



## **Management Discussion and Analysis**

For Quarter 2 Results, Ended June 30, 2023

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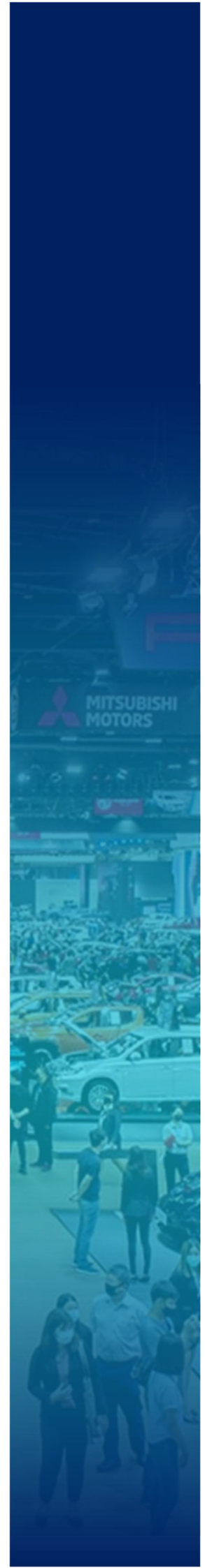
**Grand Prix International Public Company Limited**

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## Business Overview

Grand Prix International Public Company Limited (the “Company” or “GPI”) involves in the business of organizing exhibitions and marketing activities, as well as digital media and print media business related to the automotive industry and printing services. The main source of revenue for the company comes from organizing exhibitions and marketing activities, such as Bangkok International Motor Show, Bangkok Used Car Show, and Digital Motor Sport.

## Industry Overview

The Thai economy in the second quarter of 2023 showed some slight improvements as indicated by data from the Bank of Thailand. Both domestic and international tourist numbers increased, resulting in the expansion of the private service and consumption sectors. Private sector investments also improved. The value of exports increased slightly, mainly from agricultural products. However, the industrial sector experienced a decline due to reduced production in the automotive and food & beverage categories. In terms of economic stability, both the general and core inflation rates decreased compared to the previous year, along with a reduction in energy-related inflation. The labor market continued to recover steadily in line with the economic situation.

For the media industry, the Media Agency Association of Thailand (MAAT) disclosed advertising expenditure data for the period January to June 2023. The total value was 55,530 million baht, a decrease of 0.16% compared to the same period last year. TV remains the highest advertising revenue media at 57%, equivalent to 29,368 million baht, but decreased by 7% compared to the previous year. Internet media accounted for 13,741 million baht, Outdoor & Transit at 7,705 million baht, which experienced the highest growth at 20%, Cinema at 1,890 million baht, and Radio at 1,743 million baht. Only two media faced challenges of declining revenue: Print declined by 13%, which is an increase compared to the previous quarter, and In-Store declined by 15%.

The Thai Automotive Industry Association (TAIA) revealed the number of cars produced in the first half of the year (January - June 2023) to be 921,512 units, representing a 5.91% increase compared to the same period last year. On the other hand, car sales in Thailand during



the first half of the year (January - June 2023) amounted to 406,131 units, a 5.0% decrease compared to the same period in the previous year. The production trend aligns with the positive economic growth, supported mainly by the recovery of the tourism sector, which has led to continuous expansion in service and private consumption sectors. The Thai Baht has stabilized at an appropriate rate for both exports and imports, coupled with the growing electric vehicle market, driven by the government's battery electric vehicle (BEV) support policy. However, there are factors to monitor that have contributed to the decline in domestic sales, including inflation, interest rate hikes, and economic uncertainties following the election, which has resulted in delayed purchase decisions from both businesses and consumers. They are awaiting clarity on the new government's economic policy, impacting business operations and consumer confidence directly linked to the Thai economy.

**Sources:** *Bank of Thailand*  
*Federation of Thai Industries (FTI)*  
*Media Agency Association of Thailand (MAAT)*

## Summary of Company Performance based on Consolidated Financial Statements

The company's performance based on the consolidated financial statements for the second quarter ended June 30, 2023 and 2022.

Income Statement (Million Baht)	Q2 (6-month)		% Change
	2023	2022	
Revenue from sales & services	564.34	522.10	8.09%
Gross profit	299.20	254.28	17.67%
Gross profit margin (%)	53.02	48.70	8.86%
SG&A	(102.57)	(97.70)	4.98%
Profit (Loss) of associate companies using the equity method	(0.36)	(10.46)	-96.58%
Net profit for the period	158.19	117.12	35.07%
Net profit margin (%)	28.03	22.43	24.96%

### Revenue from Sales and Services

As of June 30, 2566, the company's revenue from sales and services based on consolidated financial statements amounted to 564.34 million baht, representing an increase of 8.09 percent compared to the same period of the previous year. This growth was mainly driven by the increased revenue from the 44th Bangkok International Motor Show exhibition.

### Gross Profit (Loss)

As of June 30, 2023, the company had gross profit of 299.20 million baht, an increase of 17.67% compared to the previous year. This was mainly due to the increase in revenue from the Bangkok International Motor Show (BIMS) 44.

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

As of June 30, 2023, the company had selling and administrative expenses of 102.57 million baht, up 4.98% from the same period last year. This was mainly due to the increase in salary and benefits costs.

### Profit (Loss) of Associate Company using Equity Method

The profit (loss) of associate company using equity method for the six months ended June 30, 2023 was a loss of 0.36 million baht, a decrease of 96.58% from the same period last year. This was mainly due to the increase in revenue from the associate company's power plant business.

### Net Profit (Loss) for the Period

The consolidated profit (loss) for the six months ended June 30, 2023, was 158.19 million baht, or a net profit margin of 35.07% of revenue. This was mainly due to the increase in revenue.

The company's revenue from sales and services is classified by business segment as follows:

Business	Q2 (6-month)		% Change YOY
	2023	2022	
1. Exhibition and Event Organizing	539.04	486.61	10.77%
2. Publishing and Digital Media	17.34	19.80	-12.41%
3. Printing	7.78	10.83	-28.15%
4. Others	0.17	4.85	-96.40%
<b>Total Revenue from Sales and Services</b>	<b>564.34</b>	<b>522.10</b>	<b>8.09%</b>



## **Exhibition and Event Organizing Business**

As of June 30, 2023, the company's revenue from the exhibition and event organizing business increased by 10.77% from the same period last year. This was mainly due to the revenue from the 44<sup>th</sup> Bangkok International Motor Show (BIMS). This year, the company expanded the exhibition space for automotive booths more than in previous years to accommodate the increased demand for booth space from automotive industry players. As a result, the revenue from the event increased.

## **Publishing and Digital Media Business**

As of June 30, 2023, the company's revenue from the publishing and digital media business decreased by 12.41% from the same period last year. This was mainly due to the decline in print advertising services and magazine sales, as consumer behavior has changed due to the increasing availability of online news platforms that offer faster and more diverse content.

## **Printing Business**

As of June 30, 2023, the company's revenue from the printing business decreased by 28.15% from the same period last year. This was due to the rapid growth of digital technology and changing consumer behavior, which have had a significant impact on the printing industry. The increasing popularity of online media has led to a decline in revenue for printing businesses.

## **Other Business**

As of June 30, 2023, the company's revenue from other business decreased by 96.40% from the same period last year. This was mainly due to the decline in revenue from the sale of collectible cars and the decline in revenue from car customization services for racing purposes.

## Financial Structure

Financial Structure (Million Baht)	Q2/2023	Year 2022	% Change
Total Assets	941.21	797.07	18.08%
Total Liabilities	86.11	76.15	13.08%
Total Shareholders' Equity	855.11	720.92	18.61%

### Total Assets

Total assets as of June 30, 2023, were 941.21 million baht, an increase of 18.08% from the end of 2022. This was mainly due to an increase in cash and cash equivalents and term deposits.

### Total Liabilities

Total liabilities as of June 30, 2023, were 86.11 million baht, an increase of 13.08% from the end of 2022. This was mainly due to an increase in accrued income taxes, which resulted from the company's increased net income.

### Total Shareholders' Equity

Total shareholders' equity as of June 30, 2023, was 855.11 million baht, an increase of 18.61% from the end of 2022. This was mainly due to the company's increase in accumulated profits.

### Cash Flow Analysis

As of June 30, 2023, the company had cash and cash equivalents of 70.43 million baht, an increase of 45.14 million baht from the end of 2022.

Cash flow statement ended Q2/2023	Million Baht
Net cash flow from operating activities	147.15
Net cash flow from investing activities	-76.97
Net cash flow from financing activities	-24.54
<b>The net increase in cash and cash equivalents</b>	<b>45.14</b>

- Net cash from operating activities increased, mainly due to revenue from the 44th Bangkok International Motor Show (BIMS).
- Net cash from investing activities increased, mainly due to investments in 12-month term deposits, cash payments to loan to associate companies and cash payments to purchase land, buildings and equipment.
- Net cash from financing activities decreased, due to dividend payments.

Key Financial Ratios	Q2	
	2023	2022
Gross Profit Margin (%)	53.02	48.70
EBITDA Margin (%)	36.98	30.20
Return on Equity (ROE)	9.28	3.95
Return on Asset (ROA)	10.75	4.87
Current Ratio (Times)	5.63	3.01
D/E Ratio (Times)	0.10	0.20
Earnings per share EPS (Baht)	0.26	0.20



## Progress in Financial Assistance to Associate Company

The company has provided financial assistance to True Energy Co., Ltd. (“True Energy”), an associate company of the company, with a total amount of up to 70,000,000 baht as follows:

(1) Loan of up to 20,000,000 baht

- Interest rate: 7% per annum on the loan amount drawn down
- Maturity date: October 20, 2023 (The principal has been drawn down and has not yet been repaid in full, both principal and interest)

(2) Loan of up to 30,000,000 baht

- Interest rate: 6% per annum on the loan amount drawn down
- Maturity date: January 25, 2024 (The principal has been drawn down and has not yet been repaid in full, both principal and interest)

(3) Shot – Term Loan of up to 20,000,000 baht

- Loan 1: Drawn down on February 7, 2023, interest rate 7.9% per annum, amount 10,000,000 baht, maturity date April 20, 2023 (principal has been drawn down and repaid in full, both principal and interest)
- Loan 2: Drawn down on March 7, 2023, interest rate 7.9% per annum, amount 10,000,000 baht, maturity date May 17, 2023 (principal has been drawn down and repaid in full, both principal and interest)
- Loan 3: Drawn down on May 29, 2023, interest rate 8.1% per annum, amount 10,000,000 baht, maturity date August 7, 2023 (principal has been drawn down and is not yet due for repayment of principal and interest)

*-Peeraphong Eamlumnow-*

Chief Growth Officer / Chief Financial Officer