



FPI 007/2567

14th May 2024

Subject : Management Discussion & Analysis of Performance Results for the three-month ended 31 March 2024

To : Board of Directors and President of The Stock Exchange of Thailand

Fortune Parts Industry Public Company Limited Discussion and Analysis provides an overview of the company's financial activities for the three-month ended 31 March 2024 based on the audited financial statement as below.

Profit (Loss) Statement For The Three-Month Period Ended 31 March 2024

(Unit in Million Baht)	Consolidated F/S				Separated F/S			
	3 Month 24	3 Month 23	Variance	Percentage	3 Month 24	3 Month 23	Variance	Percentage
Sales & Service Revenue	556.8	505.6	51.2	10.1%	526.3	483.9	42.3	8.7%
Other Revenue	6.7	6.8	(0.1)	-1.6%	6.7	6.8	(0.1)	-1.6%
Total Revenue	563.5	512.5	51.0	10.0%	533.0	490.8	42.2	8.6%
Cost of Goods Sold & Service	435.3	359.3	76.1	21.2%	380.7	334.2	46.5	13.9%
% of Total Revenue	77.2%	70.1%	7.1%		71.4%	68.1%	3.3%	
Selling, Distribution, & Admin Expenses	52.8	51.7	1.0	2.0%	43.1	45.5	(2.4)	-5.2%
Loss on exchange-net	(62.0)	1.4	(63.4)	-4390.7%	(64.8)	2.5	(67.3)	-2713.1%
Gain arising from change in fair value of derivatives	43.4	13.6	29.8	219.1%	43.4	13.6	29.8	219.1%
Allowance for expected credit losses	(0.7)	1.6	(2.2)	-141.5%	(2.3)	0.9	(3.2)	-348.3%
Allowance for devaluation of inventories	2.7	3.4	(0.8)	-22.6%	4.5	4.7	(0.2)	-3.2%
SG&A Expenses	36.2	71.8	(35.6)	-49.6%	23.9	67.2	(43.3)	-64.4%
% of Total Revenue	6.4%	14.0%	-7.6%		4.5%	13.7%	-9.2%	
Financial Expenses	(8.6)	(7.3)	(1.3)	17.7%	(7.4)	(6.2)	(1.2)	19.0%
Earning before Tax (EBT)	83.4	74.1	9.3	12.5%	121.0	83.2	37.8	45.4%
Benefits (Expenses) from Income Tax	(23.3)	(17.6)	(5.7)	32.6%	(23.2)	(16.2)	(7.0)	43.2%
Profit (Loss) for The Period	60.2	56.6	3.6	6.3%	97.7	67.0	30.8	45.9%
% of Total Revenue	10.7%	11.0%	-0.4%		18.3%	13.6%	4.7%	

In Q1 2024 and 2023, total revenue is 563.5 MB and 512.5 MB respectively, an increase of 51.0 MB or 10.0%.

Total Revenue

In Q1 2024 and 2023, total revenue is 563.5 MB and 512.5 MB respectively, an increase of 51.0 MB or 10.0%. Revenue from sales and services accounted for 556.8 MB, an increase of 51.2 MB or 10.1%.

The main reasons of revenue increase in Q1 2024 caused by revenue growth from subsidiary in India 92.4 M INR, an increase of 40.1 M INR or 76.6%. In overall, even though the declining in revenue from Domestic and Africa, were compensated by Asia & Middle East, while other zone's revenue still higher than last year.

The reason for sale does not achieve due to Red Sea problems since December 15 and drive freight for Middle East, Europe, Africa increase more than 200% and Red Sea also increase 400%. In addition, for Ramadan from March 12 to April 20 also another issue that cause sale not achieve our target from January and February 2024.

In Q1 2024 and 2023, total cost of goods sold and service is 77.2% and 70.1% respectively, cost increase by 7.1%

Cost of Goods Sold and Service

In Q1 2024 and 2023, total cost of goods sold and service is 435.3 MB and 359.3 MB respectively, an increase of 76.1 MB or 21.2%, the cost of goods sold and service is 77.2% of total revenue, cost increase by 7.1%.

The main reasons were caused by an increase in total revenue which vary to Cost of goods sold. As incorporated with the effect from Cost accounting method in India subsidiary, which impacted 22 MB incremental in Cost of Goods sold. Without considering Cost accounting method effect, Cost of Goods Sold and Service in Q1 2024 was 73.3% which was higher than Q1 2023 by 3.2%.

In Q1 2024 and 2023, total SG&A expense is 36.2 MB and 71.8 MB respectively, a decrease of 35.6 MB.

Selling, General, and Administrative (SG&A) Expenses

In Q1 2024 and 2023, total SG&A expense is 36.2 MB and 71.8 MB respectively, a decrease of 35.6 MB. As a percentage of total revenue, the SG&A expenses was 6.4%.

The main drivers for SG&A decreased were, Loss on exchange-net 63.6 MB which offset with uncontrollable Gaining arising from change in fair value of derivatives 29.8 MB. As a result of these 2 factors, SG&A decreased 33.6 MB. While other associated SG&A are controllable and still normal.

In Q1 2024 and 2023, the company posted a net profit of 60.2 MB and 56.6 MB respectively, an increase of 3.6 MB or 6.3%.

Net Profit

In Q1 2024 and 2023, the company posted a consolidated net profit of 60.2 MB and 56.6 MB respectively, an increase of 3.6 MB or 6.3%

While in Q1 2024 and 2023, Separated F/S net profit of 97.7 MB and 67.0 MB respectively, an increase of 30.8 MB or 45.9%

The negative impact from India subsidiaries loss and Inventory adjustment caused the consolidated Net profit decreased.

However, the major drivers are the increase of sales in March, especially from Asia & Middle East as well as South America which are the major sources of revenues. The revenue in January and February still kept growing from the previous year. As a result, Net profit margin maintained at 10.7% which nearly the same from last year.

Financial Position (in comparison to as of 31 December 2023)

Overall financial position of the Company as of 31 March 2024, compared to the statement of financial position as of 31 December 2023, the balance of total assets which were 3,553.3 MB and 3,547.9 MB, respectively, an increase of 5.4 MB due to the following reasons.

As of 31 March 2024, total assets were 3,553.3 MB, an increase of 5.4 MB from the balance as of 31 December 2023

Total Assets

As of 31 March 2024, total assets were 3,553.3 MB, an increase of 5.4 MB from the balance as of 31 December 2023.

Major drivers for increase are in Cash & cash equivalents 8.2 MB, decrease in Trade account receivable 7.9 MB, decrease in Inventory 8.9 MB, increase in Property and equipment 10.1 MB, and increase in Deferred tax assets 9.5 MB.

Total liabilities decreased by 58.0 MB from 1,266.8 MB as of 31 December 2023 to 1,208.8 MB as of 31 March 2024.

Total Liabilities

Total liabilities decreased by 58.0 MB from 1,266.8 MB as of 31 December 2023 to 1,208.8 MB as of 31 March 2024.

Caused by decrease in Short term loan from financial institutions 102.7 MB, decrease in Trade account payable 7.3 MB, increase in Income tax payable 32.4 MB and decrease in Long-term loan 14.8 MB.

Shareholders' Equity

As of 31 March 2024, total shareholders' equity was 2,344.5 MB, an increase of 63.5 MB from 2,281.0 MB as of 31 December 2023.

Status Update for Subsidiary in India

For subsidiary in India, Q1 2024 revenue is 92.4 M INR, an increase of 40.1 M INR or 76.6%, but still far below plan. (The annual revenue target was 400 to 500 M INR.) which the impact caused from the end of YSD project (approx.20 M INR/month) in January. Without considering the Impact of change

in Cost accounting method recording, the financial performance was 2.1 M INR better than last year. For the rest of the year, revenues are still expected to recover the shortfall in Q1.

Regarding the new awarded projects, which consist of 156 M INR/year with 70 M INR tooling cost from TOYOTA (Fortuner 7 M INR/month, Legender 2.5 M INR/month, Innova 3.5 M INR/month) valued approx. 13 M INR/month starting from middle of this year for 3 years. And Suzuki side visor project valued approx. 80 M INR/ year.

Please be informed accordingly.

Yours sincerely,
Fortune Parts Industry Public Company Limited

Mr. Sompol Tanadumrongsak
Managing Director