

## Autocorp Holding Public Company Limited and its subsidiaries

### Management Discussion and Analysis for the 1<sup>st</sup> Quarter 2024

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#### Overall Performance

Autocorp Holding Public Company Limited (“ACG” or the “Company”) and its subsidiaries (the “Group Company”) had a net profit for the first quarter of 2024 of Baht 7.10 million, an increase of 3.95 % from Baht 6.83 million when compared the first quarter of 2023.

The Group Company had total revenue of Baht 435.91 million, a decrease of 10.46% from Baht 486.82 million when compared the first quarter of 2023, mainly due to sales and service revenue decreasing by Baht 49.67 million or 10.50%, due to the cars and accessories sales segment, that revenue decreased by Baht 77.84 million or 22.75 %. The total expenses amounted to Baht 418.16 million, a decrease of 11.11% from Baht 470.41 million, mainly as a result of cost of sale, which is consistent with decreased sale income. The Group's gross profit margin increased by 2.50%, reflecting improved profitability.

Overall of operating results in the first quarter of 2024, the car dealership and service center business had total revenue of Baht 392.09 million, decreased by Baht 65.37 million or 14.29% when compared the first quarter of 2023. The main reason was that the car and accessories sales segment decreased 22.75% due to a decrease in car sales volume of 30.99%. However, the maintenance service and spare parts sales segment had better performance. The income increased by 13.54% from the increased number of cars receiving services. The car dealer and service center business had an increase in gross profit margin of 2.27% compared to the first quarter of 2023.

As for the business of selling spare parts and quick repair service for all brands of cars (“Fast Fit”) had total revenue of Baht 46.98 million, increased by Baht 15.05 million or 47.13% because there are 3 more branches in operation compared to the first quarter of 2023. Currently, there are 15 branches in operation. The Fast Fit business had an increased gross profit margin of 7.53% compared to the first quarter of 2023.

## Operating results for the First Quarter of 2024

(Unit: THB million)	Q1/2023	Q1/2024	+ / (-)	%
<b>Total revenue</b>	<b>486.82</b>	<b>435.91</b>	<b>(50.91)</b>	<b>(10.46%)</b>
- Revenue from cars and accessories dealership	342.12	264.28	(77.84)	(22.75%)
- Revenue from repair and maintenance services and spare parts dealership	130.98	159.15	28.17	21.51%
<b>Total revenue from sale and rendering of services</b>	<b>473.10</b>	<b>423.43</b>	<b>(49.67)</b>	<b>(10.50%)</b>
- Commission income	12.18	9.49	(2.69)	(22.09%)
- Other income	1.54	2.99	1.45	94.16%
<b>Cost of sales and rendering of services</b>	<b>416.23</b>	<b>361.95</b>	<b>(54.28)</b>	<b>(13.04%)</b>
<b>Gross profit</b>	<b>56.87</b>	<b>61.48</b>	<b>4.61</b>	<b>8.11%</b>
Distribution costs	14.66	15.99	1.33	9.07%
Administrative expenses	39.52	40.22	0.70	1.77%
Finance costs	4.53	5.72	1.19	26.27%
Tax expense	5.05	4.93	(0.12)	(2.38%)
<b>Net Profit</b>	<b>6.83</b>	<b>7.10</b>	<b>0.27</b>	<b>3.95%</b>
<b>Gross profit margin</b>	<b>12.02%</b>	<b>14.52%</b>	<b>2.50%</b>	<b>20.79%</b>
<b>Net Profit Margin</b>	<b>1.40%</b>	<b>1.63%</b>	<b>0.23%</b>	<b>16.09%</b>

Revenue from sale and rendering of services was Baht 423.43 million, a decrease of 10.50% from Baht 473.10 million, with details as follows.

- **Revenue from cars and accessories dealership** was Baht 264.28 million, a decrease of 22.75% from Baht 342.12 million. The main cause was a 30.99% decrease in car sales volume when compared the first quarter of 2023.
- **Revenue from repair and maintenance services and spare parts dealership** was Baht 159.15 million, an increase of 21.51% from Baht 130.98 million, due to revenue from the Fast Fit business increasing Baht 14.72 million or 46.57% because there are 3 more branches in operation compared to the first quarter of 2023. In addition, the volume of cars receiving

service at each branch that has been operating since 2023 increased by 25.62%, which reflects the marketing strategy, it has increased brand awareness. In the distributor and service center business, revenue increased by Baht 13.45 million, or 13.54%, due to the number of cars receiving services in the general maintenance section increasing by 3.38%, and income per car increasing by 14.15%

**Commission income** was Baht 9.49 million, decreased 22.09% from Baht 12.18 million, due to a decrease in car sales volume. As a result, commission income from providing finance and insurance decreased, which tends to follow the volume of car sale.

**Distribution costs** was Baht 15.99 million an increase of 9.07 % from Baht 14.66 million. The main cause is due to personnel expenses and promotional costs of Fast Fit business.

## Financial Position

(Unit: THB million)	31 December 2023	31 March 2024	+ / (-)	%
Cash and cash equivalents	173.14	219.65	46.51	26.86%
Trade accounts receivable	49.60	39.56	(10.04)	(20.24%)
Inventories	155.64	132.11	(23.53)	(15.12%)
Property, plant and equipment	623.71	616.95	(6.76)	(1.08%)
Other assets	367.24	364.80	(2.44)	(0.66%)
<b>Total assets</b>	<b>1,369.33</b>	<b>1,373.07</b>	<b>3.74</b>	<b>0.27%</b>
Short-term loans from a financial institution	320.00	300.00	(20.00)	(6.25%)
Trade accounts payable	89.25	106.85	17.60	19.72%
Long-term loans from a financial institution	27.35	23.30	(4.05)	(14.81%)
Other liabilities	237.43	239.33	1.90	0.80%
<b>Total liabilities</b>	<b>674.03</b>	<b>669.48</b>	<b>(4.55)</b>	<b>(0.68%)</b>
<b>Total equity</b>	<b>695.30</b>	<b>703.59</b>	<b>8.29</b>	<b>1.19%</b>
<b>Total liabilities and equity</b>	<b>1,369.33</b>	<b>1,373.07</b>	<b>3.74</b>	<b>0.27%</b>

**Total assets** amounted to Baht 1,373.07 million, an increase of 0.27% from Baht 1,369.33 million, mainly due to:

- Cash and cash equivalents increased by Baht 46.51 million or 26.86% due to cash flows received from operations. The details of the liquidity analysis are on the next page.
- Trade accounts receivable decreased by Baht 10.04 million or 20.24% due to the outstanding balance of trade receivables of finance company decreasing and corresponds to a decrease in car sales.
- Inventories decreased by Baht 23.53 million or 15.12% due to car inventories decreasing by Baht 24.62 million.

**Total liabilities** amounted to Baht 669.48 million, a decrease of 0.68% from Baht 674.03 million, mainly due to:

- Short-term loans from a financial institution decreased by Baht 20.00 million or 6.25% due to repayment of promissory note and corresponds to the decrease in inventories.
- Trade accounts payable increased by Baht 17.60 million or 19.72% due to the purchase of cars at the end of March 2024, outstanding payables that were not yet due for payment have increased when compared to the end of 2023.
- Long-term loans from a financial institution decreased by Baht 4.05 million or 14.81% due to repayment of loans according to contracts.

**Equity** amounted to Baht 703.59 million, an increase of 1.19% from Baht 695.30 million due to a net profit of Baht 7.10 million, warrants to purchase common shares increased by Baht 1.19 million.

## Liquidity analysis

(Unit: THB million)	Q1/2023	Q1/2024
EBITDA	29.84	32.56
Change in operating assets and liabilities	(18.48)	48.61
Net cash flows from (used in) operating activities	11.36	81.17
Net cash flows from (used in) investing activities	(14.84)	(3.41)
Net cash flows from (used in) financing activities	(29.78)	(31.25)
<b>Net cash increase (decrease)</b>	<b>(33.26)</b>	<b>46.51</b>
<b>Cash at beginning of period</b>	<b>146.12</b>	<b>173.14</b>
<b>Cash at ending of period</b>	<b>112.86</b>	<b>219.65</b>

- **Net cash inflow from operating activities** amounted to Baht 81.17 million includes the earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to Baht 32.56 million and the cash inflow from change in operating assets and liabilities amounted to Baht 48.61 million. The main transactions which caused the cash flow to increase were Baht 10.04 million decrease in trade accounts receivable, Baht 23.53 million decrease in inventories and Baht 17.60 million increase in trade accounts payable.
  - **Net cash outflow from investing activities** amounted to Baht 3.41 million mainly due to the payment to purchase of equipment amounted Baht 4.18 million.
- Net cash outflow from financing activities** amounted to Baht 31.25 million, was from loans from financial institutions drawdown amounted to Baht 600.00 million, repayment of loan amounted to Baht 624.05 million, lease liabilities payment amounted to Baht 3.60 million and interest payment amounted to Baht 3.60 million.

Please be informed accordingly,

Yours sincerely

(Phanumast Rungkakulnuwat)

Chief Executive Officer