



14 August 2024

To: President  
The Stock Exchange of Thailand

Re: Management Discussion and Analysis (MD&A) for the Second Quarter of 2024 ended as at 30 June 2024

P.C.S. Machine Group Holding Public Company Limited (the "Company") would like to inform the Management Discussion and Analysis (MD&A) for the second quarter of 2024 ending at 30 June 2024 as follow;

#### Summary of Automotive Industry for the quarter of 2024

The Automotive Industry Club, the Federation of Thai Industries, reported the information of overall automotive industry in the second quarter of 2024, as following.

- Total production of cars was 347,117 units, decreasing 16.1% compared to the same period of 2023 of 413,725 units and decreasing 16.2% from the first quarter 2024 of 414,123 units.
- The production of 1-ton pickup truck was totaling 216,488 units, decreasing 17.9% compared to the same period of 2023 of 263,633 units and decreasing 13.5% from the first quarter 2024 of 250,250 units.
- The domestic of car sale was 144,271 units, decreasing 23.7% compared to the same period of 2023 of 189,058 units and decreasing 11.9% from the first quarter 2024 of 163,756 units.
- The vehicle export of 248,515 units, decreasing 2.6% comparing to the same period of 2023 of 255,124 units and decreasing 8.1% from the first quarter 2024 of 270,525 units.

#### Financial Summary for the statement of comprehensive income for the second quarter of 2024

- The Company recorded Sales Revenue of Baht 756.4 million, decreasing 21.2% from Baht 960.0 million at the same period of 2023 and decreasing 13.4% from the first quarter 2024 of Baht 873.0 million. This is due to the continuing situation of household debt to the country's GDP increasing, causing the financial institutions to be more stringent since the end of last year in granting loans, especially car loan. As the majority of the car purchases in Thailand mainly come through loans from the financial institutions, therefore, it has an impact to the overall automotive industry.
- The ratio of cost of goods sold to sale revenue increased to 74.0% from 72.5% in the same period of 2023 due to the sale decline while some fixed costs could not be reduced promptly. However, the cost decreased from 77.5% in the first quarter 2024 as the result of the cost management policy by adjusting operations to suit the recent situation.
- The Gross Profit for the second quarter of Baht 197.0 million with the gross profit margin of 26.0%, decreased from the same period of 2023 of Baht 264.4 million in relation to the decrease of the sale revenue and the increase of cost of goods sold.

- The selling and administrative expense of Baht 59.9 million with the ratio to sale revenue of 7.9%, decreased from the second quarter of 2023 regarding to the cost management policy to suit the recent situation but slightly increased from the first quarter of 2024 due to the expense of the oversea business.
- The unrealized gain from foreign exchange for the second quarter of 2024 was Baht 1.5 million.
- The net profit for the second quarter 2024 of Baht 145.4 million with the net profit margin of 19.0%, the earning per share of Baht 0.095, compared with the net profit in the same period of 2023 of Baht 226.0 million and the net profit in the first quarter of 2024 of Baht 167.8 million. If excluding the unrealized gain from foreign exchange and the loss from discontinued operations, the Company shall record a net profit of Baht 164.9 million, decreased 24.0% from the same period of 2023 of Baht 216.9 million but increase of 5.4% from the first quarter of 2023 of Baht 156.5 million.

#### Financial Summary for the statement of comprehensive income for the first half-year period of 2024

- The Company recorded Sales Revenue at Baht 1,629.4 million, decreasing 20.1% from the period of 2023 at Baht 2,040.5 million.
- The ratio of cost of goods sold to sale revenue at 75.9% increased from 73.2% from the same period of 2023.
- The gross profit of Baht 393.1 million with the gross profit margin of 24.1%, decreased from that of the same period of 2023 of 26.8%.
- The selling and administrative expenses of Baht 116.6 million, decreased of 2.1% from the same period of 2023.
- The net profit of Baht 313.1 million decreased by 18.3%, compared with the net profit of Baht 383.2 million in the same period of 2023 with the net profit margin of 18.9%.

#### Statement of Financial Position

Descriptions	As of 30 Jun 2024	As of 31 Dec 2023	Changes + / (-)
Current Assets	3,111.1	3,192.5	(81.4)
Non-current Assets	2,682.3	2,733.2	(50.9)
<b>Total Assets</b>	<b>5,793.4</b>	<b>5,925.8</b>	<b>(132.4)</b>
Current Liabilities	404.1	559.7	(155.6)
Non-current Liabilities	367.4	352.3	15.1
<b>Total Liabilities</b>	<b>771.5</b>	<b>912.0</b>	<b>(140.5)</b>
Paid-up Share Capital	1,525.0	1,525.0	-
Share Premium	2,741.7	2,741.7	-
Retained Earnings	649.5	641.4	8.1
<b>Total Shareholders' Equity</b>	<b>5,021.9</b>	<b>5,013.8</b>	<b>8.1</b>

(Unit: Baht million)



**Total Assets** as of 30 June 2024 were Baht 5,793.4 million.

- Current Assets decreased by Baht 81.4 million mainly due to the decrease in inventories as the decline in sale revenue.
- Non-current asset increased by Baht 50.9 million due to the investment in machines and equipment to support the production of Baht 103.6 million, net from the depreciation expense for the period of 129.8 million and decrease from the disposal of the land and building in Hungary in the second quarter of 2024.

**Total liabilities** as of 30 June 2024 were Baht 771.5 million, decreased by Baht 140.5 million from the end of 2023, which was mainly from the current liabilities to trade suppliers. The Company had neither loan liability in short-term nor long-term from the financial institution as the Company continuously have the positive financial performance and the strong liquidity.

**Equity** as of 30 June 2024 were Baht 5,021.9 million, increased by Baht 8.1 million comparing to the end of 2023 according to total comprehensive income for the period of Baht 313.2 million and the dividend payment in May 2024 of Baht 305.0 million, according to the resolution of the Annual General Meeting of Shareholders in 2024.

### Cash Flow Statement

Descriptions	As at 30 Jun 2024	As at 31 30 Jun 2023	Changes +/-
Cash flows from operating activities	500.4	584.1	(83.7)
Cash flows used in investing activities	(52.2)	(309.9)	257.7
Cash flows used in financing activities	(319.6)	(322.0)	2.4
Net increase (decrease) in cash	119.2	(46.2)	
<b>Cash and cash equivalents</b>	<b>1,386.6</b>	<b>748.3</b>	

(Unit : Baht million)

The Company's net cash position as of 30 June 2024 was Baht 1,386.6 million.

- Cash flow from operating activities was Baht 500.4 million.
- Cash flow used in investing activities of Baht 52.2 million due mainly to the investment to purchase machines and equipment to support the production.
- Cash used in financing activities was Baht 319.6 million as a result of the annual dividend payment to the shareholders in May 2024.

Please be informed accordingly.

Sincerely Yours,

(Mr. Angkrit Rungrotkitiyot)

Chief Executive Officer

Attachment to Management Discussion and Analysis (MD&A) for the Second Quarter of 2024

Financial Overview for Quarterly Comparison

Descriptions	Q2-2024	Q1-2024	Q2-2023	Changes QoQ (%)	Changes YoY (%)	Ratio to Sales Q2- 2024	Ratio to Sales Q1- 2024	Ratio to Sales Q2- 2023
Sales Revenue	756.4	873.0	960.0	-13.4%	-21.2%			
Other Revenue	7.7	7.9	7.0	-2.5%	9.4%			
Total Revenue	765.6	880.9	993.9	-13.1%	-23.0%			
Cost of Goods Sold	559.4	676.9	695.6	-17.4%	-19.6%	74.0%	77.5%	72.5%
Gross Profits	197.0	196.1	264.4	0.5%	-25.5%	26.0%	22.5%	27.5%
SG&A	59.9	56.7	63.7	5.6%	-6.0%	7.9%	6.5%	6.6%
Net Profit	145.4	167.8	226.0	-13.3%	-35.7%	19.0%	19.0%	22.7%
- Local Business	164.9	156.5	216.9	5.4%	-24.0%	21.8%	17.9%	22.6%
- Loss from Overseas Business and discontinued operations	(21.0)	(3.2)	(17.7)					
- Gain on FX (Unrealized)	1.5	14.5	26.8					

(Unit : THB million)



Financial Overview for the first half-year period of 2024

Description	1 <sup>st</sup> Half- Year 2024	1 <sup>st</sup> Half- Year 2023	Changes YoY (%)	Ratio to Sales H1- 2024	Ratio to Sales H1- 2023
Sales Revenue	1,629.4	2,040.5	-20.1%		
Other Revenue	15.6	17.2	-9.4%		
Total Revenue	1,660.9	2,091.1	-20.6%		
Cost of Goods Sold	1,236.3	1,492.9	-17.2%	75.9%	73.2%
Gross Profit	393.1	547.6	-28.2%	24.1%	26.8%
SG&A	116.6	119.1	-2.1%	7.2%	5.8%
Net Profit	313.1	383.2	-18.3%	18.9%	18.3%
- Local Business	321.4	451.6	-28.8%	19.7%	22.1%
- Loss from Overseas Business and discontinued operations	(24.2)	(101.8)			
- Gain on FX (Unrealized)	15.9	33.4			