



7 August 2023

To Director and Manager  
The Stock Exchange of Thailand

**Subject Management Discussion and Analysis for the period ended June 30, 2023**

President Automobile Industries Public Company Limited's operating results for 6-month period ending 30 June 2023 and financial statement as at 30 June 2023 are follows:

**Operating results**

Income Statement	For the 6-month period ended					
	30 June 2023		30 June 2022		Change Increase (decrease)	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
<u>Revenues</u>						
Sales	487.19	95.07	414.97	96.88	72.22	17.40%
Gain on exchange	12.22	2.38	5.57	1.30	6.65	119.39%
Other Income	13.06	2.55	7.79	1.82	5.27	67.65%
<b>Total revenues</b>	<b>512.47</b>	<b>100.00</b>	<b>428.33</b>	<b>100.00</b>	<b>84.14</b>	<b>19.64%</b>
<u>Expense</u>						
Cost of sales	430.86	84.08	347.32	81.09	83.54	24.05%
Selling and distribution expense	12.11	2.36	11.22	2.62	0.89	7.93%
Administrative expense	27.32	5.33	21.79	5.09	5.53	25.38%
<b>Total Expense</b>	<b>470.29</b>	<b>91.77</b>	<b>380.33</b>	<b>88.79</b>	<b>89.96</b>	<b>23.65%</b>
<b>Operation Profit</b>	<b>42.18</b>	<b>8.23</b>	<b>48.00</b>	<b>11.21</b>	<b>(5.82)</b>	<b>(12.13%)</b>
Financial Cost	7.31	1.43	2.79	0.65	4.52	162.01%
<b>Profit before income tax expense</b>	<b>34.87</b>	<b>6.80</b>	<b>45.21</b>	<b>10.55</b>	<b>(10.34)</b>	<b>(22.87%)</b>
Income Tax expense	7.58	1.48	(0.41)	(0.10)	7.99	1948.78%
<b>Profit for the period</b>	<b>27.29</b>	<b>5.33</b>	<b>45.62</b>	<b>10.65</b>	<b>(18.33)</b>	<b>(40.18%)</b>

**Sale income**

Sale income for 6-month period ending 30 June 2023 is 512.47 million Baht, increase by 72.22 million Baht, or increase 17.40% as compared to the same period of the last year. The company has increased the number of production staff to increase production capacity to support the increase in demand from overseas customer which results in the increase in sales.

**Gain on exchange**

Gain on exchange for 6-month period ending 30 June 2023 is 12.22 million Baht, increase by 6.65 million Baht, or increase 119.39% as compared to the same period of the last year. This is a result of the Thai Baht currency depreciation as well as increased in export sales.



#### Other income

Other income for 6-month period ending 30 June 2023 is 13.06 million Baht, increase by 5.27 million Baht, or 6.67% as compare to the same period of the last year. This is mainly due to increase in sale of scrap and gain on revaluation of financial instrument.

#### Cost of sales

Cost of sale for the 6-month period ending 30 June 2023 is 430.86 million Baht, increase by 83.54 million Baht, or 24.05% as compare to the same period of the last year. Cost of sale increase is in line with the increase in sales as well as labor and electricity costs.

For the 6-month period ending 30 June 2023, the company has gross profit of 56.33 million Baht, or gross profit margin 11.56% which is a decrease of 11.32 million Baht (or 16.73%) as compared to the gross profit for period ending 30 June 2022 of 16.30%. The decrease in gross profit is due to the minimum wage and electricity costs increase.

#### Selling and distribution expense

Selling and distribution expense for the 6-month ending 30 June 2023 is 12.11 million Baht, increase 0.89 million Baht, or 7.93% as compared to the same period of the last year. This is mainly due to the increase in transport expense.

#### Administrative expense

Administrative expense for 6-month period ending 30 June 2023 is 27.32 million Baht, increase 5.53 million baht, or 25.38% as compared to the same period of the last year. This is due to recognition of loss from financial derivatives, allowance for doubtful debts, expenses related to the share capital increase and employee compensation fund totaled to approximately 4.48 million Baht.

#### Financial cost

Financial cost for the 6-month period ending 30 June 2023 is 3.87 million Baht, increase 4.52 million baht, or 162.01% as compared to the same period of the last year. This is due to the short-term and long-term loans for working capital as well as increase in interest rate by the government, causing the financial cost to increase.

#### Income tax expense

Income tax expense for 6-month period ending 30 June 2023 is 7.58 million Baht, increase 7.99 million baht, or 1948.78% as compare to the same period of the last year. This is because in the previous year, the Company received a BOI incentive for corporate income tax reduction resulting in an increased this year as compared to last year.



## Net Profit

Net Profit for the 6-month period ending 30 June 2023 is 27.29 million Baht, decrease 18.33 million Baht, or 40.18% as compared to the same period of the last year. This is mainly from the decrease in gross profit and increase administrative expense and financial cost.

## Statement of Financial Position

Financial Position	As at					
	30 June 2023		30 June 2022		Change Increase (decrease)	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Total Asset	1,383.57	100.00	1,414.58	100.00	(31.01)	(2.19)
Total Liabilities	422.48	30.54	480.77	33.99	(58.29)	(12.12)
Total shareholder's equity	961.09	69.46	933.81	66.01	27.28	2.92

## Asset

As of 30 June 2023, the Company has total asset 1,383.57 million Baht, decrease 31.01 million Baht, or 2.19% from 31 December 2022. The reason for the decrease in total assets was due to the reduction in raw material inventory as well as decrease in cash and cash equivalents from the repayment of short-term and long-term loans during the period.

## Liabilities

As of 30 June 2023, the Company has total liabilities of 422.48 million Baht, decrease 58.29 million Baht, or 12.12% from 31 December 2022. This is mainly from the repayment of short-term and long-term loans to financial institutions during the period.

## Shareholder's equity

As of 30 June 2023, the Company has total equity 961.09 million Baht, increase 27.28 million Baht, or 2.92% from 31 December 2022. This increase is from the Net Profit in Quarter 2,2023

Please be informed accordingly

Sincerely yours,

Mr. Somchai Lertkajornkitti  
Chief Executive Officer