

No. AC20240808 001

Date 8 August 2024

Subject: Explanation and Analysis by the Management for the Three and Six-Month Period Ending June 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-month period ending June 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 170,000 items. This includes Genuine Parts from various car manufacturers, as well as Replacement Parts.
- The total net profit for the three-month period ending June 30, 2024, was 22.59 million baht, representing a net profit margin of 2.47%.

Overview of the Company's Operational Results

Overall performance for the three-month period ended June 30, 2024, the Company reported a net profit of THB 10.43 million, an increase of THB 5.15 million or 97.57% compared to the same period of the previous year.

Statement of income for the three-month period Unit: Million Baht	Ending on June 30, 2024	Ending on June 30, 2023	Change	
			Amount	%
Revenue from Sales	447.02	360.54	86.49	23.99
Cost of Goods Sold (COGS)	401.25	321.14	80.12	24.95
Gross Profit	45.77	39.40	6.37	16.17
Other Income	0.17	0.31	(0.13)	(43.42)
Sales and Distribution Expenses	10.93	8.76	2.16	24.68
Administrative Expenses	17.86	20.82	(2.96)	(14.20)
Earnings Before Interest, Depreciation and Amortization (EBIDA)	17.16	10.12	7.03	69.45
Financial Income	0.35	0.22	0.13	60.80

Financial Expenses	4.29	3.61	0.68	18.86
Profit Before Tax	13.21	6.73	6.48	96.34
Income Tax Expenses	2.78	1.45	1.33	91.82
Net Profit	10.43	5.28	5.15	97.57

1. Revenue from Sales for the three-month period ended June 30, 2024, sales revenue was THB 447.02 million, an increase of THB 86.49 million or 23.99% compared to the same period of the previous year. The gross profit margin was 10.24%, down from 10.93% 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 401.50 million, an increase of THB 85.37 million or 27.01%, primarily due to continuous consumer demand for parts for vehicle maintenance; due to the strict loan policies for purchasing new cars.

- 1.2 Revenue from the sale of replacement parts amounted to THB 45.52 million, an increase of THB 1.12 million or 2.51%, mainly due to delayed in part delivery.

2. Cost of Sales for the three-month period ended June 30, 2024, cost of sales was THB 401.25 million, an increase of THB 80.12 million or 24.95%, due to increased purchases in line with sales growth and reduced inventory.

3. Other Income for the three-month period ended June 30, 2024, other income was THB 0.17 million, a decrease of THB 0.13 million or 43.42%, due to the reversal of advance receipts in the previous year.

4. Selling and Distribution Expenses for the three-month period ended June 30, 2024, selling and distribution expenses were THB 10.93million, representing 2.44% of sales revenue, down from 2.43% in the same period of the previous year, mainly due to increase in promotional expenses.

5. Administrative Expenses for the three-month period ended June 30, 2024, administrative expenses were THB 17.86 million, a decrease of THB 2.96 million or 14.20%, primarily due to a reduction in staff and consulting fees for listing preparation.
6. Finance Costs for the three-month period ended June 30, 2024, finance costs were THB 4.29 million, an increase of THB 0.68 million or 18.86%, due to higher financing costs in line with rising interest rates.
7. Net Profit for the three-month period ended June 30, 2024, net profit was THB 10.43 million, an increase of THB 5.15 million or 97.57%, due to higher gross profit from reduced selling and administrative expenses.

Overall Performance for the Six-Month Period Ended June 30, 2024. The Company reported a net profit of THB 22.59 million, an increase of THB 10.81 million or 91.75% compared to the same period of the previous year.

Statement of income for the six-month period Unit: Million Baht	Quarter 2/2024	Quarter 2/2023	Change	
	Ending on June 30, 2024	Ending on June 30, 2023	Amount	%
Revenue from Sales	914.96	738.12	176.84	23.96
Cost of Goods Sold (COGS)	821.73	658.17	163.56	24.85
Gross Profit	93.23	79.95	13.28	16.61
Other Income	0.71	0.42	0.30	71.87
Sales and Distribution Expenses	21.42	18.19	3.23	17.87
Administrative Expenses	35.11	41.02	(5.91)	(14.41)
Earnings Before Interest, Depreciation and Amortization (EBIDA)	37.41	21.16	16.25	76.81
Financial Income	0.59	0.99	(0.40)	(40.07)
Financial Expenses	9.41	7.35	2.06	28.01
Profit Before Tax	28.59	14.80	13.79	93.12
Income Tax Expenses	6.00	3.02	2.98	98.84
Net Profit	22.59	11.78	10.81	91.75

1. Revenue from Sales for the six-month period ended June 30, 2024, sales revenue was THB 915.96 million, an increase of THB 176.84 million or 23.96% compared to the same period of the previous year. The gross profit margin was 10.19%, down from 10.83% 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 829.61 million, an increase of THB 180.87 million or 27.88%, primarily due to continuous consumer demand for parts for vehicle maintenance; due to the strict loan policies for purchasing new cars.
 - 1.2 Revenue from the sale of replacement parts amounted to THB 85.35 million, a decrease of THB 4.02 million or 4.50%, mainly due to delayed shipments.
2. Cost of Sales for the six-month period ended June 30, 2024, cost of sales was THB 821.73 million, an increase of THB 163.56 million or 24.85%, due to increased purchases in line with sales growth and reduced inventory.
 3. Other Income for the six-month period ended June 30, 2024, other income was THB 0.71 million, an increase of THB 0.30 million or 71.87%, a reversed deferred revenue, and in 2024, it has reversed accrued expenses.
 4. Selling and Distribution Expenses for the six-month period ended June 30, 2024, selling and distribution expenses were THB 21.42 million, representing 2.34% of sales revenue, down from 2.46% in the same period of the previous year, mainly due to reduced promotional expense.
 5. Administrative Expenses for the six-month period ended June 30, 2024, administrative expenses were THB 35.11 million, a decrease of THB 5.91 million or 14.41%, primarily due to a reduction in staff and consulting fees for listing preparation.

6. Finance Costs for the six-month period ended June 30, 2024, finance costs were THB 9.41 million, an increase of THB 2.06 million or 28.01%, due to higher financing costs in line with rising interest rates.
7. Net Profit for the six-month period ended June 30, 2024, net profit was THB 22.59 million, an increase of THB 10.81 million or 91.75%, due to higher gross profit from reduced selling and administrative expenses.

Financial Position of the Company

Statement of financial position Unit: Million Baht	June 30, 2024	June 30, 2023	Change	
			Amount	%
Current Assets	1,004.77	826.19	178.59	21.62
Non-current Assets	203.28	205.12	(1.84)	(0.90)
Total Assets	1,208.06	1,031.31	176.75	17.14
Current Liabilities	867.01	815.89	51.12	6.27
Non-current Liabilities	10.44	11.60	(1.16)	(10.02)
Total Liabilities	877.44	827.49	49.96	6.04
Equity	330.62	203.82	126.80	62.21
Total Liabilities and Equity	1,208.06	1,031.31	176.75	17.14

1. Total Assets:

- As of June 30, 2024, the Company's total assets were THB 1,208.06 million, an increase of THB 176.75 million or 17.14% compared to the same period of the previous year. This is the result of an increase in accounts receivable and other receivables which is in line with the higher sales.

2. Total Liabilities:

- As of June 30, 2024, the Company's total liabilities were THB 877.44 million, an increase of THB 49.96 million or 6.04% compared to the same period of the previous year. This was mainly due to higher purchase volume in accordance with the higher sales.

3. Shareholders' Equity:

- As of June 30, 2024, the Company's shareholders' equity was THB 330.62 million, an increase of THB 126.80 million or 62.21% compared to the same period of the previous year. "These are caused by the profit from operations and funds raised from the initial public offering (IPO).

Please be informed accordingly.

Sincerely yours,

Mr.Pairat Trimurati

Vice President of Finance and Accounting

Authorized to sign on behalf of the Company