



Next Capital

No. NCAP-ACC-2023-01

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

February 21, 2023

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

For operating result for the year ended December 31, 2022, Profit owners of the parent was 164.89 million baht compared to net profit of 310.95 million baht in the same period of the previous year. It decreased by 146.06 million baht or equaled to a decrease rate of 46.97%. The detail is as follows:

(Unit : Million baht)

Statement of Comprehensive Income (Consolidated)	For the year ended		Changes	
	Dec 31, 2022	Dec 31, 2021	Amount	Percentage
<b>Revenue</b>				
Interest income from hire-purchase	1,510.82	1,028.31	482.51	46.92
Fee and service income	180.11	143.60	36.51	25.42
Other income	230.92	209.98	20.94	9.97
<b>Total revenue</b>	<b>1,921.85</b>	<b>1,381.89</b>	<b>539.96</b>	<b>39.07</b>
<b>Expenses</b>				
Selling and administrative expenses	670.80	527.81	142.99	27.09
Expected credit loss	875.03	363.36	511.67	140.82
Loss on disposals and diminution in value of foreclosed assets	7.84	4.00	3.84	96.00
Finance costs	158.49	97.31	61.18	62.87
<b>Total expenses</b>	<b>1,712.16</b>	<b>992.48</b>	<b>719.68</b>	<b>72.51</b>
<b>Profit before income tax expense</b>	<b>209.69</b>	<b>389.41</b>	<b>(179.72)</b>	<b>(46.15)</b>
Income tax expense	(44.87)	(78.47)	33.60	(42.82)
<b>Profit for the year</b>	<b>164.82</b>	<b>310.94</b>	<b>(146.12)</b>	<b>(46.99)</b>
<b>Profit owners of the parent</b>	<b>164.89</b>	<b>310.95</b>	<b>(146.06)</b>	<b>(46.97)</b>
<b>Basic earnings per share (Baht per share)</b>	<b>0.14</b>	<b>0.35</b>	<b>(0.21)</b>	<b>(60.00)</b>

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

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1. Revenue for the year ended December 31, 2022 was 1,921.85 million baht compared to revenue of 1,381.89 million baht in the same period of the previous year. It increased by 539.96 million baht or equaled to a growth rate of 39.07%. This resulted from the recognition of interest income from hire-purchase amounting to 1,510.82 million baht which increased by 482.51 million baht or equaled to a growth rate of 46.92% 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 year ended December 31, 2022 was 1,712.16 million baht compared to expenses of 992.48 million baht in the same period of the previous year. It increased by 719.68 million baht or equaled to a growth rate of 72.51%. It mainly resulted from expected credit losses amounting to 875.03 million baht was increased by 511.67 million baht or equaled to a 140.82%. 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 670.80 million baht which increased by 142.99 million bath or equaled to a growth rate of 27.09%. 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 158.49 million bath was increased by 61.18 million baht or equaled to 62.87% 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	
	Dec 31, 2022	Dec 31, 2021	Amount	Percentage
Assets	8,359.73	5,831.17	2,528.56	43.36
Liabilities	4,129.45	3,822.89	306.56	8.02
Equity	4,230.28	2,008.28	2,222.00	110.64
<b>Debt to equity ratio</b>	<b>0.98</b>	<b>1.90</b>	-	-

**1. Total assets** Total assets of the Company as of December 31, 2022 was 8,359.73 million baht which increased from the year ended 2021 by 2,528.56 million baht or equaled to a growth rate of 43.36%. The main reason was an increase of hire-purchase receivables. As of December 31, 2022, hire-purchase receivables increased by 1,963.97 million baht or equaled to 35.95% compared to the year ended 2021 which was in line with the Company's business expansion. Moreover, Cash and cash equivalents increased by 450.60 million baht or equaled to 600.50% 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 December 31, 2022 was 4,129.45 million baht which increased from the year ended 2021 by 306.56 million baht or equaled to a growth rate of 8.02%. The main reason was long-term borrowings from financial institutions increased by 1,267.04 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 46.03% and 53.97% of total borrowings, respectively.

**3. Equity** Equity of the Company as of December 31, 2022 and December 31, 2021 were 4,230.28 million baht and 2,008.28 million baht, respectively. It increased by 2,222.00 million baht or equaled to a growth rate of 110.64%. 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 December 31, 2022 and December 31, 2021 debt to equity ratio of the Company was 0.98 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