



## **Management Discussion and Analysis**

For the Year ended December 31, 2023

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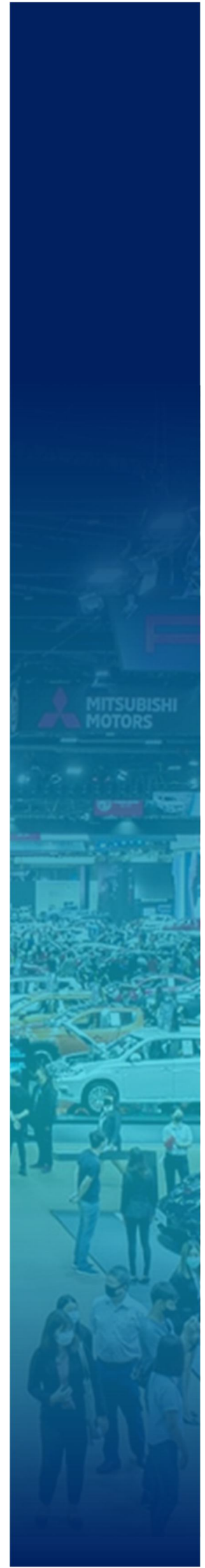
**GRAND PRIX INTERNATIONAL PUBLIC COMPANY LIMITED**

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

## **Economic and Industry Conditions**

In the year 2023, the automotive industry experienced a reduction in car production compared to the same period in the previous year. The total quantity of car production was 1,850,000 units, as opposed to 1,883,515 units during the corresponding period of the preceding year, marking a decrease of 1.78 percent. This decline is attributed to a decrease in the domestic market, influenced by the stringent credit policies of financial institutions and high household debts that persist at elevated levels. The breakdown of car production includes 35 percent for passenger cars, 1 percent for one-ton pickup trucks, 63 percent for derivatives, and 2 percent for commercial vehicles and others. In the year 2566, car sales in the country amounted to 800,000 units, compared to the same period in the previous year when sales reached 849,388 units, indicating a decrease of 5.81 percent. The breakdown of car sales includes 51 percent for passenger cars, 1-ton pickup trucks at 43 percent, and derivatives at 6 percent. However, the export market for cars expanded, with the export of Completely Built-Up (CBU) cars totaling 1,050,000 units, in contrast to 1,000,256 units during the same period in the previous year. This represents an increase of 4.97 percent, driven by the economic expansion in key trading partners of Thailand, which has shown positive growth trends.

In the year 2023, the advertising industry saw a growth of 4.4% in the value of advertising expenditures compared to the previous year. However, this growth was lower than the 6.3% increase observed in 2022. Factors influencing this growth include the global GDP, which grew by only 2.3%, and the ongoing complex global political situation. Simultaneously, consumer behavior has become more segmented, with increasing emphasis on various subgroups. Additionally, the aging society has become more pronounced, with the low birth rate in 2023 contributing to another record low in statistics. These factors pose challenges for businesses in decision-making regarding budget allocation and marketing strategies. Despite the overall advertising expenditure growing by 4.4%, this growth is concentrated in online and non-traditional media. In contrast, traditional media such as television and print continue to shrink, influenced by new functions like affiliate marketing or revenue-sharing arrangements with Key Opinion Leaders (KOLs) and influencers. Consumers increasingly make purchases through links in posts or videos, reflecting a sustained shift in consumer media consumption behavior towards online platforms.

Even though print media has been replaced by online media, resulting in an impact on the printing industry, there are opportunities in times of crisis. Over the past 2-3 years, a significant majority of people have shown a strong preference for online shopping, leading to substantial growth in both the printing and packaging industries. The printing industry is considered a supporting industry that can generate added value for various sectors and connect with many branches, such as the food, pharmaceutical, and cosmetics industries. In addition, the overview for the year 2023 reveals that the printing and packaging industry has a market value of 350,000 million Baht. This result is attributed to the recent market conditions, particularly during the election period, which witnessed a significant expansion in the printing industry. During elections, candidates need to print campaign banners, promotional materials, and

election cards. It is estimated that there was a surge in business during that period, contributing to approximately 30,000 million Baht in revenue. Furthermore, the recent implementation of visa-free travel is considered highly advantageous, as it attracts more tourists. With an increase in tourist arrivals, consumption and the use of printed materials are expected to rise. This is anticipated to lead to a 2-3% expansion in the printing industry, particularly in the latter part of the year. The printing of diaries and calendars, which organizations produce for distribution to customers, is expected to contribute significantly to this growth.

## Performance Summary

For 12-month period ended 31 December, 2023 and 2022, performance are shown below

Income Statement (Million THB)	12 month period		% Change
	2023	2022	
Revenue from Sales & Services	627.68	576.45	8.89%
Gross Profit	288.82	235.01	22.90%
<b>Gross Profit Margin (%)</b>	46.01%	40.77%	12.87%
SG&A	(193.25)	(170.87)	13.10%
Profit (Loss) of associate companies using the equity method	(3.66)	(19.62)	-81.32%
Net Profit for the period	78.58	37.20	111.25%
<b>Net Profit Margin (%)</b>	12.52%	6.45%	94.01%

### Revenue from Sales & Services:

As of December 31, 2023, the company had revenue from sales and services, as per the financial statements, totaling 627.68 million Baht. There is an increase in revenue by 51.23 million baht, representing an 8.89% growth compared to the same period of the previous year. The growth is attributed to the income generated from organizing of the 44th Bangkok International Motor Show, car racing events, and increased revenue from printing contracts.

### **Gross Profit (Loss):**

As of December 31, 2023, the company had a gross profit of 288.82 million Baht, representing an increase of 22.90% 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 December 31, 2023, the company had selling and administrative expenses totaling 193.25 million Baht. This represents an increase of 13.10% 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 and set up for the devaluation of investments in a joint venture due to the closure of the joint venture company.

### **Profit (Loss) of Associate Companies using the Equity Method**

As of December 31, 2023, the equity method loss of the joint venture company amounted to 15.96 million Baht. This loss represents a decrease of 81.32% 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 December 31, 2023, the net profit amounted to 78.58 million Baht. The net profit increased by 41.38 million Baht, resulting in a net profit margin of 12.52% of the total revenue. This represents a significant growth of 111.25% compared to the same period in the previous year. The increase is attributed to the company's higher revenue from organizing the 44th Bangkok International Motor Show (BIMS) and the expansion of the company's events and activities in new formats.

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

Business	12 month period		% Change YoY
	2023	2022	
1. Exhibition and Event Organizing	566.65	511.99	10.68%
2. Publishing and Digital media	31.00	34.88	-11.13%
3. Printing	28.43	18.29	55.47%
4. Others	1.60	11.29	-85.86%
<b>Total Revenue from Sales and Services</b>	<b>627.68</b>	<b>576.45</b>	<b>8.89%</b>

### Exhibitions and Event Organizing Business

As of December 31, 2023, revenue from the exhibition and event organizing business increased by 10.68% 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 December 31, 2023, revenue from the publishing and digital media business decreased by 11.13 percent compared to the same period in the previous year. The main reason for this decline is attributed to reduced advertising services for printed materials and decreased magazine sales due to market conditions. Changes in consumer behavior, driven by broader access to news and media through various online platforms, have contributed to the shift away from traditional print media at a faster and more diverse pace.

## Printing Business

As of December 31, 2023, revenue from the printing services business increased by 55.47% when compared to the same period in the previous year. This growth is attributed to the diversified types of printing jobs and an increase in a variety of customer groups.

## Others:

As of December 31, 2023, there was a decrease of 85.86% 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)	Year Ended 2023	Year Ended 2022	% Change
Total Assets	875.11	797.07	9.79
Total Liabilities	138.61	76.15	82.03
Total Shareholders' Equity	736.61	720.92	2.18

## Total Asset

As of December 31, 2023, the total assets amount to 875.11 million Baht, representing an increase of 9.79% compared to the end of the fiscal year 2022. The main reasons for this increase are attributed to the trade receivables from organizing the Bangkok International Motor Show (BIMS) 45th edition, which increased, and an increase in guaranteed fixed deposits.

## Total Liabilities

As of December 31, 2023, the total liabilities amount to 138.61 million Baht, showing an increase of 82.03% compared to the end of the fiscal year 2022. The main reasons for this increase are attributed to short-term borrowings from financial institutions and advance receipts from organizing the 45th BANGKOK INTERNATIONAL MOTOR SHOW (BIMS).

### Total Shareholders' Equity

As of December 31, 2023, the equity portion is equal to 736.61 million Baht, representing an increase of 2.18% compared to the end of the fiscal year 2022. The main reasons for this increase are attributed to the company's net profit for the fiscal year, which amounted to 78.58 million Baht, and the payment of dividends totaling 63 million Baht.

### Cash Flow Analysis

As of December 31, 2023, the company had cash and cash equivalents of 22.44 million THB, a decrease of 2.85 million THB from 2022.

Cash flow statement ended December 31, 2022	Million THB
Net cash flow from operating activities	131.99
Net cash flow from investing activities	-79.02
Net cash flow from finance activities	-55.83
<b>Net cash flow</b>	<b>-2.85</b>

- **Net cash flow from operating activities:** This was mainly due to the deferred incomes from the 44<sup>th</sup> Bangkok International Motor Show.
- **Net cash flow from investing activities:** The majority of the increase comes from cash payments for short-term loans to affiliated companies, increased investments in joint ventures, and cash used for fixed deposit investments as a primary security.
- **Net cash flow from finance activities:** This is mainly due to dividend payments and cash repayments of short-term loans from financial institutions.



## Key Financial Ratios

Key Financial Ratios	Q4	
	2023	2022
Gross Profit Margin (%)	46.01	40.77
EBITDA Margin (%)	19.49	12.05
Return on Equity (%)	10.85	5.12
Return on Asset (%)	12.47	6.73
Current Ratio (Times)	2.02	4.13
D/E Ratio (Times)	0.19	0.11
EPS (THB)	0.13	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). The repayment period has been extended, with the details as follows:

- i. First: The repayment period has been extended by an additional 70 days from August 7, 2023, with the new repayment deadline set for October 16, 2023. The interest rate is 8.3% (interest has been paid).
  - ii. Second: The repayment period has been extended by an additional 70 days from October 16, 2023, with the new repayment deadline set for December 25, 2023. (interest has not been paid).
  - iii. Third: The repayment period has been extended by an additional 70 days from December 25, 2023, with the new repayment deadline set for March 4, 2024. (principal and interest repayment not yet due).
- 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). The repayment period has been extended, with the details as follows:
    - i. First: The repayment period has been extended by an additional 70 days from October 13, 2023, with the new repayment deadline set for October 13, 2023. The interest rate is 8.3% (interest has been paid).
    - ii. Second: The repayment period has been extended by an additional 70 days from October 13, 2023, with the new repayment deadline set for December 22, 2023. (interest has not been paid).
    - iii. Third: The repayment period has been extended by an additional 70 days from December 22, 2023, with the new repayment deadline set for March 4, 2024. (principal and interest repayment not yet due).

Mr.Peeraphong Eamlumnow

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Chief Growth Officer & Chief Financial Officer