



บริษัท กรังด์ปรีซ์ อินเตอร์เนชั่นแนล จำกัด (มหาชน)  
GRAND PRIX INTERNATIONAL PUBLIC COMPANY LIMITED

## Management Discussion and Analysis

For the Year ended December 31, 2022

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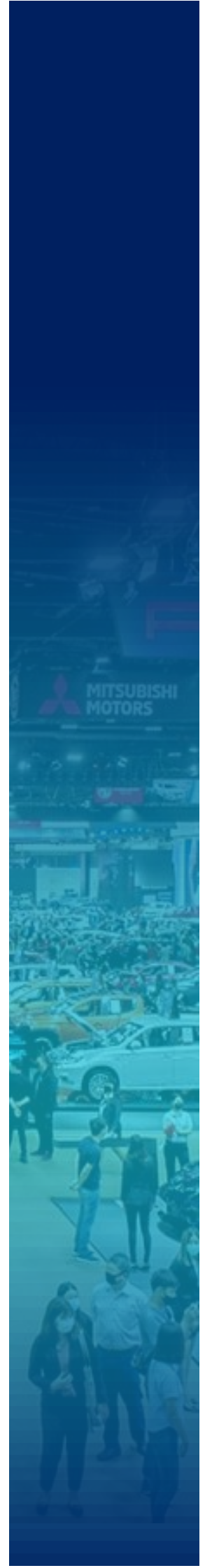
GRAND PRIX INTERNATIONAL PUBLIC COMPANY LIMITED

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## **Business Overview**

Grand Prix International Public Company Limited (the “Company” or “GPI”) involves in exhibition and marketing event business and digital and publishing media related in automotive industry and printing business. The Company’s revenue is mainly from the exhibition and event organizer and public relation activity such as Bangkok International Motor Show, Bangkok Used Car Show, and Digital Motor Sport

## **Economic Overview**

The Thai economy in 2022 is showing a continuous improvement trend after the country’s reopening, with an expansion rate of 3.2 percent. This was due to the recovery of the tourism sector which has expanded by 88 percent from 2021, reflected by the increasing number of foreign tourists. The number of foreign tourists is expected to be 10.5 and 22 million in 2022 and 2023, respectively. In addition, the results came from increased consumption by the private sector, particularly in the service sector, as well as increased employment and wages supported by the overall economic recovery and the easing of the Covid-19 situation. However, the inflation rate in 2022 was 6.3%, resulting in a high cost of living. Additionally, most businesses faced higher production costs due to increased prices of raw materials and energy.

In the media industry, there has been a growth of 5-8 percent in 2022 as a result of a quickly recovering economy and an increase in domestic consumer demand. This has made it easier for businesses to reach consumers through advertising media, as well as due to current consumer behavior that spends more time online. This has been a driving force behind the rapid growth of online media businesses, while traditional media businesses continue to face challenges. In summary, over 8 months, the value of advertising spending amounted to 78,293 billion THB, an increase of 10 percent compared to the same period last year. The spending started with TV advertising at 42,419 billion THB, growing by 0.51 percent, followed by out-of-home and transit media at 8,530 billion THB, growing by 32.49 percent, cinema media at 5,027 billion THB, growing by 173.65 percent, radio media at 2,181 billion THB, growing by 2.73 percent, in-mall media at 584 billion THB, growing by 34.25 percent, internet media at 17,547 billion THB, growing by 9.15 percent, and print media at 2,005 billion THB, decreasing by 2.95 percent. This led to a change in the proportion of advertising spending. In 2022, online

media owned 28% market share, up from 11% in 2017. Compared to other countries in Asia, the United States, and England, Thailand still has a lower proportion of advertising spending through online media. Therefore, there is a great opportunity for online media advertising to expand in the future.

In 2022, the automobile industry is expected to expand by an average of 4-6 percent, according to a report from the Thai Industry Association. The total number of cars produced from January to November 2022 was 1,724,909, an increase of 20.95 percent from 2021 due to economic recovery and the easing of the COVID-19 situation, which has increased consumer confidence among middle- and high-income groups. In addition, factors contributing to the recovery of the automobile industry include the launch of new car models, especially popular models. Furthermore, there is an increasing trend towards electric cars, supported by government measures to promote the reduction of greenhouse gas emissions in the transportation sector, as well as the rising cost of energy, which has led some consumers to switch from gasoline-powered cars to electric cars. Some consumers have also increased their purchases of electric cars for daily use in urban areas, and there is a greater variety of electric car models being introduced. However, there are still factors that impact the consumer demand for automobiles that need to be monitored. One of these factors is the problem of delayed delivery of vehicles, especially electric cars that mainly rely on imports from China. Additionally, the purchasing power of the low-income group may be affected by rising living expenses and household debt.

*Sources: Business Outlook Report - Bank of Thailand*

*Monetary Policy Report (November 2022) - Bank of Thailand*

*Media Agency Association of Thailand: MAAT*

*Statistics of production, sales and exports of the Thai automotive industry - The Federation of Thai Industries*

## Performance Summary

For 12- month period ended 31 December, 2022 and 2021, performance are shown below

Income Statement (Million THB)	12 month period		% Change
	2022	2021	
Revenue from Sales & Services	576.45	497.54	15.86%
Gross Profit	235.01	206.98	13.54%
<b>Gross Profit Margin (%)</b>	<b>40.77</b>	<b>41.60</b>	<b>-2.00%</b>
SG&A	170.87	168.03	1.69%
Comprehensive income (loss) for the period	37.20	31.45	18.26%
<b>Net Profit Margin (%)</b>	<b>6.45</b>	<b>6.32</b>	<b>2.07%</b>

### Revenue from Sales & Services:

As of December 31, 2022, the company's revenue from sales and services according to the consolidated financial statements was 576.45 million THB, an increase of 15.86% from the previous year compared to the same period last year. This was a result of an increase in revenue from the 43<sup>rd</sup> Bangkok International Motor Show and other activities.

### Gross Profit (Loss):

As of December 31, 2022, the company had gross profit of 235.01 million THB, an increase of 13.54% compared to the previous year. This is mainly due to revenue from the 43<sup>rd</sup> Bangkok International Motor Show increased.

### Selling and Administrative Expenses (SG&A):

As of December 31, 2022, the company had selling and administrative expenses in the amount of 170.87 million THB, an increase of 1.69 percent from the same period last year. This was mainly due to the increase in advertising and public relations expenses.

### Comprehensive Income (Loss) for the Period:

The Company has comprehensive income (loss) for the year in the consolidated financial statements ended December 31, 2022 in the amount of 37.20 million THB, representing a net profit margin of 6.45 percent of revenue.

The company has revenue from sales and services classified by business group as follows:

Business	12 month period		% Change YoY
	2022	2021	
1. Exhibition and Event Organizing	511.99	421.07	21.59%
2. Print and Digital media	34.88	38.02	(8.27%)
3. Printing	18.29	25.21	(27.47%)
4. Others	11.29	13.23	(14.67%)
<b>Total Revenue from Sales and Services</b>	<b>576.45</b>	<b>497.54</b>	<b>15.86%</b>

### **Exhibitions and Event Organizing Business:**

As of December 31, 2022, revenue from exhibitions and event organizing business increased by 21.59% compared to the previous year. This was mainly due to an increase in revenue from the 43<sup>rd</sup> Bangkok International Motor Show and other activities.

### **Print and Digital Media Business:**

As of December 31, 2022, revenue from publishing and digital media businesses decreased by 8.27% compared to the previous year. This was mainly due to the decline in printing advertising services and revenue from magazine sales.

### **Printing:**

As of December 31, 2022, revenue from the printing services business group decreased by 27.47% compared to the previous year. This was mainly due to the continuous impact of the COVID-19 pandemic, which affected customers in the group who use printing services for publicity purpose. As a result, the budget was adjusted and reduced.

### **Others:**

As of December 31, 2022, a decrease of 14.67 percent compared to the previous year. This was mainly due to the decrease in revenue from car decoration services for competitive car racing purposes.

## Financial Structure

Financial Structure (Million THB)	Year Ended 2022	Year Ended 2021	% Change
Total Assets	797.07	788.88	1.04
Total Liabilities	76.15	57.16	33.22
Total Shareholder's Equity	720.92	731.72	-1.48

### Total Asset

According to the financial statements as of 31 December 2022, total assets were 797.07 million THB, an increase of 1.04% compared to the year 2021. These were mainly due to an increase in cash and cash equivalents from account receivables, property, plant and equipment increased from assets under construction - office and fixed deposits as additional collateral.

### Total Liabilities

According to the financial statements as of December 31, 2022, total liabilities were 76.15 million THB, an increase of 33.22% compared to the year 2021. These were mainly due to an increase in deferred incomes from the 44<sup>th</sup> Bangkok International Motor Show.

### Equity

According to the financial statements as of December 31, 2022, shareholders' equity were 720.92 million THB, a decrease of 4.18% compared to the year 2021. These were mainly due to dividend payment.

### Cash Flow Analysis

As of December 31, 2022, the company had cash and cash equivalents of 25.30 million THB, an increase of 10.37 million THB from 2021.

Cash flow statement ended 31 December, 2022	Million THB
Net cash flow from operating activities	89.90
Net cash flow from investing activities	-30.56
Net cash flow from finance activities	-48.94
<b>Net cash flow</b>	<b>25.30</b>

- **Net cash flow from operating activities:** This was mainly due to the deferred incomes from the 44<sup>th</sup> Bangkok International Motor Show.
- **Net cash flow from investing activities:** This mainly caused by cash paid for purchases of property, plant and equipment, including cash paid for investment in fixed deposits as collateral.
- **Net cash flow from finance activities:** This is mainly due to dividend payment.

### Key Financial Ratios

Financial Ratios	Q4	
	2022	2021
Gross Profit Margin (%)	40.77	41.60
EBITDA Margin (%)	12.05	11.54
Return on Equity (%)	5.12	4.16
Return on Asset (%)	6.73	4.99
Current Ratio (Times)	4.13	7.21
D/E Ratio (Times)	0.11	0.08
EPS (THB)	0.06	0.05

*Mr.Peeraphong Eamlumnow*

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Mr.Peeraphong Eamlumnow

Chief Growth Officer & Chief Financial Officer