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12 November 2024

Subject : Management Discussion and Analysis for Q3/2024

Attention : President

The Stock Exchange of Thailand

An overview of the results in the passing

The performance in the Q3/2024, the company and its subsidiaries have the total revenue from sales in amount of Baht 3,511.4 million which is increasing from the 2023 at equivalence of Baht 508.1 million, about 17%.

Analysis of profit of company and its subsidiaries

The Q3/2024, the company and its subsidiaries have profit for the period of Baht 173.2 million as compared to the 2023, the company and its subsidiaries have profit for the period of Baht 99.3 million, profit increased Baht 74.0 million or 74% for the following main reasons;

1. The total sales has increased of Baht 508.1 million, due to sales volume of MDF Board and Particleboard have increased by 29% and 17% respectively. While the average price of MDF Board and Particleboard have decreased by 2% and by 6% respectively.
2. Cost of sales of Baht 2,912.1 million, increased of Baht 499.6 million, due to increased sales volume.

Financial status

Total assets

As of 30 September 2024, the total assets of the company and its subsidiaries were Baht 18,234.5 million, decreased by Baht 1,417.7 million compared to the total assets of Baht 19,652.2 million in 2023. The details of the significant increased or decreased were as follows:

1. Cash and cash equivalent items decreased by Baht 300.6 million.
2. Trade and other current receivable increased by Baht 125.2 million.
3. Other current financial assets increased by Baht 24.6 million.
4. Revenue Department receivable decreased by Baht 168.8 million.
5. Inventories decreased by Baht 383.6 million, due to the decreased of finished goods of Baht 388.5 million, work in process of Baht 43.5 million, goods in transit of Baht 30.5 million, increased of raw materials of Baht 75.3 million and supplies of Baht 3.6 million.
6. Maintenance supplies decreased by Baht 8.4 million.
7. Current tax assets increased by Baht 1.4 million.
8. Property, Plant and equipment decreased by Baht 933.7 million.
9. Right-of-use assets increased by Baht 178.1 million.
10. Intangible assets increased by Baht 56.1 million.
11. Deferred tax assets increased by Baht 5.0 million.

Total Liabilities

As of 30 September 2024, the total liabilities of the company and its subsidiaries were Baht 10,562.5 million, decreased by Baht 1,871.5 million, compared to the total liabilities of Baht 12,434.0 million in 2023. The details of the significant increased or decreased were as follows:

1. Short-term loans from financial institutions decreased by Baht 943.4 million.
2. Trade and other current payable decreased by Baht 134.6 million.
3. Advances received from customers decreased by Baht 105.8 million.
4. Income tax payables increased by Baht 4.4 million.
5. Long-term loans from financial institutions decreased by Baht 908.4 million.
6. Lease liabilities increased by Baht 186.6 million.
7. Provisions for employee benefits increased by Baht 28.9 million.
8. Deferred tax liabilities increased by Baht 0.9 million.

Total shareholder's equity

As of 30 September 2024, the total shareholder's equity of the company and its subsidiaries were Baht 7,672.0 million, increased by Baht 453.9 million, compared to the total shareholders' equity of Baht 7,218.1 million in 2023, due to operating results with net profit and dividend payment during the year 2023 and 2024.

As of 30 September 2024, the debt to equity ratio was 1.38:1, decreased by 0.34 times compared to that of 1.72:1 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 nine-month period ended 30 September 2024, the company and its subsidiaries have cash flow received from operating activities of Baht 1,931.0 million, cash flow used in investing activities of Baht 209.1 million and cash flow used in financing activities of Baht 1,398.3 million. Net cash flow received of Baht 323.6 million, increased by Baht 419.9 million from the same period in 2023 as summarized;

1. Net cash received from operating activities was Baht 1,931.0 million, increased by Baht 886.5 million, because of increased of profit from operation before change in operating assets and liabilities by Baht 498.0 million, decreased operating assets Baht 98.4 million, increased operating liabilities Baht 302.8 million, increased of cash received from interest income Baht 2.4 million and increased of cash paid for income tax Baht 15.1 million.
2. Net cash used in investing activities was Baht 209.1 million, decreased by Baht 161.1 million, due to the decreasing investment of the investment project.

3. Net cash used in financing activities was Baht 1,398.3 million, increased by Baht 627.7 million, because of decreased of short-term loans from financial institutions by Baht 559.2 million, decreased of long-term loans from financial institutions by Baht 91.5 million, increased of cash paid for lease liabilities by Baht 14.3 million, increased of cash paid for interest expenses by Baht 20.7 million and decreased of dividend payment by Baht 58.1 million.

Please be acknowledged for your information.

Sincerely Yours,

(Mr. Wanthana Jaroennawarat)
Director