



9 August 2021

To Director and Manager
The Stock Exchange of Thailand
Subject Management Discussion and Analysis for the Second Quarter of 2021 ended June 30, 2021

President Automobile Industries Public Company Limited's operating results for 6-month period ending 30 June 2021 and the statement of financial position as of 30 June 2021 are as follows:

Operating Results

Income Statement	For the six-month period ended					
	30 June 2021		30 June 2021		Change Increase (decrease)	
	Million Baht	percentage	Million Baht	percentage	Million Baht	percentage
<u>Revenues</u>						
Sales	369.62	95.51	353.89	97.18	15.73	4.44
Gain on exchange	11.25	2.91	3.32	0.91	7.93	238.86
Other income	6.09	1.58	6.94	1.91	(0.85)	(12.25)
Total revenues	386.96	100.00	364.15	100.00	22.81	6.26
<u>Expense</u>						
Cost of sales	273.89	70.78	269.82	74.10	4.07	1.51
Selling and distribution expense	12.70	3.28	12.83	3.52	(0.13)	(1.01)
Administrative expense	21.46	5.55	18.89	5.19	2.57	13.61
Total Expense	308.05	79.61	301.54	82.81	6.51	2.16
Operating profit	78.91	20.39	62.62	17.19	16.29	26.01
Finance cost	4.62	1.19	5.94	1.63	(1.32)	(22.22)
Profit before income tax expense	74.29	19.20	56.68	15.56	17.61	31.07
Income tax expense	14.28	3.69	10.48	2.87	3.80	36.26
Profit for the period	60.01	15.51	46.20	12.69	13.81	29.89

Revenue

Total revenue for the 6-month period ending on 30 June 2021 is 369.62 million Baht, increased by 15.73 million Baht, or 4.44% as compared to the revenue in the same period of last year. The revenue increase is due to the global automotive spare parts market recovering from the Covid-19 pandemic.

Profit from Foreign Exchange

Profit from foreign exchange for 6-month period ending on 30 June 2021 is 11.25 million Baht, increased by 7.93 million Baht, or 238.86% as compared to the profit in same period of last year. This is mainly due to the continuous depreciation of Thai currency during the first half of 2021.



Revenue from Others

Revenue from others for the 6-month period ending 30 June 2021 is 6.09 million Baht, decreased by 0.85 million Baht, or 12.25% as compared to the same period of last year. The is due to the decrease in revenue from freight costs charged to the customers.

Cost of Goods Sold

Cost of goods sold for the 6-month period ending 30 June 2021 is 273.89 million Baht, increased by 4.07 million Baht, or 1.51% as compared to the same period of last year. Since there was a revenue increase as compared to the second quarter of last year, the cost of goods sold would inevitably increase inline with the revenue. However, cost of goods sold increased at the lower rate as compared to the revenue increase because the Company was able to reduce costs significantly by utilizing production technology to improve efficiency in raw material usage as well as increase productivity.

For the 6-month period ending 30 June 2021, the Company has a gross profit of 95.73 million Baht, or gross profit margin of 25.90%, (gross profit margin was 23.76% during the same period of last year). The gross profit increased by 11.66 million Baht, or 13.87% as the Company is able to manage costs more efficiently.

Selling and Distribution Expenses

The selling and distribution expenses for the 6-month period ending 30 June 2021 totaled to 12.70 million Baht, which is a decrease of 0.13 million Baht, or 1.01% as compared to the second quarter last year. These expenses include sales salary, commission fees, transportation fee, marketing expenses and depreciation costs.

Administrative Expenses

Administrative expenses for the 6-month period ending 30 June 2021 totaled to 21.46 million Baht, increased by 2.57 million Baht, or 13.61% as compared to the same period of last year. The increase is due to the expenses incurred from the indirect expenses for the Initial Public Offering-related activities.

Financial Cost

Financial cost for the 6-month period ending 30 June 2021 is 4.62 million Baht, decreased by 1.32 million Baht, or 22.22% as compared to the same period of last year. There was a full repayment of short-term loan as well as partial repayment of long-term loan from financial institutions.

Net Profit

The net profit for 6-month period ending 30 June 2021 is 60.01 million Baht, increased by 13.81 million Baht, or 29.89% as compared to the same period of last year. This is mainly from the increase in revenue, increase in gross profit margin from cost reduction, as well as increase in profit from foreign exchange.



Statement of Financial Position

Finance position	As at					
	30 June 2021		31 December 2020		Change Increase (decrease)	
	Million Baht	percentage	Million Baht	percentage	Million Baht	percentage
Total Assets	1,110.52	100.00	1,025.71	100.00	84.81	8.27
Total liabilities	226.57	20.40	556.83	54.29	(330.26)	(59.31)
Total shareholders' equity	883.95	79.60	468.88	45.71	415.07	88.53

Asset

As of 30 June 2021, the Company has a total asset of 1,110.52 million Baht, increased by 84.81 million Baht or 8.27% from 31 December 2020. This is mainly due to the increase in trade account receivables from increased revenue in the second quarter, increase in cash and cash equivalents from cash flow from operations and initial public offerings, as well as the increase in property, plant and equipment from the solar rooftop installation.

Liability

As of 30 June 2021, the Company has a total liability of 226.57 million Baht, decreased by 330.26 million Baht or 59.31% from 31 December 2020. This is mainly due to the repayment of long-term loan and short-term loan during the period.

Equity

As of 30 June 2021, the Company has total equity of 883.95 million Baht, increased by 415.07 million Baht or 88.53% from 31 December 2020. This is mainly from the Initial Public Offering (IPO) which increased the registered capital and premium on share capital, as well as the increase in net profit during the period.

Please be informed accordingly.

Sincerely yours,

Somchai Lertkajornkitti
Chief Executive Officer