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9 August 2024

Subject : Management Discussion and Analysis for Q2/2024

Attention : President

The Stock Exchange of Thailand

An overview of the results in the passing

The performance in the Q2/2024, the company and its subsidiaries have the total revenue from sales in amount of Baht 3,255.4 million which is decreasing from the 2023 at equivalence of Baht 236.8 million, about 7%.

Analysis of profit of company and its subsidiaries

The Q2/2024, the company and its subsidiaries have profit for the period of Baht 209.8 million as compared to the 2023, the company and its subsidiaries have profit for the period of Baht 74.3 million, profit increased Baht 135.5 million or 182% for the following main reasons;

1. The total sales has decreased of Baht 236.8 million, due to sales volume of MDF Board has decreased by 17%. While the average price of MDF Board has increased by 6%.
2. Cost of sales of Baht 2,576.8 million, decreased of Baht 282.7 million. Due to the decrease in sales volume of MDF Board and average cost of sales per unit of MDF Board and Particleboard decreased by 7% and by 13% respectively.

Financial status

Total assets

As of 30 June 2024, the total assets of the company and its subsidiaries were Baht 19,566.7 million, increased by Baht 309.6 million compared to the total assets of Baht 19,257.0 million in 2023. The details of the significant increased or decreased were as follows:

1. Cash and cash equivalent items increased by Baht 877.1 million.
2. Trade and other current receivable decreased by Baht 93.9 million.
3. Other current financial assets increased by Baht 220.5 million.
4. Revenue Department receivable decreased by Baht 394.9 million.
5. Inventories increased by Baht 321.1 million, due to the increased of finished goods of Baht 189.4 million, raw materials of Baht 137.8 million, goods in transit of Baht 55.1 million and decreased of work in process of Baht 61.2 million.
6. Maintenance supplies increased by Baht 19.6 million.
7. Current tax assets increased by Baht 1.0 million.
8. Property, Plant and equipment decreased by Baht 892.7 million.
9. Right-of-use assets increased by Baht 202.4 million.
10. Intangible assets increased by Baht 47.2 million.
11. Deferred tax assets increased by Baht 4.6 million.

Total Liabilities

As of 30 June 2024, the total liabilities of the company and its subsidiaries were Baht 11,981.2 million, decreased by Baht 157.0 million, compared to the total liabilities of Baht 12,138.2 million in 2023. The details of the significant increased or decreased were as follows:

1. Short-term loans from financial institutions decreased by Baht 6.0 million.
2. Trade and other current payable decreased by Baht 8.5 million.
3. Advances received from customers increased by Baht 305.4 million.
4. Income tax payables increased by Baht 20.5 million.
5. Long-term loans from financial institutions decreased by Baht 688.0 million.
6. Lease liabilities increased by Baht 202.1 million.
7. Provisions for employee benefits increased by Baht 30.2 million.
8. Deferred tax liabilities decreased by Baht 12.1 million.

Total shareholder's equity

As of 30 June 2024, the total shareholder's equity of the company and its subsidiaries were Baht 7,585.5 million, increased by Baht 466.7 million, compared to the total shareholders' equity of Baht 7,118.9 million in 2023, due to operating results with net profit and dividend payment during the year 2023 and 2024.

As of 30 June 2024, the debt to equity ratio was 1.58:1, decreased by 0.13 times compared to that of 1.71:1 in 2023. The main reason is due to the increase retained earnings and repayment of the principal of long-term loans from financial institutions as scheduled.

Liquidity

Cash flow

For the six-month period ended 30 June 2024, the company and its subsidiaries have cash flow received from operating activities of Baht 1,577.1 million, cash flow used in investing activities of Baht 135.5 million and cash flow used in financing activities of Baht 220.9 million. There was net cash flow received in Baht 1,220.7 million. The cash flow received was Baht 1,597.6 million more than the same period in 2023 as summarized;

1. Net cash received from operating activities is Baht 1,577.1 million, increased by Baht 853.1 million, because of increased of profit from operation before change in operating assets and liabilities by Baht 489.2 million, increased operating assets Baht 324.0 million, increased operating liabilities Baht 685.9 million, increased of cash received from interest income Baht 0.5 million and increased of cash received from income tax Baht 1.6 million.
2. Net cash used in investing activities is Baht 135.5 million, decreased by Baht 130.7 million, due to the decreasing investment of the investment project.

3. Net cash used in financing activities is Baht 220.9 million, decreased by Baht 613.8 million, because of increased of short-term loans from financial institutions by Baht 378.2 million, cash paid for long-term loans decreased by Baht 129.0 million, cash paid for lease liabilities increased by Baht 10.0 million, cash paid for interest expenses of loans increased by Baht 22.2 million and cash paid for dividend decreased by Baht 138.8 million.

Please be acknowledged for your information.

Sincerely Yours,

(Mr. Wanthana Jaroennawarat)
Director