



บริษัท ไพโอเนียร์ มอเตอร์ จำกัด (มหาชน)

PIONEER MOTOR PUBLIC COMPANY LIMITED

Ref. PIMO 6702 / 002

February 27, 2024

Subject: Management Discussion and Analysis of Financial Statement for the year ended December 31, 2023

To: The President
The Stock Exchange of Thailand

Pioneer Motor Public Company Limited would like to clarify the Company's Financial Operations results for the year end December 31, 2023. The Details are as follows:

Overview

The operations results of the Company for the year ended December 31, 2023 recorded the Net profit from financial statements of Baht 73.58 million compared to Baht 105.27 million of the same period last year, decreased by Baht 31.69 million or 30.10%

The main reason is that the demand from overseas customers decreased, including the United States and Australia. The main reasons are as follows.

1. High inflation rates in the United States and Australia.
2. Rapid increase in interest rates causing weakening of economy in these countries.
3. During the situation of the COVID-19 epidemic, this has caused a huge increase in sales over the past 2 years as people live and work from home, bringing in money to improve swimming pools and home improvements during that time. But when the COVID-19 epidemic was resolved, so people reduced their expenses and went out to live their normal lives. Our company's expectation is that export sales will recover sometime from the fourth quarter onwards.

When comparing the net profit margin to total revenues, the net profit margin for the year ended December 31, 2023 was 7.67%, which decreased from the net profit margin in the same period last year which was 8.81%, because in the first half of the year raw materials are still expensive. For the 3rd quarter and 4th quarter, some raw materials prices decreased. As a result, the cost of sales to income ratio has improved. However, the company will follow the situation of raw material's price adjustment and trying to manage inventory to stock products to reduce the burden of raw material prices that fluctuate in the period.



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Net profit (loss)

Unit: Million Baht

Description	Financial statements Ended 31/12/2023	Financial statements Ended 31/12/2022	Increase (Decrease)	
			Amount	Percentage (%)
Sales	958.88	1,195.50	(236.62)	(19.79)
Net Profit	73.58	105.27	(31.69)	(30.10)

Revenue

For the year ended December 31, 2023, the Company has earned total revenue from financial statements of Baht 987.26 million, decreased from the same period last year by Baht 254.07 million or 20.47%, comprised of Sales Revenue of Baht 958.88 million, decreased from the same period last year by Baht 236.62 million or 19.79%. Compared to the proportion of revenue from domestic and export sales, for the year 2023, domestic revenue was 54% and export revenue 46% (Year 2022 : domestic revenue was 46% and export revenue 54%)

The main reason of the decreased is from the decreased sales of all product both domestic and international, including Air motors, Induction motor and increased sales of water pump motors (Axial – Flux pool : BLDC).

Other income from financial statement of Baht 28.38 million for the year ended December 31, 2023, decreased from the same period last year by Baht 17.46 million or 38.08%.

This was mainly due to a decrease in scrap sales of Baht 8.48 million, combine with a decrease in foreign exchange profits of Baht 10.51 million, which was in line with sales sold abroad that also decreased.

Cost of Sales

For the year ended December 31, 2023, the Company has Cost of Sales from financial statements of the Company equaled to Baht 812.19 million, decreased from the same period last year by Baht 196.55 million or 19.48%, as a resulting when analysis the cost of Sales to Sales ratio increased to 84.70% from 84.38% for the same period last year.

Selling Expenses

For the year ended December 31, 2023, Selling Expenses from financial statements was Baht 40.96 million, decreased from the same period last year by Baht 11.02 million or 21.20%, which is according to the decrease in sales.

Administrative Expenses

For the year ended December 31, 2023, Administrative Expenses from financial statements of the Company was Baht 56.08 million, decreased from the same period last year by Baht 3.73 million or 6.23%. The main decrease was due to bonuses, allowance for doubtful accounts and export product certification fees.

The Financial Position

Assets

As of December 31, 2023, the Company has total asset equal from financial statement to Baht 1,274.58 million, which increased from the year 2022, as of December 31, 2022, by Baht 161.97 million or increased 14.56%. The Details are as follows:

Current Assets of Baht 837.10 million, composed of:

- Cash and cash equivalents of Baht 40.54 million, decreased from the year 2022 by Baht 41.61 million or decreased 50.65%. Part of the dividends payment of the net profit from the result operations for the second half of the year 2022 and dividend payment of the net profit from the first half of the year 2023 operation results, total dividend payment of Baht 36.75 million.
- Trade Receivables of Baht 166.96 million, increased from the year 2022 by Baht 13.69 million or increased 8.93%.
- Inventories of Baht 418.95 million, increased from the year 2022 by Baht 3.03 million or increased 0.73%, due to the raw material is ordered to stock in advance to support the production. In combination with the price of main raw materials tends to increase continuously.
- Other current financial assets of Baht 205.43 million, increased from the year 2022 by Baht 205.43 million or increased 100%. The Company invested in mutual funds with Krung Thai Bank of Baht 115 million and Government bonds with Krung Thai Bank of Baht 90 million.

Non-Current Assets of Baht 437.48 million, composed of

- Land, building and equipment of Baht 429.15 million, decreased from the year 2022 by Baht 10.26 million or decreased 2.34%.



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Liabilities

As of December 31, 2023, the Company has total liabilities from financial statement of Baht 249.10 million , which decreased from the year 2022, as of December 31, 2022, by Baht 31.63 million or decreased 11.27%. The details are as follows:

Current Liabilities of Baht 198.58 million , composed of

- Account Payable of Baht 174.66 million, decreased from the year 2022 by Baht 34.77 million or decreased 16.60%. The main principle decreased from the trade accounts payable for raw materials.
- Other Payable of Baht 20.41 million, increased form the year 2022 by Baht 0.30 million or increased 1.50%.

Non-Current Liabilities of Baht 50.52 million composed of

- Liabilities under lease agreements of Baht 1.91 million, increased from the year 2022 by Baht 1.69 million or increased 770.89%.
- Employee benefits obligation of Baht 33.58 million, increased from the year 2022 by Baht 2.55 million or increased 8.21%.

Shareholders' Equity

As of December 31, 2023, the Company's Shareholders' Equity from financial statement of Baht 1,025.49 million, composed of :

- Being Issued and Paid up capital of Baht 189.41 million (757,635,269 ordinary shares of Baht 0.25 each : 31 December 2022 : 667,922,249 ordinary shares of Baht 0.25 each)
- Premium on share capital (net) of Baht 419.33 million.
- Allocated for Legal Reserve of Baht 21.31 million.
- Unappropriated Retained Earnings of Baht 301.19 million, increased from the year 2022 by Baht 36.60 million or increased 13.83%.
- Revaluation surplus on assets is a surplus from land revaluation of Baht 94.24 million.

Please kindly be informed accordingly,

Yours Sincerely,

Pioneer Motor Public Company Limited

Mr. Wasun Itthirojanakul

Managing Director