

No. AC20241113 001

Date 13 November 2024

Subject: Explanation and Analysis by the Management for the Three and Nine-Month Period Ending September 30, 2024

Attention: Director and Manager,
The Stock Exchange of Thailand

SCL Motor Parts Co., Ltd. (Public Company) (“the Company”) wishes to report the operational results for the Three and Nine-month period ending September 30, 2024, summarized as follows:

- The company operates as a distributor of automotive parts, serving as a part distributor for a variety of car parts with a catalog of over 180,000 items. This includes Genuine Parts from various car manufacturers, as well as Replacement Parts.
- The total net profit for the nine-month period ending September 30, 2024, was 36.48 million baht, representing a net profit margin of 2.74%.

Overview of the Company's Operational Results

Overall performance for the three-month period ended September 30, 2024, the Company reported a net profit of THB 13.90 million, an increase of THB 5.84 million or 72.41% compared to the same period of the previous year.

Statement of income for the three-month period Unit: Million Baht	Ending on September 30, 2024	Ending on September 30, 2023	Change	
			Amount	%
Revenue from Sales	415.80	376.99	38.81	10.30
Cost of Goods Sold (COGS)	368.28	333.74	34.54	10.35
Gross Profit	47.52	43.25	4.27	9.87
Other Income	0.77	0.32	0.44	136.84
Sales and Distribution Expenses	9.43	8.62	0.81	9.40
Administrative Expenses	17.14	20.63	(3.49)	(16.92)
Earnings Before Interest, Depreciation and Amortization (EBIDA)	21.72	14.32	7.40	51.70
Financial Income	0.204	0.199	0.005	2.51
Financial Expenses	5.00	4.70	0.30	6.36

Profit Before Tax	16.92	9.82	7.10	72.31
Income Tax Expenses	3.02	1.76	1.26	71.84
Net Profit	13.90	8.06	5.84	72.41

1. Revenue from Sales for the three-month period ended September 30, 2024, sales revenue was THB 415.80 million, an increase of THB 38.81 million or 10.30% compared to the same period of the previous year. The gross profit margin was 11.43%, down from 11.47% in the same period of the previous year.
Sales revenue can be divided into:
 - 1.1 Revenue from the sale of genuine automobile parts from various brands amounted to THB 352.54 million, an increase of THB 16.58 million or 4.94%, due to the continued consumer demand for automotive parts for vehicle repair and maintenance is due to the stringent policies on new car loans.
 - 1.2 Revenue from the sale of replacement parts amounted to THB 63.26 million, an increase of THB 22.23 million or 54.19%, due to the recognition of revenue from the sale of marine engines amounting to 14.70 million baht and having sufficient products for distribution.
2. Cost of Sales for the three-month period ended September 30, 2024, cost of sales was THB 368.28 million, an increase of THB 34.54 million or 10.35%, due to the increase in purchases corresponding to sales and the reduction in inventory.
3. Other Income for the three-month period ended September 30, 2024, other income was THB 0.77 million, an increase of THB 0.44 million or 136.84%, due to the recognition of revenue from insurance claim compensation for signage and unrealized gains from exchange rate fluctuations.
4. Selling and Distribution Expenses for the three-month period ended September 30, 2024, selling and distribution expenses were THB 9.43 million, representing 2.27% of sales revenue, down from 2.29% in the same period of the previous year, due to a decrease resulting from increased promotional expenses.
5. Administrative Expenses for the three-month period ended September 30, 2024, administrative expenses were THB 17.14 million, a decrease of THB 3.49 million or 16.92%, due to the reduction in salaries from a lower number of employees, consulting service fees, and the adjustment of decreased doubtful debts.
6. Finance Costs for the three-month period ended September 30, 2024, finance costs were THB 5.00 million, an increase of THB 0.30 million or 6.36%, due to the continuous increase in loan interest rates.

7. Net Profit for the three-month period ended September 30, 2024, net profit was THB 13.90 million, an increase of THB 5.84 million or 72.41%, due to the increase in gross profit and the reduction in administrative expenses.

Overall Performance for the Nine-Month Period Ended September 30, 2024. The Company reported a net profit of THB 36.48 million, an increase of THB 16.64 million or 83.89% compared to the same period of the previous year.

Statement of income for the six-month period Unit: Million Baht	Quarter 3/2024 Ending on September 30, 2024	Quarter 3/2023 Ending on September 30, 2023	Change	
			Amount	%
Revenue from Sales	1,330.76	1,115.11	215.66	19.34
Cost of Goods Sold (COGS)	1,190.01	991.91	198.10	19.97
Gross Profit	140.75	123.20	17.55	14.25
Other Income	1.48	0.73	0.75	103.06
Sales and Distribution Expenses	30.85	26.80	4.05	15.13
Administrative Expenses	52.25	61.55	(9.40)	(15.25)
Earnings Before Interest, Depreciation and Amortization (EBIDA)	59.13	35.48	23.65	66.68
Financial Income	0.79	1.19	(0.40)	(33.77)
Financial Expenses	14.41	12.06	2.35	19.47
Profit Before Tax	45.51	24.61	20.90	84.90
Income Tax Expenses	9.02	4.77	4.25	89.08
Net Profit	36.48	19.84	16.64	83.89

1. Revenue from Sales for the nine-month period ended September 30, 2024, sales revenue was THB 1,330.76 million, an increase of THB 215.66 million or 19.34% compared to the same period of the previous year. The gross profit margin was 10.58%, down from 11.05% in the same period of the previous year. Sales revenue can be divided into:

- 1.1 Revenue from the sale of genuine automobile parts from various brands amounted to THB 1,182.16 million, an increase of THB 197.45 million or 20.05%, due to the continued stringent policies on car loans, which makes car owners still need to procure parts for vehicle maintenance.
 - 1.2 Revenue from the sale of replacement parts amounted to THB 148.60 million, an increase of THB 197.45 million or 20.05%, due to the continued stringent policies on car loans, which makes car owners still need to procure parts for vehicle maintenance.
2. Cost of Sales for the nine-month period ended September 30, 2024, cost of sales was THB 1,190.01 million, an increase of THB 198.10 million or 19.97%, due to the increase in purchases corresponding to sales and the reduction in inventory.
3. Other Income for the nine-month period ended September 30, 2024, other income was THB 1.48 million, an increase of THB 0.75 million or 103.06%, due to the recognition of revenue from insurance claim compensation for signage, unrealized gains from exchange rate fluctuations, and adjustments to accrued expenses for the year 2023.
4. Selling and Distribution Expenses for the nine-month period ended September 30, 2024, selling and distribution expenses were THB 30.85 million, representing 2.32% of sales revenue, down from 2.40% in the same period of the previous year, due to a decrease resulting from increased promotional expenses.
5. Administrative Expenses for the nine-month period ended September 30, 2024, administrative expenses were THB 52.25 million, a decrease of THB 9.40 million or 15.25%, due to reduced salaries from a lower number of employees, consulting service fees, and payment fees, as well as the adjustment of decreased doubtful debts.
6. Finance Costs for the nine-month period ended September 30, 2024, finance costs were THB 14.41 million, an increase of THB 2.35 million or 19.47%, due to the continuous increase in loan interest rates.
7. Net Profit for the nine-month period ended September 30, 2024, net profit was THB 36.48 million, an increase of THB 16.64 million or 83.89%, due to the increase in gross profit and the reduction in administrative expenses.

Financial Position of the Company

Statement of financial position Unit: Million Baht	September 30, 2024	September 30, 2023	Change	
			Amount	%
Current Assets	861.92	889.05	(27.12)	(3.05)
Non-current Assets	230.07	202.55	27.52	13.59
Total Assets	1,092.00	1,091.60	0.40	0.04
Current Liabilities	735.44	868.34	(132.91)	(15.31)
Non-current Liabilities	12.05	11.37	0.67	5.92
Total Liabilities	747.48	879.72	(132.23)	(15.03)
Equity	344.51	211.88	132.63	62.60
Total Liabilities and Equity	1,092.00	1,091.60	0.40	0.04

1. Total Assets:

- As of September 30, 2024, the Company's total assets were THB 1,092.00 million, an increase of THB 0.40 million or 0.04% compared to the same period of the previous year. due to the increase in trade receivables corresponding to higher sales.

2. Total Liabilities:

- As of September 30, 2024, the Company's total liabilities were THB 747.48 million, a decrease of THB 132.23 million or 15.03% compared to the same period of the previous year. due to the repayment of short-term loans from financial institutions amounting to 113.00 million baht.

3. Shareholders' Equity:

- As of September 30, 2024, the Company's shareholders' equity was THB 344.51 million, an increase of THB 132.63 million or 62.60% compared to the same period of the previous year. due to the continuous increase in operating profit and the raised funds 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