



Management Discussion and Analysis

For Quarter 3 Results, Ended September, 2023

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 company’s main revenue comes from organizing exhibitions and marketing activities, such as the Bangkok International Motor Show, Bangkok Used Car Show, Digital Motorsport, etc.

Economic and Industry Conditions

The Thai economy in the third quarter of 2023 expanded compared to the previous quarter, driven by improved private consumption and the service sector, influenced by an increase in the number of both Thai and international tourists. The increase in the value of exports, not including gold, was driven by the export of automobiles and components, with petroleum playing a crucial role. This development is in line with the growth in the industrial sector's production. However, private sector investment decreased, particularly in machinery and equipment, after having accelerated in the previous period. This reduction was coupled with a contraction in government spending, encompassing both recurrent and investment expenditures. In terms of economic stability, the general inflation rate decreased, influenced by the categories of fresh food and the basic inflation, while the energy category increased due to rising gasoline prices. The labor market continued to recover. As for the balance of payments, there was a surplus in both the trade balance and the services balance, but income and transfer deficits decreased due to reduced remittances and decreased service sector expenditures.

The Federation of Thai Industries (FTI) reported production, sales, and exports figures for automobiles in August, which have decreased overall due to a sluggish domestic market. Car production in August decreased by 12% YoY to 150,657 units, mainly due to a 42% YoY reduction in the production of pickup trucks intended for the domestic market. While car sales in the domestic market in August also decreased by 12% YoY to 60,234 units, this decline can be attributed to reduced consumer purchasing power due to tightened credit approval by financial institutions, affecting both provincial markets and the agricultural sector. On the other hand, car exports in August increased by 19% YoY to 87,555 units, benefiting from an easing of the global semiconductor shortage and robust demand in major export markets including Australia, the Middle East, Europe, North America, Central America, and South America.

For the third quarter trend of 2023, the overall economic performance has shown signs of recovery on a QoQ basis, driven by seasonal factors. However, when comparing YoY, there is a trend of reduction, primarily due to the automotive industry, with car production in the country in July to August decreasing by 5% YoY, reflecting a decline in domestic consumer demand.

Performance Summary

The company's performance based on the consolidated financial statements for the third quarter ended September 30, 2023 and 2022

Income Statement (Million THB)	Q3 (9-month)		% Change
	2023	2022	
Revenue from Sales & Services	583.87	552.64	5.65%
Gross Profit	291.40	246.65	18.14%
Gross Profit Margin (%)	49.91	44.63	11.83%
SG&A	(141.38)	(132.64)	6.59%
Profit (Loss) of associate companies using the equity method	(7.77)	(13.22)	-41.23%
Net Profit for the period	115.47	82.05	40.74%
Net Profit Margin (%)	19.78	14.85	33.22%

Revenue from Sales & Services:

As of September 30, 2023, the company had revenue from sales and services, as per the financial statements, totaling 583.87 million Baht. This represents an increase of 5.65% compared to the same period of the previous year. The growth is attributed to the income generated from organizing the 44th Bangkok International Motor Show.

Gross Profit (Loss):

As of September 30, 2023, the company had a gross profit of 291.40 million Baht, representing an increase of 18.14% compared to the previous year. The main reason for this growth is attributed to the income generated from organizing the 44th Bangkok International Motor Show (BIMS).

Selling and Administrative Expenses (SG&A):

As of September 30, 2023, the company had selling and administrative expenses totaling 141.38 million Baht. This represents an increase of 6.59% compared to the same period of the previous year. The main reason for this increase is attributed to the rise in salaries and benefits within the company.

Profit (Loss) of Associate Companies using the Equity Method

As of the end of September 30, 2023, the equity method loss of the joint venture company amounted to 7.77 million Baht. This loss represents a decrease of 41.23% compared to the same period of the previous year. The primary reason for this decrease is attributed to increased revenue from the joint venture company's power plant business.

Net Profit (Loss) for the period

As of the end of September 30, 2023, the comprehensive income for the period in the consolidated financial statements showed a net profit of 115.47 million Baht. This represents a net profit margin of 40.74% of the total revenue. The increase in profit is attributed to the company experiencing higher revenue during this period.

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

Business	Q3 (9-month)		% Change YoY
	2023	2022	
1. Exhibition and Event Organizing	548.29	501.07	9.42%
2. Publishing and Digital media	22.77	28.71	-20.69%
3. Printing	11.82	14.15	-16.47%
4. Others	0.99	8.71	-88.66%
Total Revenue from Sales and Services	583.87	552.64	5.65%

Exhibitions and Event Organizing Business

As of September 30, 2023, revenue from the exhibition and event organizing business increased by 9.42% compared to the same period of the previous year. The main reason for this increase is attributed to the income generated from organizing the 44th Bangkok International Motor Show (BIMS). In the current year, there has been an expansion of booth space for automotive displays compared to the previous year to accommodate the increased demand for space from the automotive industry. This expansion has resulted in an increase in revenue from event organization.

Publishing and Digital Media Business

As of September 30, 2023, revenue from publishing and digital media businesses decreased by 20.69% compared to the same period of the previous year. The primary reason for this decline is attributed to a reduction in revenue from advertising in print media and magazine sales. This decrease is a result of changing consumer behavior, with a growing preference for accessing news through rapidly expanding and diverse online platforms.

Printing Business

As of September 30, 2023, revenue from the printing business decreased by 16.47% compared to the same period of the previous year. The main reason for this decline is attributed to the rapid changes in digital technology trends and consumer behavior. These factors significantly impact the operations of printing businesses, with the increasing popularity of online media leading to a reduction in revenue for both printing services and printing presses.

Others:

As of September 30, 2023, there was a decrease of 88.66% compared to the same period of the previous year. The main reason for this decline is attributed to a decrease in revenue from accumulated car sales and revenue from providing car customization services for competitions.

Financial Structure

Financial Structure (Million THB)	Q3/2023	Year 2022	% Change
Total Assets	851.29	797.07	6.80
Total Liabilities	77.90	76.15	2.30
Total Shareholders' Equity	773.39	720.92	7.28

Total Asset

As of September 30, 2023, the total assets according to the financial statements amounted to 851.29 million Baht, representing an increase of 6.80% compared to the end of the fiscal year 2022. The main reason for this increase is attributed to the growth in the inventory and the increase in fixed deposits held as collateral.

Total Liabilities

As of September 30, 2023, the total liabilities according to the financial statements amounted to 77.90 million Baht, representing an increase of 2.30% compared to the end of the fiscal year 2022. The main reason for this increase is attributed to higher trade payables and other current liabilities, primarily due to an increase in deferred income tax payable resulting from the company's increased net profit.

Total Shareholders' Equity

As of September 30, 2023, the equity portion according to the financial statements amounted to 773.39 million Baht, representing an increase of 7.28% compared to the end of the fiscal year 2022. The main reason for this increase is attributed to the company having accumulated profits that have not been allocated, leading to a growth in shareholders' equity.

Cash Flow Analysis

As of September 30, 2023, the company had cash and cash equivalents of 8.68 million THB, a decrease of 16.62 million THB from 2022.

Cash flow statement ended Q3/2023	Million THB
Net cash flow from operating activities	114.46
Net cash flow from investing activities	-67.79
Net cash flow from finance activities	-63.29
Net cash flow	-16.62

- **Net cash flow from operating activities:** This was mainly due to the deferred incomes from the 44th Bangkok International Motor Show and 2023 Ji Chang Wook Fan Meeting in Bangkok.
- **Net cash flow from investing activities:** Using cash to invest in fixed deposits as a form of security and for the acquisition of land, buildings, and additional equipment.
- **Net cash flow from finance activities:** This is mainly due to dividend payment.

Key Financial Ratios

Key Financial Ratios	Q3	
	2023	2022
Gross Profit Margin (%)	49.91	44.63
EBITDA Margin (%)	27.81	21.54
Return on Equity (%)	9.24	4.74
Return on Asset (%)	11.15	6.03
Current Ratio (Times)	3.98	4.24
D/E Ratio (Times)	0.10	0.12
EPS (THB)	0.19	0.06

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)
- Extend the repayment period to 1 year, with repayment due on October 20, 2023 (Still not received repayments for both the 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) Short-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 repaid in full, both principal and interest)
- Loan 4: Drawn down on August 4, 2023, interest rate 8.3% per annum, amount 10,000,000 baht, maturity date October 13, 2023 (principal has been drawn down and repaid in full, both principal and interest)

Mr.Peeraphong Eamlumnow

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Chief Growth Officer & Chief Financial Officer

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