



ASEFA PUBLIC COMPANY LIMITED

บริษัท อาซีฟา จำกัด (มหาชน)

No CS65/026

February 17, 2022

Subject : Management Discussion and Analysis for the year ended December 31, 2021

Attention: The Board of directors
The Stock Exchange of Thailand

The Board of Directors' Meeting of Asefa Public Company Limited ("the Company") No.1/2022 held on February 17, 2022 approved the financial statement of year 2021 for the year ended December 31, 2021. The Company would like to clarify the changes in significant performance are as follows:

(Unit: Million Baht)

Consolidated Financial Statement	2021	2020	Change Increased / (Decreased)	
			Amount	%
Revenue for sale and services	2,599.01	2,688.89	(89.88)	(3.34)
Cost of sales and services	2,118.61	2,113.69	4.92	0.23
Gross profit	480.40	575.20	(94.80)	(16.48)
Gross Profit Margin (%)	18.48%	21.39%		
Other income	33.09	23.46	9.63	41.03
Profit before expenses	513.49	598.66	(85.17)	(14.23)
Distribution & Administrative expenses	343.89	342.16	1.73	0.50
Finance costs	0.83	0.21	0.62	302.54
Profit before income tax	168.77	256.29	(87.52)	(34.15)
Income tax expenses	31.96	38.62	(6.66)	(17.25)
Net profit (Equity holders of the Company)	138.34	218.50	(80.16)	(36.69)
Net Profit Margin (%)	5.26%	8.06%		
Earnings per share (Baht)	0.25	0.40	(0.15)	(37.50)

Performance Analysis and Discussion

Operating results for the year 2021, the company and its subsidiaries had total revenues from sales and service of 2,599.01 million baht, decreased by 89.88 million baht or by 3.34%. The net profit of 138.34 million baht, decreased of 80.16 million baht or by 36.69, with a net profit margin decreased from 8.06% to 5.26%, when compared to the same period of last year.

The Decrease in revenue and net profit of the company. This was mainly due to the impact of fluctuating raw material prices. The main raw materials used in the production of metal, steel, copper, have increased their prices by more than 50%, which is considered significant. There is also the impact of the economic recession from the impact of COVID-19, which has made it costly and difficult to work, including postponing the delivery schedule.



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Revenues for sales and service

Revenues from sales and service for the year ended December 31, 2021, amounting to 2,599.01 million baht, decreased by 89.88 million baht or by 3.34%, when compared to the same period last year. The mainly change being to manufacturer and distributor by company group, decreased by 51.17 million baht and supplied and distributed products group decreased by 139.14 million baht. For the revenue from the service group, an increased by 112.50 million baht, since to the company there are more services in integrated engineering on the whole system.

Costs of sales and service

Costs of sales and service for the year ended December 31, 2021 and 2020, amounting to 2,118.61 million baht and 2,113.69 million baht respectively. The gross profit decreased by 94.80 million baht, when compared to the same period last year. Which decreased gross profit margin from 21.39% to 18.48%. The decrease in gross profit was mainly due to the increase in production costs of goods and services from the impact of the price of the main raw materials used in the production of steel, copper and electrical equipment, with significant price increases.

Selling & Administrative expenses

Distribution and administrative expenses for the year ended December 31, 2021 and 2020, amounting to 343.89 million baht and 342.16 million baht respectively, an increased 1.73 million baht or 0.50%, which slightly increased from the same period last year. During the year, employee expenses increased by 7.44 million baht, the reserve for obsolete goods increased by 5.46 million baht, the entertainment fee decreased by 2.31 million baht, the reserve for debtors and borrowings from related parties decreased by 7.93 million baht.

Statements of Financial Position

(Unit: Million Baht)

Consolidated Financial Statement	2021	2020	Change Increased / (Decreased)	
			Amount	%
Current assets	1,585.06	1,694.61	(109.55)	(6.46)
Non – current assets	886.77	780.78	105.99	13.57
Total assets	2,471.83	2,475.39	(3.56)	(0.14)
Liabilities	859.66	833.64	26.02	3.12
Shareholders' equity	1,612.17	1,641.75	(29.58)	(1.80)
Total Liabilities and shareholders' equity	2,471.83	2,475.39	(3.56)	(0.14)



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Assets

As at December 31, 2021, has the total assets amounting to 2,471.83 million baht, decreased from the year ended December 31, 2020 by 3.56 million baht. or 0.14%. With significant changes are as follows;

Cash and cash equivalents; amounted to 73.93 million baht, decreased 83.59 million baht, due to the company's cash flow from operating activities decreased from the same period last year.

Trade and current receivables; amounted to 599.25 million baht, decreased by 31.35 million baht, due to a decrease in sales and service income from the previous period and an increase in debt repayment during the period.

Inventories-net; amounted to 583.05 million baht, decreased by 29.13 million baht, due to the company, there was a control over the quantity of purchases and raw materials in quantities that are appropriate for the amount of use and sales.

Current contract assets; amounted to 301.34 million baht, increased by 42.30 million baht, from an increase in revenue from sales and services that are unbilled projects.

Long-term loan to other company; amounted to 115 million baht, increased by 115 million baht, due to during the period, the Company have entered into an agreement to transfer the rights to receive the payment under the project contract to the Company from the project owner. By the Company entered into a loan agreement the company that transfers the right to receive payments for financing the project.

The property, plant and equipment; amounted to 596.16 million baht, decreased by 21.19 million baht, decreased from depreciation and asset write-off during the period amounting to 31.67 million baht. With additional assets were purchased during the period, amounting to 10.48 million baht.

Liabilities

As at December 31, 2020, has the total liabilities amounting to 859.66 million baht, an increased from the year ended December 31, 2020 by 26.02 million baht. or by 3.12%. With significant changes from bank overdrafts and short-term loans from financial institutions amounted to 150 million baht, increased of 40 million baht, which use as working capital for the Company's operations. Trade and other current payables amounted to 571.83 million baht, decreased 2.61 million baht, The Current contract liabilities amounted to 59.85, decreased of 23.03 million baht. This was due to the Company received advance payments for goods and services that declined from a decrease in sales. The company's debt to equity ratio increased from 0.50 times to 0.53 times.

Shareholders' Equity

As at December 31, 2021, Shareholders' Equity in amount of 1,612.17 million baht, decreased 29.58 million baht, or 1.80%, when compared to the end of December 31, 2020. During the period, the company had operating profit of 123.21 million baht and dividend payment in the previous quarter of 152.78 million baht.



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For your information.

Yours sincerely,

Mr. Phaiboon Ungkanakornkul

Managing Director