

No. AC20240509 001

Date 9 May 2024

Subject: Explanation and Analysis by the Management for the Three-Month Period Ending March 31, 2024

Attention: The President
The Stock Exchange of Thailand

SCL Motor Parts Co., Ltd. (Public Company) (“the Company”) wishes to report the operational results for the three-month period ending March 31, 2024, summarized as follows:

- The company operates as a distributor of automotive parts, serving as a hub for a variety of car parts with a catalog of over 167,000 items. This includes Genuine Parts from various car manufacturers, as well as Replacement Parts.)
- The total net profit for the three-month period ending March 31, 2024, was 12.15 million baht, representing a net profit margin of 2.60%.

Overview of the Company's Operational Results

The overall performance for the three-month period ending March 31, 2024, saw the company achieving a net profit of 12.15 million baht. This represents an increase of 5.66 million baht or 87.22% from the same period in the previous year.

Profit and Loss Statement for the Three-Month Period Unit: Million Baht	Ending on March 31, 2024	Ending on March 31, 2023	Change	
			Amount	%
Revenue from Sales	467.94	377.58	90.36	23.93
Cost of Goods Sold (COGS)	420.48	337.04	83.44	24.76
Gross Profit	47.46	40.54	6.92	17.07
Other Income	0.54	0.11	0.43	390.91

Sales and Distribution Expenses	10.50	10.97	(0.47)	(4.29)
Administrative Expenses	17.25	18.65	(1.40)	(7.51)
Earnings Before Interest, Depreciation and Amortization (EBIDA)	20.25	11.03	9.22	83.59
Financial Income	0.24	0.77	(0.53)	(68.84)
Financial Expenses	5.11	3.74	1.37	36.64
Profit Before Tax	15.38	8.06	7.32	90.82
Income Tax Expenses	3.23	1.57	1.66	105.74
Net Profit	12.15	6.49	5.66	87.22

1. Revenue from sales for the three-month period ending March 31, 2024, amounted to 467.94 million baht, increasing by 90.36 million baht from the same period of the previous year, or a growth rate of 23.93%. The company's sales revenue can be broken down into:

1.1. Revenue from sales of Genuine Parts for various car brands amounted to 428.11 million baht, increasing by 95.50 million baht from the same period of the previous year, or a growth rate of 28.71%. The main reason for this increase is the difficulty in obtaining loan approvals for purchasing new cars, leading car owners to maintain and take care of their existing vehicles for continued use.

1.2. Revenue from sales of Replacement Parts amounted to 39.83 million baht, decreasing by 5.15 million baht from the same period of the previous year, or a percentage decrease of 11.45%. This is due to the fact that many replacement parts brands are unable to deliver products according to the ordering cycle. Products will start arriving in Q2'24, which prevents us from fulfill customer demands in Q1'24.

2. Cost of Goods Sold for the three-month period ending March 31, 2024, amounted to 420.48 million baht, increasing by 83.44 million baht from the same period of the previous year, or a growth rate of 24.76%. The gross profit margin stands at 10.15%, which is a decrease from the same period of the previous year, which was 10.74%. We organized variety of promotional campaigns, including other benefits for our customers, to stimulate demand and attract customer interest.

3. Other Income for the three-month period ending March 31, 2024, amounted to 0.54 million baht, increasing by 0.43 million baht from the same period of the previous year, or a percentage increase of 390.91%. This increase is primarily due to the company reversing previously accrued expenses from the year 2024.
4. Selling and Distribution Expenses for the three-month period ending March 31, 2024, amounted to 10.50 million baht, representing 2.25% of the sales revenue. This decreased from the same period of the previous year, which was 2.91% of the sales revenue. The decrease is attributed to a reduction in promotional expenses.
5. the three-month period ending March 31, 2024, amounted to 17.25 million baht. This decreased by 1.40 million baht from the same period of the previous year, representing a decrease of 7.51%. The main reason for the decrease is attributed to a reduction in the number of employees and training expenses for preparing employees to register in the Stock Exchange of Thailand.
6. Financial Expenses for the three-month period ending March 31, 2024, amounted to 5.11 million baht, increasing by 1.37 million baht from the same period of the previous year, representing an increase of 36.64%. This increase is due to the company's financial costs rising in line with the interest rates in 2566, which continued to increase.
7. Net profit for the three-month period ending March 31, 2024, amounted to 12.15 million baht, increasing by 5.66 million baht from the same period of the previous year, representing an increase of 87.22%. This increase was primarily due to the increase in gross profit resulting from the decrease in administrative expenses.

Financial Position of the Company

Statement of Financial Position Period Unit: Million Baht	As of March 31, 2024.	As of March 31, 2023	Change	
			Amount	%
Current Assets	918.58	758.02	160.56	21.18
Non-current Assets	201.44	129.81	71.63	55.18
Total Assets	1,120.02	887.83	232.19	26.16

Current Liabilities	779.33	677.65	101.68	15.01
Non-current Liabilities	10.50	11.64	(1.14)	(9.80)
Total Liabilities	789.84	689.29	100.55	14.59
Equity	330.18	198.54	131.64	66.31
Total Liabilities and Equity	1,120.02	887.83	232.19	26.16

1. Total Assets:

- As of March 31, 2024, the company's total assets amounted to 1,120.02 million baht. This increased by 232.19 million baht from the same period of the previous year, or an increase of 26.16%. The main reason for this increase was the rise in trade receivables and other receivables due to increased sales volume.

2. Total Liabilities:

- As of March 31, 2024, the company's total liabilities amounted to 789.84 million baht. This increased by 100.55 million baht from the same period of the previous year, or an increase of 14.59%. The main reason for this increase was the rise in trade payables due to increased purchases of goods following increased sales volume.

3. Equity:

- As of March 31, 2024, the company's equity amounted to 330.18 million baht. This increased by 131.64 million baht from the same period of the previous year, or an increase of 66.31%. The main reason for this increase was the profit from operations and capital raised from the initial public offering (IPO) of shares.

Please be informed accordingly.

Sincerely yours,

Mr.Pairat Trimurati

Vice President of Finance and Accounting

Authorized to sign on behalf of the Company