

Operating Performance

Quarterly Operating performance 1Q2024 >

Unit : Million Baht	1Q2024	4Q2023	% QoQ	1Q2023	% YoY
Sales	2,044	2,084	-1.9%	2,519	-18.8%
Gross Profit (Loss)	333	389	-14.3%	433	-23.2%
EBITDA	341	372	-8.3%	440	-22.5%
Net Profit	187	218	-14.3%	274	-31.7%
EPS (baht)	0.44	0.51	-14.3%	0.64	-31.7%

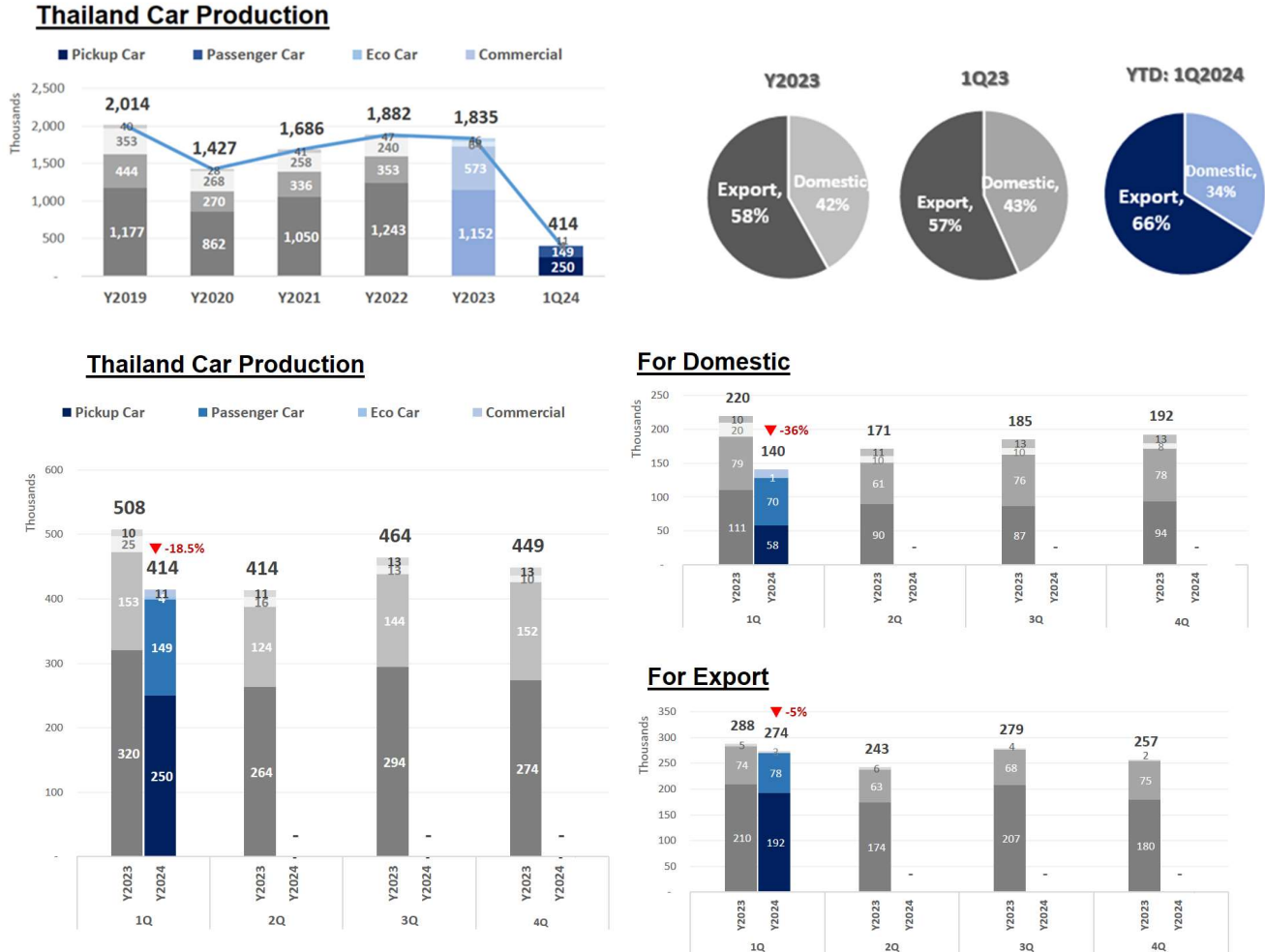
In 1Q2024, the overview of the automotive manufacturing industry showed a decrease in car production by -18.45% YoY compared to the same period last year. Thailand automotive production for domestic use decreased by about -36% YoY, particularly in the pickup segment, which significantly declined. This is a continued result of tightened credit release and household debt factors, impacting consumer purchasing power. Meanwhile, the proportion of Thailand automotive production for export decreased by approximately -5%, influenced by the economic spillover effects from international conflicts, which may lead to higher costs. Moreover, the top three export destinations for Thai automotive production are remaining Australia, Asia, and the Middle East respectively.

In 1Q2024, the company's performance showed a decrease in revenue from sales and services, in line with the overall automotive manufacturing industry trend, with a decline of -1.9% QoQ and -18.8% YoY affect from credit tightening. However, new orders from the previous year, such as intermediate shafts, output shafts, and case sets, will contribute to full-year revenue recognition in 2024.

In the first quarter of 2024, the production volume of agricultural machinery components increased by +24% QoQ but decreased by -27% YoY. This fluctuation is due to the ongoing impact of EL NINO. Nevertheless, the revenue of the agricultural machinery component group remains relatively resilient and is not significantly lower than the industry average.

The company's gross profit decreased by -14.3% QoQ and -23.2% YoY, in line with the decrease in revenue. Similarly, EBITDA decreased both QoQ (-8.3%) and YoY (-22.5%). As for net profit, it decreased in line with the industry's declining revenue. Nevertheless, the company emphasizes the importance of controlling and managing costs to maintain the net profit margin. The decrease in earnings per share (EPS) is also in line with the decline in sales and service revenue.

Chart 1: Thailand Car Production by car type, domestic production and export production

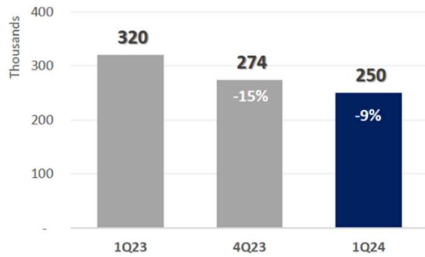


source: (The Thai Automotive Industry Association: TAIA)

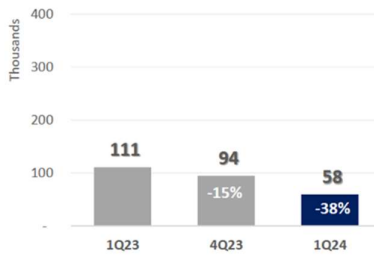
From Chart 1, the proportion of automotive production in Thailand in 1Q2024 was 34% for domestic use (decrease of -9% YoY), while the proportion for export was 66% (increase of +9% YoY). In 1Q2024, the overall automotive production decreased by -18.5% YoY. Domestic production decreased by -36% YoY due to many factors such as tightened credit release and household debt, impact consumer purchasing power. Meanwhile, export production decreased by 5%.

Chart 2: Thailand pickup car and passenger car production categorize by production for domestic and export

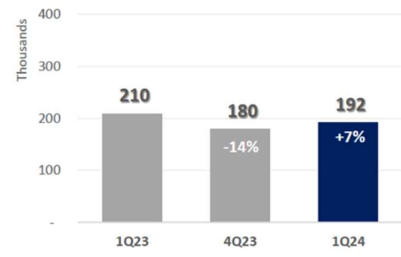
Thailand pickup car production



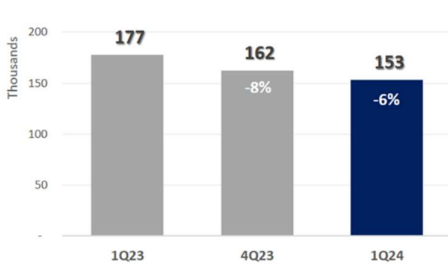
Pickup: Domestic



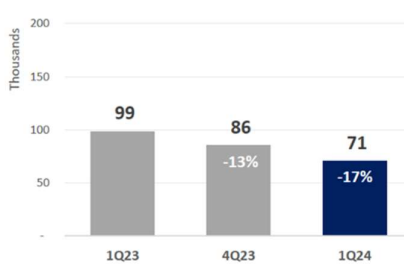
Pickup: Export



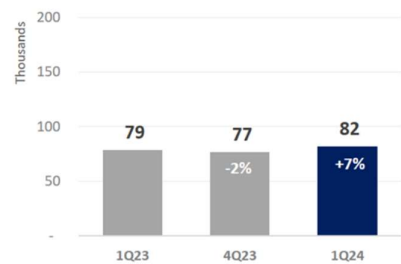
Thailand passenger car production



Passenger car: Domestic



Passenger car: Export

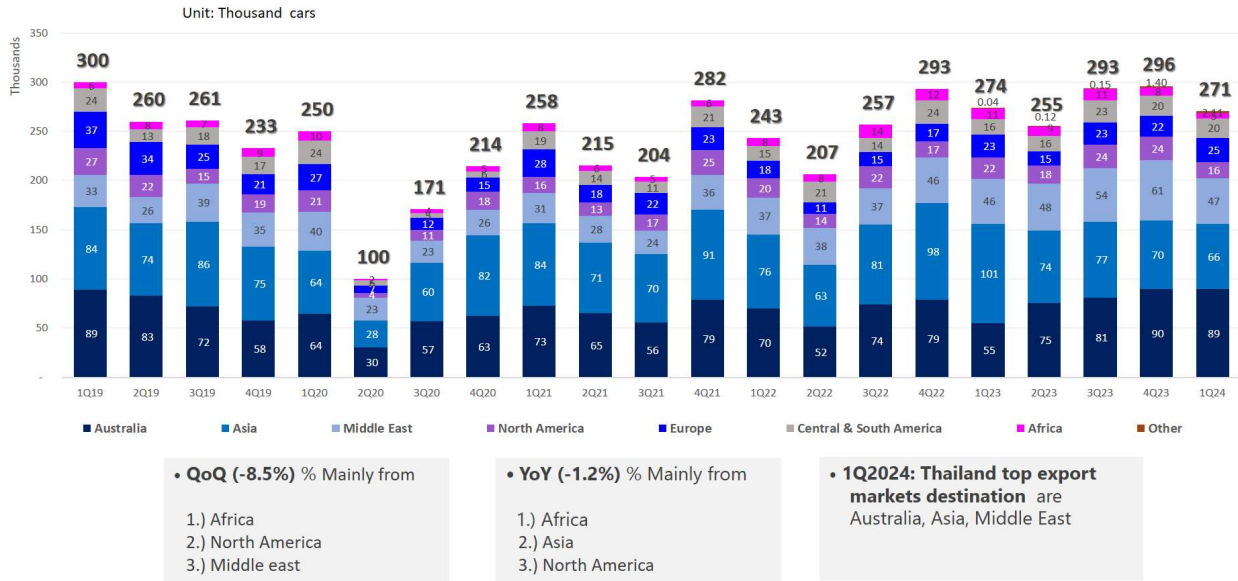


source: (The Thai Automotive Industry Association: TAIA)

In 1Q2024, the total production of pickup car in Thailand was approximately 250,000 units, decrease of -9% QoQ compared to 4Q2023. Domestic pickup car production decreased by -38%, mainly from tightened credit release and household debt factors. However, export production showed growth from 4Q2023, approximately +7% QoQ.

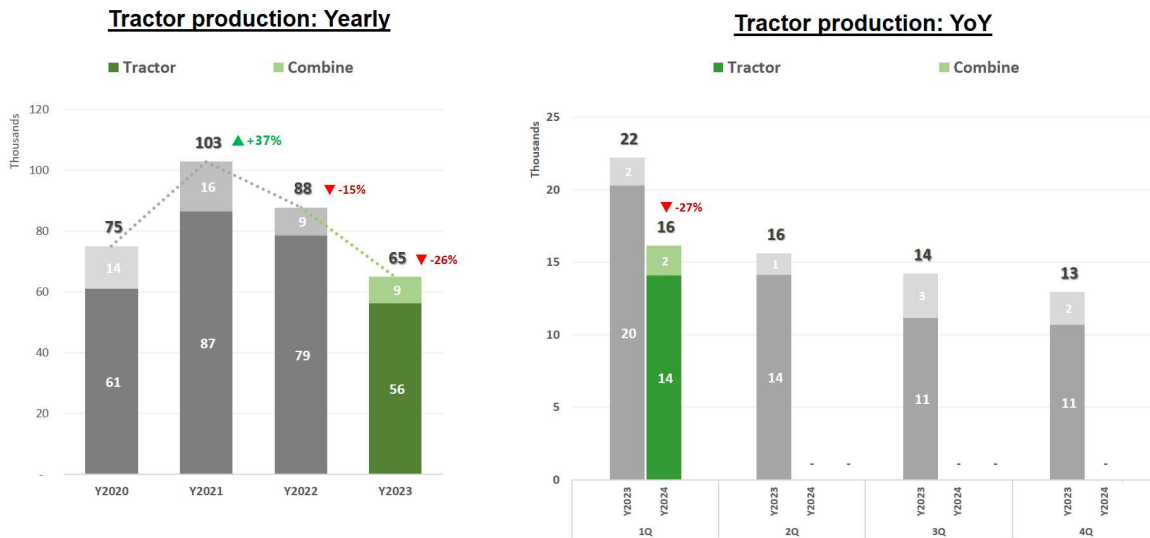
For passenger cars, in 1Q2024, there were approximately 153,000 units produced, decrease around -6% QoQ. Meanwhile, passenger car domestic production decreased by -17%, from market share decrease of Japanese carmaker to Chinese EV car maker. Nevertheless, passenger car export production showed good growth, approximately +7%.

Chart 3: Export destinations



source: (The Thai Automotive Industry Association: TAIA)

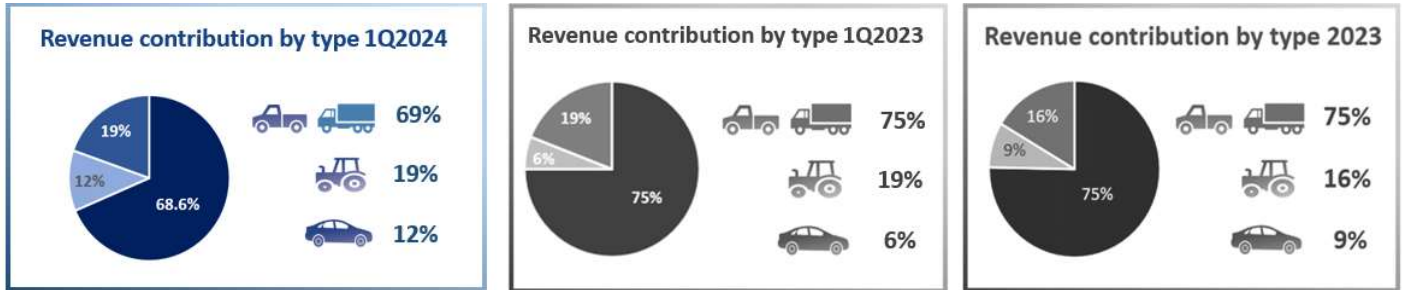
Chart 4: Agricultural Production



source: Customer information

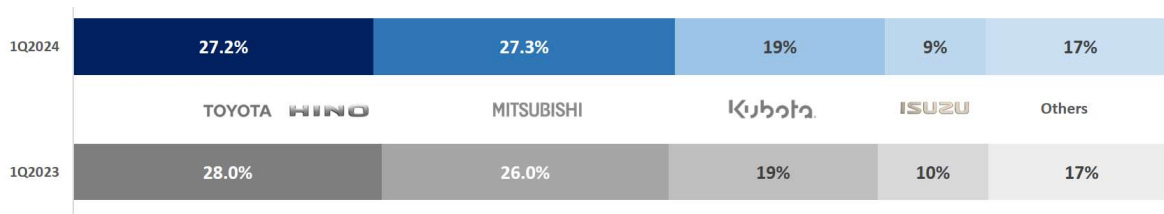
In 1Q2024, agricultural machinery production decreased by -27% compared to the same period of the previous year (YoY), still affected by the EI NINO

Chart 5: Company Sales contribute by types



In 1Q2024, compared to the same period of the previous year (YoY), there was a change in the proportion of revenue by car types. The proportion of revenue from pickup car decreased from 75% to 69% YoY, aligning with the overall industry trend. Meanwhile, the proportion of revenue from passenger cars increased from 6% to 9% YoY, driven by demand and orders of two new passenger car models launched at the end of 2022, which contributed full-year revenue in 2023. Additionally, revenue from passenger car models launched in late 3Q2024 also cause the company's passenger car revenue not lower than industrial trend.

Chart 6: Company main customer by brand



Remark: Others is other customer and direct export

The revenue proportion in 1Q2024, separated by main customers were a bit changed YoY, with the proportion from main customers were align the industry trend that dropped in pickup car production.

In 1Q2024, there continued to be challenges from the industry trend of reduced in domestic production of Thailand automotive, while export production was slightly increase. Overall, Thailand automotive production decreased compared to both previous quarter (QoQ) and the same period of previous year (YoY), affect from both pickup car and passenger car. Main factors are tightened credit release and household debt, which impact to customer purchasing power. Another factor is loss market share of Japanese carmaker to Chinese EV carmaker. Moreover, if consider during period Y2019 – Y2023, it has been significant increase in EV car proportion which driven from consumer trends and government support in terms of subsidies. These factors caused price competition pressure to Japanese carmaker.

Although in 2024 is continue challenges from industrial and economics, the company remains committed to improving and developing these challenges. With over 60 years of expertise and experience as an automotive parts manufacturer, and being the largest manufacturer in the ASEAN market for the Axle shaft product group, used in both pickup car and big trucks, also the company maintains its position as a main supplier in the agricultural machinery parts group, particularly in the casting process. These factors continue customer confidence, even in the current situation. Furthermore, the company will continue conduct business with good management and good governance same as in the past.