



**Autocorp Holding Public Company Limited**  
**Management Discussion and Analysis**  
**Operating Results for the third quarter and the nine-month periods ended**  
**30 September 2023**

**Business Overview**

Autocorp Holding Public Company Limited (“Company”) operates its business as a holding company investing in other companies. There are 2 subsidiaries. One is the Honda Maliwan Company Limited (“Honda Maliwan”) with 99.74% that businesses are car and accessories sales, repair service and Honda branded spare parts sales, including finance and insurance providing services. The Company is one of the Honda dealers. Presently, it operates 5 branches in 5 high potential provinces in the Northeastern and the Southern region of Thailand, namely Khon Kaen, Buriram, Surin, Phuket and Krabi.

Another subsidiary is Autoclik by ACG Company Limited (“Autoclik”), which was established on July 8, 2020. In May 2023, the Company invested Baht 49 million in Autoclik which currently, holds 99.98% of shares. Autoclik engages in the business of spare part sales and quick repair service for every car brand (Fast Fit). In 2023, Autoclik has opened 2 branches, 1 branch in Chiang Mai and another branch in Phuket. Currently, there are total 13 branches, 3 branches in Phuket, 8 branches in Bangkok Metropolitan Region and 2 branches in Chiang Mai. There are plans to open two more branches in October and November 2023. The Group determined to invest in branch expansion by considering potential locations as planned.

**Overall operating performance**

For overall operating performance, the Group company’s net profit for the nine-month periods ended 30 September 2023 was Baht 14.55 million, decreased by Baht 2.52 million or 14.76% when compared to 2022. Overall caused by Autoclik also operating at a loss, because it is in the period of investment to expand branches, causing expenses for branch opening preparation, marketing plan and advertisement. Honda Maliwan, net profit increased by 28.66% when compared to 2022, mainly due to better performance of revenue from cars and accessories dealership caused from increase in average revenue per car 6.85% and revenue from repair and maintenance services and spare parts dealership increased by 20.66 %.

For Q3/2023 performance, Net profit was Baht 1.74 million compared with Q3/2022, net profit decreased by Baht 3.52 million or 66.92%. When compared to Q2/2023, net profit decreased Baht 4.24 million or 70.90%, mainly caused from the decrease in revenue from car sales and commission income of Honda Maliwan, caused from the volume of car sales decreased by 7.14% and 17.77% respectively.

## Analysis of the operating performance

### The Comparison of performance in the first nine months of 2023 and 2022

Unit: Million Baht

Key financial information	Jan - Sep	Jan - Sep	Change	
	2022	2023	+ / (-)	%
Revenue from cars and accessories dealership	984.22	931.15	(53.07)	(5.39%)
Revenue from repair and maintenance services and spare parts dealership	330.28	398.50	68.22	20.66%
<b>Total revenue from sale and rendering of services</b>	<b>1,314.50</b>	<b>1,329.65</b>	<b>15.15</b>	<b>1.15%</b>
<b>Gross profit</b>	<b>140.55</b>	<b>164.86</b>	<b>24.31</b>	<b>17.30%</b>
Commission income	39.00	31.76	(7.24)	(18.56%)
Distribution costs	44.04	43.12	(0.92)	(2.09%)
Administrative expenses	107.59	119.07	11.48	10.67%
Tax expense	11.00	13.31	2.31	21.00%
<b>Profit for the period</b>	<b>17.07</b>	<b>14.55</b>	<b>(2.52)</b>	<b>(14.76%)</b>

### The Comparison of performance in Q3/2023, Q2/2023 and Q3/2022

Unit: Million Baht

Key financial information	Quarter	Quarter	Quarter	Change + / (-)	
	3/2022	2/2023	3/2023	YoY	QoQ
Revenue from cars and accessories dealership	274.65	312.15	276.88	0.81%	(11.30%)
Revenue from repair and maintenance services and spare parts dealership	112.5	131.52	136.00	20.89%	3.41%
<b>Total revenue from sale and rendering of services</b>	<b>387.15</b>	<b>443.67</b>	<b>412.88</b>	<b>6.65%</b>	<b>(6.94%)</b>
<b>Gross profit</b>	<b>48.32</b>	<b>55.75</b>	<b>52.24</b>	<b>8.11%</b>	<b>(6.30%)</b>
Commission income	10.25	11.19	8.39	(18.15%)	(25.02%)
Distribution costs	13.24	14.65	13.81	4.31%	(5.73%)
Administrative expenses	36.41	41.47	38.07	4.56%	(8.20%)
Tax expense	3.54	4.76	3.50	(1.13%)	(26.47%)
<b>Profit for the period</b>	<b>5.26</b>	<b>5.98</b>	<b>1.74</b>	<b>(66.92%)</b>	<b>(70.90%)</b>

## Revenue

Revenue from sale and rendering of services in the first nine months of 2023 was Baht 1,329.65 million, increased by Baht 15.15 million or 1.15% when compared to 2022.

By comparing quarterly, Revenue from sale and rendering of services in Q3/2023 was Baht 412.88 million, increased by Baht 25.73 million or 6.65% when compared to Q3/2022 and decreased by Baht 30.79 million or 6.94% when compared to Q2/2023. The details are as follows:

- **Revenue from cars and accessories dealership**

Revenue from cars and accessories dealership in the first nine months of 2023 was Baht 931.15 million, decreased by Baht 53.07 million or 5.39%, mainly due to a 12.17% decrease in sales volume when compared to 2022. However, the cars and accessories sale segment had better performance due to the average revenue per car increased by 6.85%, resulting in an increase in profit per car of 13.04 % when compared to 2022.

By comparing quarterly, Revenue from cars and accessories dealership in Q3/2023 was Baht 276.88 million increased by Baht 2.23 million or 0.81% because the average revenue per car increased by 6.33% when compared to Q3/2022. When comparing to Q2/2023, decreased by Baht 35.27 million or 11.30% because decrease in sales volume 17.77%.

- **Revenue from repair and maintenance services**

Revenue from repair and maintenance services and spare parts sales in the first nine months of 2023 was Baht 398.50 million, increased by Baht 68.22 million or 20.66%, mainly due to the opening of more branches of Autoclik. As a result, the income increased to 91.08%. Honda Maliwan's revenue increased by 8.29% due to the number of cars in general maintenance service increased by 1.93% and the body and paint repair service increased by 2.10%.

By comparing quarterly, Revenue from repair and maintenance services and spare parts sales in Q3/2023 was Baht 136 million, increased by Baht 23.50 million or 20.89%. The main reason is that Autoclik's revenue has increased, due to the opening of 4 more branches compared to the Q3/2022. When comparing to Q2/2023, revenue increased by Baht 4.48 million or 3.41% mainly due to Autoclik's revenue increased by 14.12%

- **Commission income**

Commission income in the first nine months of 2023 was Baht 31.76 million, decreased by Baht 7.24 million or 18.56%, due to decrease in car sales volume.

By comparing quarterly, Commission income Q3/2023 was Baht 8.39 million, decreased by Baht 1.86 million or 18.15% from Q3/2022. When comparing to Q2/2023, it decreased by Baht 2.80 million or 25.02% from decrease in car sales volume, because commission income is caused by finance and insurance service providing. Therefore, commission income tends to the volume of car sales.

## **Expense**

- **Distribution cost**

Distribution cost in the first nine months of 2023 was Baht 43.12 million, decreased by Baht 0.92 million or 2.09%, because the depreciation of Honda Maliwan decreased by Baht 2.36 million and increased from Autoclik's advertising and sales promotion expense amounted to Baht 1.72 million.

- **Administrative expenses**

Administrative expenses in the first nine months of 2023 was Baht 119.07 million, increased by Baht 11.48 million or 10.67% mainly from expenses for branch opening preparation of Autoclik and the increasing of fixed expense of each branch such as personnel expense, utilities, depreciation and share-based employee benefit expenses of Baht 6.67 million of Autocorp.

By comparing quarterly, Administrative expenses in Q3/2023 was Baht 38.07 million increased by Baht 1.66 million or 4.56% from Q3/2022, mainly from expenses for branch opening preparation of Autoclik in 2023. When comparing to Q2/2023, it decreased by Baht 3.40 million or 8.20% because Honda Maliwan's expenses decreased by Baht 1.12 million, the main reason being electricity and entertainment expense decreased. As for Autoclik's expenses decreased by Baht 0.8 million from expenses for opening branch that occurred in Q2/2023.

- **Tax expense**

Tax expense in the first nine months of 2023 was Baht 13.31 million, increased by Baht 2.31 million or 21%, mainly due to the operating results of Honda Maliwan had a profit before tax increased by 27.39%, resulting in income tax expenses of Honda Maliwan increased by Baht 2.53 million.

## Statement Financial Position Analysis

### Asset

Unit: Million Baht

Key financial information	31 December 2022	30 September 2023	Change + / (-)	%
<b>Total assets</b>	<b>1,285.77</b>	<b>1,313.74</b>	<b>27.97</b>	<b>2.18%</b>
Cash and cash equivalents	146.12	114.70	(31.42)	(21.50%)
Trade accounts receivable	31.46	35.36	3.90	12.40%
Inventories	129.22	173.00	43.78	33.88%
Property, plant and equipment	625.42	628.23	2.81	0.45%
Right-of-use assets	163.23	168.68	5.45	3.34%

As at 30 September 2023, the total assets of the Group company were at Baht 1,313.74 million, increased by Baht 27.97 million or 2.18% from 31 December 2022. The details of significant changes are as follows:

- **Cash and cash equivalents**

Cash and cash equivalents as at 30 September 2023 were Baht 114.70 million, decreased by Baht 31.42 million or 21.50%. The details of cash flow analysis are shown on the next page.

- **Trade accounts receivable**

Trade accounts receivable as at 30 September 2023 were Baht 35.36 million, increased by Baht 3.90 million or 12.40%, mainly caused from insurance company receivables in the body and paint repair service section, which increased by Baht 2.40 million or 13.82%, because there was an increase of 2.10% in the number of cars serviced. The average collection period was 9 days, decreased by 1 day from 2022.

- **Inventories**

Inventories as at 30 September 2023 was Baht 173 million, increased by Baht 43.78 million or 33.88%, mainly due to cars of Honda Maliwan increased by Baht 42.56 million and spare parts of Autoclik increased by Baht 4.15 million, due to the opening of 2 new branches. The average inventory period was 36 days, increased by 4 days from 2022.

- **Property, plant and equipment**

Property, plant and equipment as at 30 September 2023 was Baht 628.23 million, increased by Baht 2.81 million or 0.45%, mainly due to an increase buildings and equipment of Baht 12.63 million from the construction and operation 2 branches of Autoclik during period and another 2 branches that are under construction. While the buildings and equipment of Honda Maliwan decreased by Baht 9.82 million baht, mainly due to depreciation during the year of Baht 17.97 million.

- **Right-of-use assets**

Right-of-use assets as at 30 September 2023 was Baht 168.68 million, increased by Baht 5.45 million or 3.34% due to the addition of the land agreement of 3 branches of Autoclik during the period.

## Liabilities

Unit: Million Baht

Key financial information	31 December 2022	30 September 2023	Change + / (-)	%
<b>Total liabilities</b>	<b>606.77</b>	<b>621.55</b>	<b>14.78</b>	<b>2.44%</b>
Bank overdrafts and short-term loans from financial institutions	280.00	300.00	20.00	7.14%
Long-term loan from financial institution	43.55	31.40	(12.15)	(27.90%)
Lease liabilities	170.81	181.15	10.34	6.05%

As at 30 September 2023, the total liabilities of the Group company were at Baht 621.55 million, increased by Baht 14.78 million or 2.44% from 31 December 2022. The details of significant changes are as follows:

- **Bank overdrafts and short-term loans from financial institutions**

Bank overdrafts and short-term loans from financial institutions as at 30 September 2023 were Baht 300 million, increased by Baht 20 million or 7.14% due to Honda Maliwan withdrew promissory note, a net increase of Baht 20 million for use as working capital.

- **Long-term loan from financial institution**

Long-term loan from financial institution as at 30 September 2023 was Baht 31.40 million, decreased by Baht 12.15 million or 27.90%, due to loan repayment in accordance with agreement.

- **Lease liabilities**

Lease liabilities as at 30 September 2023 was Baht 181.15 million, increased by Baht 10.34 million or 6.50% due to the addition of the land agreement of 3 branches of Autoclik during the period.

### Equity

As at 30 September 2023, the total equity of the Group company was at Baht 692.19 million, increased by Baht 13.18 million or 1.94% from 31 December 2022, due to net profit amounted to Baht 14.55 million, warrants to purchase ordinary shares increased by Baht 6.67 million and decreased from the dividend payment amounted to Baht 8.04 million

### Statement of Cash Flow Analysis

Unit: Million Baht

Cash Flow	Jan - Sep 2022	Jan - Sep 2023
EBITDA	79.09	84.21
Change in operating assets and liabilities	(17.57)	(60.20)
Net cash flows from (used in) operating activities	61.52	24.01
Net cash flows from (used in) investing activities	(26.22)	(36.38)
Net cash flows from (used in) financing activities	(96.35)	(19.05)
<b>Net cash increase (decrease)</b>	<b>(61.05)</b>	<b>(31.42)</b>
<b>Cash at beginning of period</b>	<b>169.63</b>	<b>146.12</b>
<b>Cash at ending of period</b>	<b>108.58</b>	<b>114.70</b>

As at 30 September 2023, the cash and cash equivalents were Baht 114.70 million. Net cash flow decreased by Baht 31.42 million. The details are as follows:

- Net cash inflow from operating activities amounted to Baht 24.01 million includes the earnings before interest, taxes, depreciation and amortization amounted to Baht 84.21 million and the cash outflow from change in operating assets and liabilities amounted to Baht 60.20 million. The main transactions which caused the cash flow to decrease were Baht 44.95 million increase in inventories and taxes paid amounted to Baht 19.06 million.

- Net cash outflow from investing activities amounted to Baht 36.38 million was mainly from the disbursement of construction costs of 2 Autoclik branches which are operated during the period and another 2 branches that are under construction, which will open for operation in October and November 2023.
- Net cash outflow from financing activities amounted to Baht 19.05 million, was from loans from financial institutions drawdown amounted to Baht 1,990 million, repayment of loan amounted to Baht 1,982.15 million, lease liabilities payment amounted to Baht 9.98 million, dividend payment amounted to Baht 8.02 and interest payment amounted to Baht 8.91 million.

Please be informed accordingly,

Yours sincerely

(Phanumast Rungkakulnuwat)

Chief Executive Officer