



OCEAN GLASS PUBLIC COMPANY LIMITED

**Management Discussion and Analysis
Consolidated Financial Results
For the period ended December 31, 2021**

Executive Summary

Operating Results	2021 (Million Baht)	2020 (Million Baht)	Change (%)
Revenue from sales	1,545.30	1,111.68	39.01
Other income	22.09	4.32	411.18
Total revenues	1,567.39	1,116.00	40.45
Gross profit	532.22	405.31	31.31
Net profit (loss) for the year	3.02	(245.89)	(101.23)
Gross profit margin (%)	34.44	36.46	
Net profit (loss) margin (%)	0.19	(22.03)	

Revenues

- Ocean Glass Public Company Limited and its subsidiaries (“the Company”) reported consolidated revenues of Baht 1,567.39 million, increased by 40.45%. Sales revenues reported at Baht 1,545.30 million, increased by 39.01% compared to last year.
- Export sales increased by 58.05% compared to the last year, mainly from export sales to the extended markets such as South Asia, Middle East, America, Europe, and Asia Pacific; while shortage of containers and high freight charges continued to cause hindrances in filling up the export demand.
- Domestic sales decreased by 5.82% compared to the last year, mainly from the new wave of Corona Virus 2019 causing less demand of glassware products in Hotels and Restaurants as well as beverages companies sales stayed soft on their spending for promotional glassware items.

Gross Profit and Gross Profit Margin

- The Company’s gross profit was Baht 532.22 million increased by 31.31% compared to the last year; while gross profit margins decreased from 36.46 to 34.44% due to higher proportion of export sales over all other years and increased energy and raw material prices dented gross profits as well.

Net Profit and Net Profit Margin

- The Company reported net profit of Baht 3.02 million and came out of the negative profit from the last year.
- Net profit margin reached 0.19% of total revenues.

Strategies and Business Directions

In 2021, the Company mainly focused on attaining positive cash flow from operations activities and implemented strategies in response to the New Normal Lifestyle by continuing focus on E-Commerce platform in Thailand; www.oceantableware.com; enhanced online marketplace presence in China, India and Vietnam to provide convenience and easy access to the customers. In Thailand, E-Commerce platform also provides glass printing services to serve the needs of customers along with having over 500 products listed under Ocean, Lucaris, and POSH brands. In addition, the company plans to expand E-Commerce service worldwide and further develop the platform by providing a wide range of table glassware products with speedy services to customers.

Operating Results for the Year 2021

Statement of Comprehensive Income	2021 (Million Baht)	2020 (Million Baht)	Change (%)
Sales	1,545.30	1,111.68	39.01
Other income	22.09	4.32	411.18
Total revenues	1,567.39	1,116.00	40.45
Cost of goods sold	1,013.08	706.37	43.42
Temporary shutdown expenses	173.98	206.42	(15.72)
Loss (reversal) on the decline in value of inventory	(2.88)	50.79	(105.68)
Selling expenses	220.12	227.48	(3.23)
Administrative expenses	107.50	144.92	(25.82)
Foreign exchange loss	26.56	59.29	(55.20)
Total expenses	1,538.36	1,395.27	10.26
Profit (loss) from operating activities	29.03	(279.27)	(110.39)
Finance cost	22.01	24.78	(11.21)
Profit (loss) before income tax	7.02	(304.05)	(102.31)
Income tax expenses (income)	4.00	(58.16)	(106.88)
Profit (loss) for the year	3.02	(245.89)	(101.23)
Other comprehensive income (loss) for the year	2.17	218.98	(99.01)
Total Other comprehensive income (loss) for the year	5.19	(26.91)	(119.30)
Basic earnings (loss) per share (Baht)	0.14	(11.53)	(101.23)

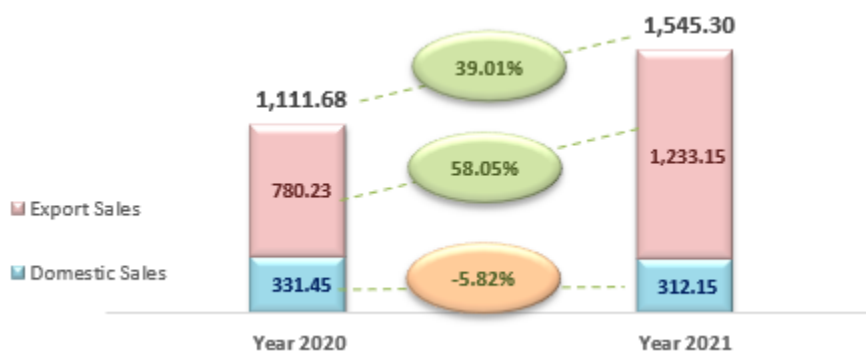
1. Revenues

Revenues	Year 2021 (Million Baht)	Year 2020 (Million Baht)	Change (%)
Domestic Sales	312.15	331.45	(5.82)
- Domestic Sales - Traditional Offline	294.45	327.87	(10.19)
- Domestic Sales - E-Commerce	17.70	3.58	394.58
Export Sales	1,233.15	780.23	58.05
Total Sales	1,545.30	1,111.68	39.01
Other income	22.09	4.32	411.18
Total revenues	1,567.39	1,116.00	40.45

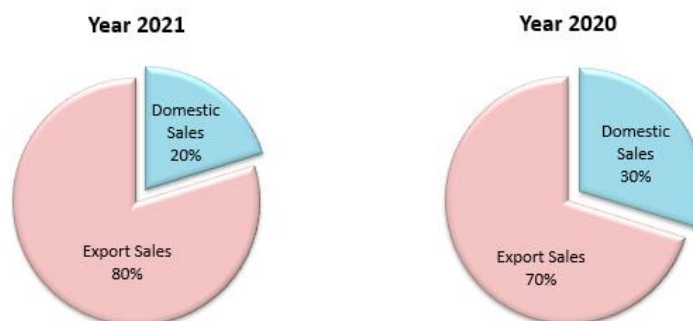
In 2021, the situation of the Corona Virus 2019 in foreign countries began to unravel. Products demand in the market started to return, export sales has recovered significantly over last year. As a result, revenues from export sales increased by 58.05%, while domestic sales decreased by 5.82%. The decrement was from offline sales channels that impacted due to the new waves of the Coronavirus 2019 that kept hitting intermittently, on the contrary, E-Commerce sales channel grew over last year by many folds.

Domestic and Export Sales

(Unit: Million Baht)



Proportion of domestic and foreign sales



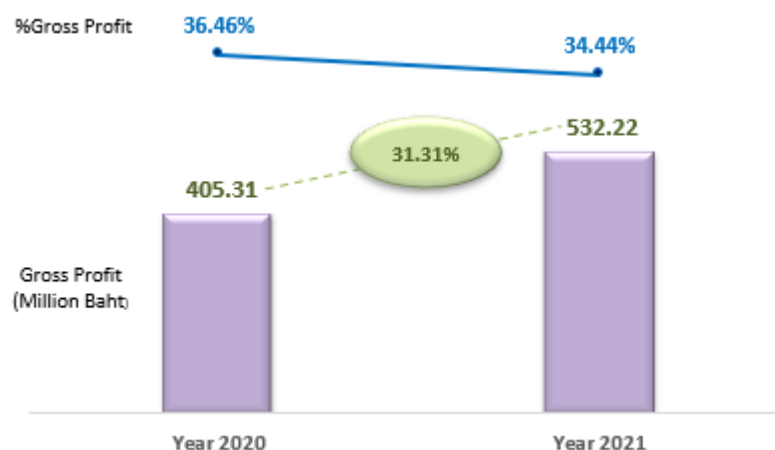
The Company reported other income Baht 22.09 million, mainly from sales of obsolete machine, transportation and sales of scraps.

2. Cost of goods sold

Total cost of goods sold presented at Baht 1,013.08 million, increased by 43.42% comparing with last year along with the increase of sales and energy price during the year.

3. Gross profit and %gross profit

Gross profit presented at Baht 532.22 million, increased by 31.31% comparing with last year. Gross profit margin decreased from 36.46 to 34.44% due to export sales to extended markets.



4. Temporary Shutdown Expenses

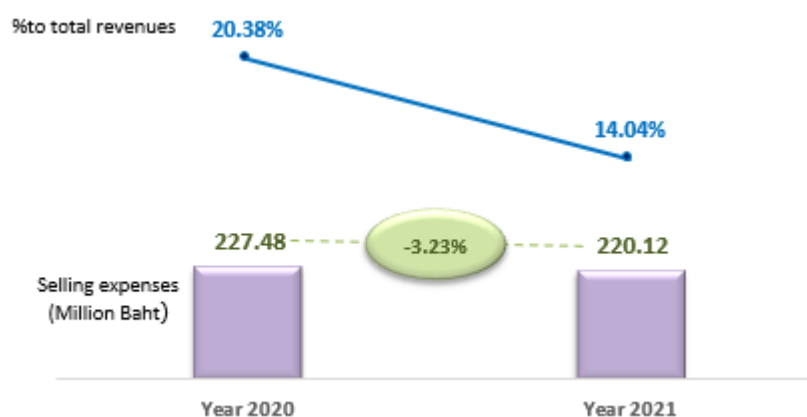
Temporary shutdown for maintenance and inventory management causing expense of Baht 173.98 million, decreased by 15.72% compared to last year due to the increase of sales volume.

5. Loss (reversal) on the decline in value of inventory

Reversal on the decline in value of inventory presented at Baht 2.88 million, primarily due to reverse provision of obsolete for long-aged finished products and raw materials.

6. Selling and Administrative Expenses

Selling expenses presented at Baht 220.12 million, decreased by 3.23% due to the decrease of personnel and expenses control measurement in sales and marketing activities.



For administrative expenses, as the continuing of expenses control measurement, the administrative expenses decreased by 25.82% compared to last year.



7. Loss on Foreign Exchange

Loss on foreign exchange presented at Baht 26.56 million, decreased by 55.20% from last year. The loss on foreign exchange was mainly from forward contract.

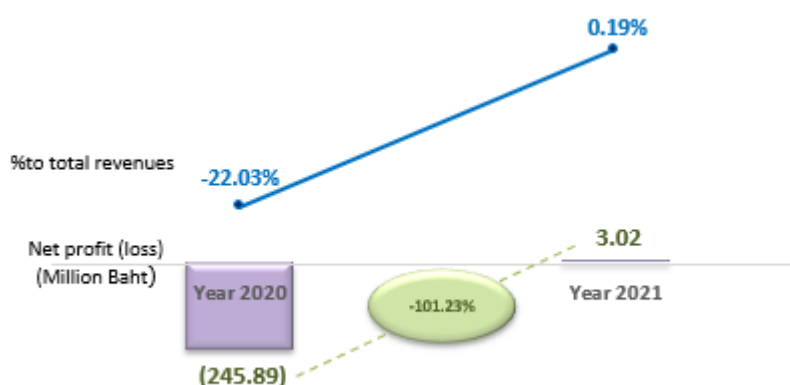
8. Finance Costs

Finance costs presented at Baht 22.01 million, decreased by 11.21% due to the repayment of loan from the increase of sales and cashflow from operation activities.

9. Net Profit and Net Profit Margin

Net profit presented at Baht 3.02 million, increased from last year that had negative profit.

Net profit margin presented at 0.19% to total revenues.



10. Other comprehensive income (loss), net with tax

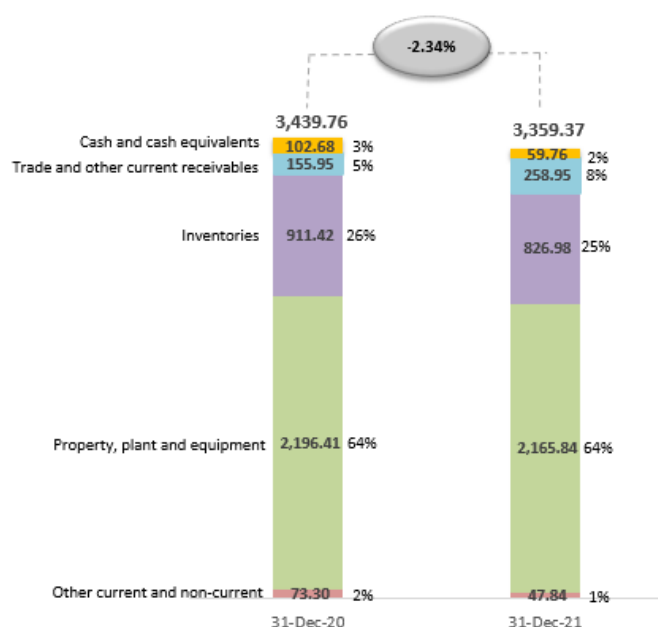
Other comprehensive income presented at Baht 2.17 million, decreased by 99.01% from the recognition of gains on land revaluation and the re-valuation of employee benefit.

Statements of Financial Position as at December 31, 2021

	2021 (Million Baht)	2020 (Million Baht)	Change (%)
Current Assets	1,162.56	1,191.80	(2.45)
Non-Current Assets	2,196.81	2,247.96	(2.28)
Total Assets	3,359.37	3,439.76	(2.34)
Current Liabilities	993.66	1,004.93	(1.12)
Non-Current Liabilities	526.77	601.08	(12.36)
Total Liabilities	1,520.43	1,606.01	(5.33)
Total Shareholders' Equity	1,838.94	1,833.75	0.28
Total Liabilities and Shareholders' Equity	3,359.37	3,439.76	(2.34)

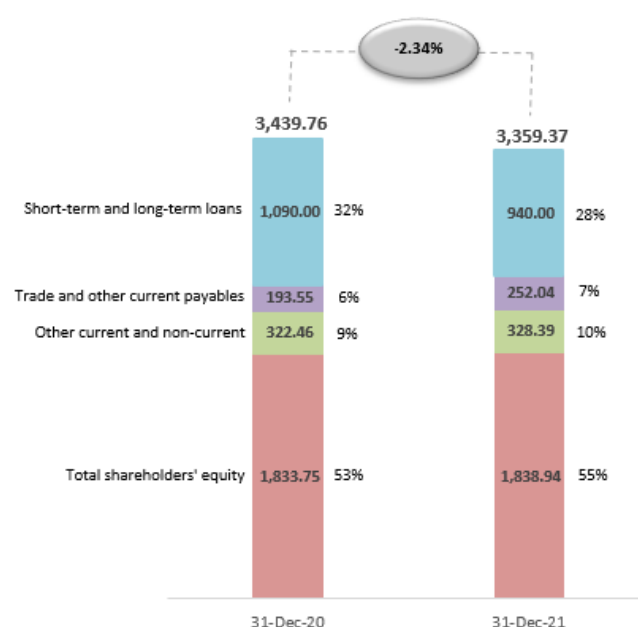
Total Assets

(Unit: Million Baht)



Total Liabilities and Shareholders' Equity

(Unit: Million Baht)



Total Assets

As of 31 December 2021, total assets presented at Baht 3,359.37 million, decreased by 2.34% as details below:

- Cash and cash equivalent decreased by 41.80% due to the increase of sales and operating cash flow and decrease in investment of assets. Therefore, the Company was able to repayment of short-term loans.
- Trade and other receivables increased by 66.05%, primarily due to the increase of sales from recovery of markets demand and advance payment for purchasing machine and equipment.
- Inventories decreased by 9.26% from increasing in sales volume during Q4 of 2021 and inventory management against production.
- Property, plant and equipment decreased by 1.39% from the depreciation net with investment in machine and equipment during the year.

▪ Total Liabilities

As of 31 December 2021, total liabilities presented at Baht 1,520.43 million, decreased by 5.33% as details below:

- Total loans decreased by 13.76% from repayment of short-term loans
- Trade and other payables increased by 30.22% in line with the increase of production to serve demand of products and the increase of advance payment from customers and more accrued expenses compared to last year.

▪ Total Shareholders' Equity

Total shareholders' equity presented at Baht 1,838.94 million, increased by 0.28% from the recognition of total comprehensive income during the year.

Financial Ratio Analysis

Profitability Ratio	Unit	Jan – Dec 2021	Jan – Dec 2020
Gross Profit Margin	(%)	34.44	36.46
Operating Profit (Loss) Margin	(%)	2.17	(20.18)
Net Profit (Loss) Margin	(%)	0.19	(22.03)
Return on Equity	(%)	0.16	(13.27)
Basic Earnings (Loss) per Share	Baht/Share	0.14	(11.53)
Efficiency Ratio	Unit	Jan – Dec 2021	Jan – Dec 2020
Return on Assets	(%)	0.85	(8.38)
Liquidity Ratio	Unit	Jan – Dec 2021	Jan – Dec 2020
Current Ratio	Times	1.17	1.19
Quick Ratio	Times	0.32	0.26
Average Collection Period	Days	43	56
Inventory Days	Days	172	289
Accounts Payable Days	Days	43	60
Cash Cycle	Days	172	285
Leverage & Financial Policy	Unit	Jan – Dec 2021	Jan – Dec 2020
Debt to Equity Ratio	Times	0.83	0.88
Interest Coverage Ratio	Times	9.36	(4.22)
Debt Service Coverage Ratio	Times	6.19	(0.13)

According to the profitability ratio, it was found that although the Company's gross profit margin decreased from 36.46% to 34.44% but sales value increased by 39.01% from last year. As a result, the Company was able to make profit. Profit per share was at 0.14 Baht.

Return on assets ratio was higher than last year, while liquidity ratio and financial leverage policy was improved from better cash cycle by faster selling products. The Company has liquidity and sufficient cash for interest payment and other financial obligations. Moreover, the Company was able to maintain debt to equity ratio according to the restriction of long-term loans from local financial institutions.