **Accounts receivable**

Trade accounts receivable as of 30 September 2022 was Baht 30.42 million, decreased by Baht 14.96 million or 32.97% overall due to trade accounts receivable in the sale of cars from the decrease in sales and delivery of cars during the end of September 2022 when compared to the end of December 2021. As a result, trade accounts receivable decreased. The average collection period was 8 days, decreased by 2 days from 2021.

- **Inventories**

Inventories as at 30 September 2022 was Baht 153.64 million, increased by Baht 12.68 million or 9%, mainly from an increase of Baht 12.53 million in spare parts of Autoclick, due to the opening of new branches during the period. The average inventory period was 36 days, decreased by 13 days from 2020.

- **Other current assets**

Other current assets as at 30 September 2022 were Baht 6.27 million, increased by Baht 4.89 million or 77.99%, mainly from Autoclick's refundable value added tax (VAT) increased from the construction and opening of new branches.

- **Right-of-use asset**

Right-of-use asset as at 30 September 2022 was Baht 145.85 million, increased by Baht 13.12 million or 9.88% due to the addition of the land agreement of 4 branches of Autoclick during the period.

## Liabilities

Unit: Million Baht

Key financial information	31 December 2021	30 September 2022	Change +/(−)	%
<b>Total liabilities</b>	<b>631.12</b>	<b>577.62</b>	<b>(53.50)</b>	<b>(8.48%)</b>
Bank overdrafts and short-term loans from financial institutions	300.00	240.00	(60.00)	(20.00%)
Trade accounts payable	85.82	96.41	10.59	12.34%
Long-term loan from financial institution	59.75	47.60	(12.15)	(20.33%)
Lease liabilities	139.36	155.42	16.06	11.52%

As at 30 September 2022, the total liabilities of the Group company were at Baht 577.62 million, decreased by Baht 53.50 million or 8.48% from 31 December 2021. 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 30 September 2022 were Baht 240 million, decreased by Baht 60 million or 20% due to the better working capital management and inventory management.

- **Trade accounts payable**

Trade accounts payable as at 30 September 2022 was Baht 96.41 million, increased by Baht 10.59 million or 12.34%. The main reason was the increase in trade account payable for car purchase of Honda Maliwan from the receiving of car at the end of September. Therefore, the outstanding payable balance increased when compared to the end of 2021. The average payment period was 18 days, decreased by 8 days from 2021.

- **Long-term loan from financial institution**

Long-term loan from financial institution as at 30 September 2022 was Baht 47.60 million, decreased by Baht 12.15 million or 20.33%, due to loan repayment in accordance with agreement.

- **Lease liabilities**

Lease liabilities as at 30 September 2022 was Baht 155.42 million, increased by Baht 16.06 million or 11.52% due to the addition of the land agreement of 4 branches of Autoclik during the period.

### Equity

As at 30 September 2022, the total equity of the Group company was at Baht 676.35 million, increased by Baht 9.07 million or 1.36% from 31 December 2021, due to net profit amounted to Baht 17.07 million and decreased from the dividend payment amounted to Baht 8 million.

### Statement of Cash Flow Analysis

Unit: Million Baht

Cash Flow	Jan-Sep 2021	Jan-Sep 2022
EBITDA	70.28	79.09
Change in operating assets and liabilities	(52.31)	(17.57)
Net cash flows from (used in) operating activities	17.97	61.52
Net cash flows from (used in) investing activities	(25.20)	(26.22)
Net cash flows from (used in) financing activities	(81.19)	(96.35)
<b>Net cash increase (decrease)</b>	<b>(88.42)</b>	<b>(61.05)</b>
<b>Cash at beginning of period</b>	<b>162.54</b>	<b>169.63</b>
<b>Cash at ending of period</b>	<b>74.12</b>	<b>108.58</b>

As at 30 September 2022, the cash and cash equivalents were Baht 108.58 million. Net cash flow decreased by Baht 61.05 million, mainly from the investing and financing activities.

- Net cash inflow from operating activities amounted to Baht 61.52 million includes the earnings before interest, taxes, depreciation and amortization amounted to Baht 79.09 million and the cash outflow from change in operating assets and liabilities amounted to Baht 17.57 million. The main transactions which caused the cash flow to decrease were a Baht 13.13 million increase in inventories, a Baht 4.89 million increase in other current assets, a Baht 4.36 million increase in other non-current assets and taxes paid amounted to Baht 13.70 million. Nevertheless, the main transaction that caused the cash inflow was a Baht 14.97 million decrease in trade accounts receivable and a Baht 10.59 million increase in trade accounts payable.
- Net cash outflow from investing activities amounted to Baht 26.22 million was mainly from the disbursement of construction costs 4 branches of Autoclik which operated during the period.
- Net cash outflow from financing activities amounted to Baht 96.35 million, was from short-term loans from financial institutions drawdown amounted to Baht 1,080 million, repayment of loan amounted to Baht 1,152.15 million, lease liabilities payment amounted Baht 8.04 million, dividend payment amounted to Baht 7.99 million and interest payment amounted to Baht 8.16 million.

Please be informed accordingly,

Yours sincerely

(Phanumast Rungkakulnuwat)

Chief Executive Officer