



MBAX 001/2565

February 17, 2022

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 year ended December 31, 2021 as follows:

1. Revenue of sales

Total revenue was accounted for 1,458.74 million Baht, decreased by 423.45 million Baht or 22.50 percent compared to the same period last year (1,882.19 million Baht).

2. Cost of sales

Total cost of sales was accounted for 1,294.11 million Baht, decreased by 277.00 million Baht or 17.63 percent compared to the same period last year (1,571.11 million Baht).

3. Selling and Administrative Expenses

Total selling and administrative expenses were accounted for 100.63 million Baht, decreased by 6.22 million Baht or 5.82 percent compared to the same period last year (106.85 million Baht).

4. Finance costs

Finance costs was accounted for 21.77 million Baht, increased by 8.47 million Baht or 63.68 percent compared to the same period last year (13.30 million Baht).

5. Other Income

Other incomes were accounted for 42.39 million Baht, increased by 32.45 million Baht or 326.46 percent compared to the same period last year (9.94 million Baht).

6. Gain & Loss on exchange rate

Loss on exchange rate were accounted for 11.37 million Baht, increased by 16.38 million Baht or 326.95 percent compared to the same period last year (gain on exchange rate 5.01 million Baht).

7. Tax Expenses

Tax expenses was accounted for 10.84 million Baht, decreased by 18.97 million Baht or 63.64 percent compared to the same period last year (29.81 million Baht).

8. Net Profit

Net profit was accounted for 62.41 million Baht, decreased by 113.65 million Baht or 64.55 percent compared to the same period last year (176.06 million Baht).

Reasons for the decreased of the net profit for year ended December 31, 2021 were:

1. Revenue from sales decreased by 423.45 million baht or 22.50 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 behind this performance. 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 last two quarters 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. Combining with the weakening of Baht against US\$, comparatively, the sales revenue in Thai Baht were also noticeably increased.
2. Cost of sales increased from 83.47 percent in 2020 to 88.71 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 the year of 2021 were recorded at 164.63 million Baht, decreased by 146.45 million baht or 47.08 percent.
3. Total selling and administrative expenses were decreased by 6.22 million Baht or 5.82 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 8.47 million Baht or 63.68 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 32.45 million Baht or 326.46 percent, mainly 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 16.38 million Baht or 326.95 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 18.97 million Baht or 63.64 percent compared to those of last year, due to the lower profit.
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 164.63 million Baht, decreased by 146.45 million Baht or 47.08 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, resulting to the profit for year ended December 31, 2021 at 62.41 million Baht. This net profit decreased by 113.65 million Baht or 64.55 percent when compared to the same period of 2020 (176.06 million Baht). Nevertheless, should we focus on each quarter, we can see the gradual improvement of the last two quarters against the prior two quarters, mainly from the higher export volume and value plus the impact of the weakening of Thai baht against USD, resulting to the higher gross margins. The executions of this improvement are from the better controlling of workers and staff numbers and the closely monitoring of the foreign exchange rate development. As a consequence, in the last two quarters, the company recorded the net profit at 72.99 million baht. The company expect that when the container crisis has been 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 lifestyles.

For your acknowledgement.

Yours Sincerely,

Signature _____

(Mr. Pisuth Lertvilai)
Deputy Managing Director