



20 February 2023

To Director and Manager

The Stock Exchange of Thailand

Subject Management Discussion and Analysis for the year ended December 31, 2022

President Automobile Industries Public Company Limited's operating results for 12-month period ending 31 December 2022 and financial statement as at 31 December 2022 are follows:

### Operating results

Income Statement	For the year ended					
	31 December 2022		31 December 2021		Change Increase (decrease)	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
<u>Revenue</u>						
Sales	892.07	97.12	696.51	95.58	195.56	28.08
Gain on exchange	4.74	0.52	19.63	2.69	(14.89)	(75.85)
Other income	21.67	2.36	12.57	1.72	9.10	72.39
<b>Total revenues</b>	<b>918.48</b>	<b>100.00</b>	<b>728.71</b>	<b>100.00</b>	<b>189.77</b>	<b>26.04</b>
<u>Expense</u>						
Cost of sales	754.85	82.18	522.72	71.73	232.13	44.41
Selling and distribution expense	25.25	2.75	23.56	3.23	1.69	7.17
Administrative expense	47.86	5.21	41.45	5.69	6.41	15.46
<b>Total Expense</b>	<b>827.96</b>	<b>90.14</b>	<b>587.73</b>	<b>80.65</b>	<b>240.23</b>	<b>40.87</b>
<b>Operation Profit</b>	<b>90.52</b>	<b>9.86</b>	<b>140.98</b>	<b>19.35</b>	<b>(50.46)</b>	<b>(35.79)</b>
Financial Cost	7.54	0.82	6.56	0.90	0.98	14.94
<b>Profit before income tax expense</b>	<b>82.98</b>	<b>9.03</b>	<b>134.42</b>	<b>18.45</b>	<b>(51.44)</b>	<b>(38.27)</b>
Income Tax expense	0.48	0.05	26.74	3.67	(26.26)	(98.20)
<b>Net Profit</b>	<b>82.50</b>	<b>8.98</b>	<b>107.68</b>	<b>14.78</b>	<b>(25.18)</b>	<b>(23.38)</b>

### Sale income

Sale income for the year ending 31 December 2022 is 892.07 million Baht, increase by 195.56 million Baht, or increase 28.08% as compare to the last year. The Company increased production workers and production capacity to support the demand from overseas customers. Thus, reflected the increase in sale income. Also, more trading products were imported and sold in the domestic market.

### Gain on exchange

Gain of exchange for the year ending 31 December 2022 is 4.74 million Baht decrease by 14.89 million Baht, or 75.85% as compared to the last year. The decrease is mainly from the Thai currency



weakening in 2021 and beginning of 2022. However, Thai currency rapidly appreciated towards the end of 2022, resulting in the decrease in gain on exchange from 2021.

#### Other income

Other income for the year ending 31 December 2022 is 21.67 million Baht increase 9.10 million Baht, or 72.39% as compared to the last year. This is mainly due to the increase in sale of scrap and scrap price.

#### Cost of sales

Cost of sale for the year ending 31 December 2022 is 754.85 million Baht increase 232.13 million Baht, or 44.41% as compared to the last year. This is largely due to increase in raw material price, Aluminum, as well as high cost of repairing machines causing cost of sales to increase. Additionally, increase sale also reflects increased cost of sales.

For the year ending 31 December 2022, the company has gross profit of 137.22 million Baht, or gross profit margin 15.38%. The gross profit decreased by 36.57 million Baht, or 21.04% (gross profit margin was 24.95% during the last year). This is largely due to the increase raw material price, Aluminum, increase in minimum wage and electricity price in 2022.

#### Selling and distribution expense

Sale and distribution expense for the year ending 31 December 2022 is 25.25 million Baht, increase 1.69 million Baht, or 7.17% as compared to the last year. This is largely due to increase in the expense from attending trade fairs abroad in 2022.

#### Administrative expense

Administrative expense for the year ending 31 December 2022 is 47.86 million Baht increase 6.41 million Baht, or 15.46% as compared to the last year. This increase is mainly from the loss of revaluation of financial derivatives and asset retirement during the year.

#### Financial cost

Financial cost for the year ending 31 December 2022 is 7.54 million Baht increase 0.98 million Baht, or 14.94% as compared to the last year. This is mainly from increase in short-term and long-term loans for investment and working capital.

#### Income tax expense

Income tax expense for the year ending 31 December 2022 is 0.48 million Baht decrease 26.26 million Baht, or 98.20% as compared to the last year. In the year 2022, the Company received tax exemption from BOI.



รายได้ภาษีเงินได้สำหรับปีสิ้นสุดวันที่ 31 ธันวาคม 2565 มีจำนวน 0.48 ล้านบาท ลดลง 26.26 ล้านบาทเมื่อเทียบกับปีก่อน หรือคิดเป็นลดลงร้อยละ 98.20 เนื่องจากในปี 2565 บริษัทฯมีสิทธิลดหย่อนภาษีเงินได้นิติบุคคลจากบัตรส่งเสริมการลงทุนในการผลิตและจำหน่ายสินค้าประเภทคอยล์ร้อนและคอยล์เย็น

### Net Profit

Net Profit for the year ending 31 December 2022 is 82.50 million Baht decrease 25.18 million Baht, or 12.45% as compared to the last year. This is mainly from the decrease in gross profit and gain of exchange as mentioned above.

### Statement of Financial Position

Financial Position	As at					
	31 December 2022		31 December 2021		Change Increase (decrease)	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Total Assets	1,414.58	100.00	1,145.27	100.00	269.31	23.51
Total Liabilities	480.77	34.00	243.96	21.30	236.81	97.07
Total shareholder's equity	933.81	66.00	901.31	78.70	32.50	3.61

### Asset

As of 31 December 2022, the Company has a total asset 1,414.58 million Baht, increase 269.31 million Baht, or 23.51% from 31 December 2021. Increase in total assets is from inventory increase, account receivables as well as machines.

Inventory increase from raw material to support the production capacity increase and issue with raw material shortage, more trading goods were imported. Increase in account receivables in Q4/2022 from sales increase resulting in more receivables that are not due. Additionally, there were investment in machineries during the year.

### Liabilities

As of 31 December 2022, the Company has a total liability of 480.77 million Baht, increase 232.81 million Baht, or 97.07% from 31 December 2021, which is largely due to increase in short-term loans for working capital, Account Payable from increased purchase of raw materials, and long-term loans to support procurement of new machines.



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PRESIDENT AUTOMOBILE INDUSTRIES PUBLIC COMPANY LIMITED

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### Shareholder's equity

As of 31 December 2022, the Company has total equity 933.81 million Baht, Increase 32.50 million Baht or 3.61% from 31 December 2021, from Net Profit of 82.50 million Baht during the period. Nevertheless, the Company has paid dividends of 50 million Baht for the operating year 2021 in May 2022.

Please be informed accordingly

Sincerely yours,

Mr. Somchai Lertkajornkitti  
Chief Executive Officer