

21 February 2022

Subject Management Discussion and Analysis on the Financial Statements for the year 2021  
(1 January - 31 December 2021)

Attention The President  
The Stock Exchange of Thailand

CPANEL Public Company Limited (“the Company”) would like to notify the operating and financial performances for the year 2021 (1 January - 31 December 2021) with details as follows;

Items	Y2021		Y2020		Change	
	mn THB	%	mn THB	%	mn THB	%
Net sales	310.87	100.00%	220.34	100.00%	+ 90.53	41.09%
Cost of sales	(197.81)	(63.63%)	(142.78)	(64.80%)	+ 55.03	38.54%
<b>Gross Profit</b>	<b>113.06</b>	<b>36.37%</b>	<b>77.56</b>	<b>35.20%</b>	<b>+ 35.50</b>	<b>45.77%</b>
Other income	1.57	0.51%	0.80	0.36%	+ 0.77	96.25%
Selling expenses	(28.37)	(9.13%)	(21.73)	(9.86%)	+ 6.64	30.56%
Administrative expenses	(38.75)	(12.47%)	(27.54)	(12.50%)	+ 11.21	40.70%
Financial Costs	(14.92)	(4.80%)	(15.85)	(7.19%)	- 0.93	(5.87%)
<b>Profit (Loss) before Tax</b>	<b>32.59</b>	<b>10.48%</b>	<b>13.24</b>	<b>(6.01%)</b>	<b>+ 19.35</b>	<b>146.15%</b>
Income Tax Revenue (Expenses)	(0.79)	(0.25%)	(0.12)	(0.05%)	+ 0.67	618.18%
<b>Net Profit (Loss)</b>	<b>31.80</b>	<b>10.23%</b>	<b>13.12</b>	<b>5.95%</b>	<b>+ 18.68</b>	<b>142.38%</b>

#### Net Sales

In 2021, the Company had net sales of 310.87 mn bath, increased of 90.53 mn baht or 41.08% compared to the same period of 2020 mainly due to higher quantity of precast concrete panel products sale.

#### Other Incomes

Other Incomes comprised of revenue from sales of metal scraps from the production process, interest income, etc. In 2021, the Company has other incomes of 1.57 mn baht, increase of 0.77 mn baht or 96.25% compared to the same period of 2020.

#### Cost of sales and Gross Profit Margin

In 2021, the Company has cost of sales of 197.81 mn baht increased in line with growth of net sales. However, in 2021 the Company’s gross profit margin increased to 36.37% while the same period of 2020 had gross profit margin of 35.20% because the Company has developed concrete mixture formulation to be more cost-efficient and benefits from economy of scale from the significant increase in sales revenue, although steel price which is one of the main raw materials has increased.

**Selling expenses**

The Company has selling expenses in 2021 of 28.37 mn baht or 9.13% of net sales. The increasing in selling expenses correspond with the increasing in net sales, especially fuel expense for its own trucks.

**Administrative Expenses**

The Company has administrative expenses in 2021 of 38.75 mn baht, an increase of 11.21 mn baht or 40.70% compared to year 2020. The increased of administrative expenses are mostly related to preparing for listing in stock exchange of 2.49 mn baht, which are one-time expenses and expenses for implementing measures to control COVID-19 according to the Ministry of Public Health of 0.40 mn baht, while in 2020 there was not much expenses.

**Financial Costs**

In 2021, the Company has financial costs of 14.92 mn baht, decreased 0.93 mn baht or 5.87% compared to year 2020. The Company repay loan to financial institution by using fund from IPO last quarter of year 2021, resulting of decreasing in interest expense.

**Net Profit and Net Profit Margin**

The Company has net profit in 2021 of 31.80 mn baht which represents net profit margin of 10.23%, increased 18.68 mn baht or increased 142.38% compared to same period in 2020. This was due to the growth in net sales resulting in an economy of scale and an increase in gross profit margin from the development of more cost-efficient concrete formulation.

**Assets**

The Company has total assets as of 31 December 2021 of 608.62 mn baht, an increase from 31 December 2020 of 72.31 mn baht or 13.48%. The increase was from cash and cash equivalents from increase in offering of share capital, increase in accounts receivable from higher sales, and increase in inventory from finished goods pending for delivery according to the plan agreed upon with the customers.

**Liabilities**

The Company has total liabilities as of 31 December 2021 of 220.21 mn baht, a decrease from 31 December 2020 of 189.30 mn baht or 46.23% from early repayment of long-term loans from financial institution by using IPO fund.

**Shareholders' Equity**

The Company has shareholders' equity as of 31 December 2021 of 388.41 mn baht, an increase from 31 December 2020 of 261.61 mn baht or 206.32% from increase of share capital via IPO and profit generate from the 12 months period of 2021.

**Statement of Cash Flows**

According to the Cash Flow Statement of the year 2021, the Company has net cash inflows from operating activities of 73.57 mn baht from the net profit, advances and deposits received from the customers according to the increase in sale orders. The Company has net cash outflows from investing activities of 20.87 mn baht from the purchase of machinery parts. Lastly, the Company has net cash inflows from financing activities of 11.04 mn baht from the increase in shareholders' equity from the offering share capital via IPO deducting of expenses from relating activities to share offering 227.97 mn baht and from short-term loan payments and long-term loans from financial institution of 217.36 mn baht. Consequently, the Company has cash and cash equivalents as of 31 December 2021 of 63.74 mn baht.

Please be informed accordingly,

Best Regards,  
CPANEL Public Company Limited

(Mr. Chakrit Theepakornsukkasame)  
CEO