



MBAX 004/2564

November 12, 2021

Subject : Clarification of the operating results which are deviated more than 20%

To : The Managing Director  
The Stock Exchange of Thailand

- ❖ Multibax Public Company Limited would like to clarify the operating results which are deviated more than 20% from the same period last year, for nine months ended September 30, 2021 as follows:

#### 1. Revenue of sales

Total revenue was accounted for 1,055.55 million Baht, decreased by 420.12 million Baht or 28.47 percent compared to the same period last year (1,475.67 million Baht).

#### 2. Cost of sales

Total cost of sales was accounted for 958.33 million Baht, decreased by 245.49 million Baht or 20.39 percent compared to the same period last year (1,203.82 million Baht).

#### 3. Selling and Administrative Expenses

Total selling and administrative expenses were accounted for 71.11 million Baht, decreased by 8.09 million Baht or 10.21 percent compared to the same period last year (79.20 million Baht).

#### 4. Finance costs

Finance costs was accounted for 16.22 million Baht, increased by 6.72 million Baht or 70.74 percent compared to the same period last year (9.50 million Baht).

#### 5. Other Income

Other incomes were accounted for 31.59 million Baht, increased by 27.62 million Baht or 695.72 percent compared to the same period last year (3.97 million Baht).

#### 6. Gain & Loss on exchange rate

Loss on exchange rate were accounted for 12.85 million Baht, increased by 15.48 million Baht or 588.59 percent compared to the same period last year (gain on exchange rate 2.63 million Baht).

#### 7. Tax Expenses

Tax expenses was accounted for 3.58 million Baht, decreased by 25.85 million Baht or 87.84 percent compared to the same period last year (29.43 million Baht).

#### 8. Net Profit

Net profit was accounted for 25.05 million Baht, decreased by 135.27 million Baht or 84.37 percent compared to the same period last year (160.32 million Baht).

## Reasons for the decreased of the net profit for nine months ended September 30, 2021 were:

1. Revenue from sales decreased by 420.12 million baht or 28.47 percent, from the lower sales quantity, particularly, from the significant decreasing of the sales quantity of the innovative product, a food bag with special features where the sales didn't go as planned. The situation was worsened by the serious shortage of containers where the imbalance of the import and export flow and the higher freight cost are the major reasons. These negative factors forced some customers to delay their shipments. From all of the above happenings, sales revenue for the first half of 2021 was substantially less than the budget. However, in the third quarter of this year, even though the container shortage problem continued but with the closed cooperation between the customers and the company to secure more containers, the sales quantity when compared with the previous two quarters were increased. And when combining with the weakening of Baht against US\$ the sales revenue in Thai Baht were also increased.
2. Cost of sales increased from 81.58 percent in 2020 to 90.79 percent in 2021, mainly from the increasing prices of the plastic resins when compared to the same period last year. Combining with the delay of sales orders, followed by the decreasing of the production where the wages and overheads were not tallying down with this lower production, the higher production cost were observed. Nevertheless, the company has tried her best to control all relevant costs to commensurate with the current situation. As such, the gross profit for nine months of 2021 were recorded at 97.21 million Baht, decreased by 174.64 million baht or 64.24 percent.
3. Total selling and administrative expenses were decreased by 8.09 million Baht or 10.21 percent, from the reduction of the export expenses proportionately to the lower sales quantities. As well, the administrative expenses were down from the reduction of the employee compensation.
4. Finance costs increased by 6.72 million Baht or 70.74 percent, from the additional drawings of the short-term loan from the financial institutes and the higher interest expenses under the installment rental agreement.
5. Other income were increased by 27.62 million Baht or 695.72 percent, from the compensation of the customer that has reduced the order of one product down to meet the level of agreed trading responsibility.
6. Loss on exchange rate were increased by 15.48 million Baht or 588.59 percent, from the high volatility of Thai baht against US dollar. Actually, the forex management under the current circumstance was profoundly difficult where we can see the higher loss on the US dollar portfolio, in general.
7. Tax expenses were decreased by 25.85 million Baht or 87.84 percent, due to the performance in 2021, where the taxable profit were decreased when compared with the same period in 2020.
8. In summary, the sales revenue decreased from lower sales quantity, the cost of sales and production cost increased from the higher prices of plastic resin and production overhead, so the gross profit was recorded at 97.21 million Baht, decreased by 174.64 million Baht or 64.24 percent. Combining with all other factors including the increase of the finance costs and loss on exchange rate, decreasing of the selling & administrative expenses, the increasing of the other income, provided the profit for nine months ended September 30, 2021 at 25.05 million Baht. This net profit decreased by 135.27 million Baht or 84.37 percent when compared to the same period of 2020 (160.32 million Baht). Nevertheless, should we focus on each quarter, we can see the gradual improvement of the third quarter against the previous two quarters. From increased to the exports and the weakening of Baht against US\$, resulted to higher of the gross margins. The executions of this improvement are from the better controlling of workers and staffs and the closely monitoring of the foreign exchange development. As a consequence, in the third quarter, the company recorded the net profit at 35.63 million baht. The company expect that when the container crisis has been continuously improved, the sales value will be back as usual since high quality plastic bags that the company produce are the indispensable items for modern consumers.

For your acknowledgement.

Yours Sincerely,

Signature \_\_\_\_\_  
(Mr. Pisuth Lertvilai)

Deputy Managing Director