

Ref. DBP. 035 / 2022

May 11, 2022

Subject : Clarification on Operating Results for the 1<sup>st</sup> Quarter ending March 31, 2022

To : President

The Stock Exchange of Thailand

Diamond Building Products Public Company Limited and its Subsidiary (together referred to as “Corporate Group”) would like to clarify on the operating results according to the consolidated financial statements for the 1<sup>st</sup> quarter ending March 31, 2022 as follows.

The net profit of the Corporate Group for the 1<sup>st</sup> quarter 2022 was Baht 191.94 million. In comparison with the same period of previous year with the net profit of Baht 195.96 million, the net profit decreased by Baht 4.02 million or 2.05 percent. Details of the changes or impacts are described in the Management Discussion and Analysis (MD&A) as attached herewith.

Please be informed accordingly.

Yours faithfully,

For and on behalf of Diamond Building Products Public Company Limited

(Mr. Satid Sudbuntad)

Chief Executive Officer

Company Secretary Office

Tel. +66 3622 4171-8 Ext. 314

Fax. +66 3622 4187



DIAMONDBrandOfficial

02 619 2333

[www.dbp.co.th](http://www.dbp.co.th)

Branch Office 1 : 408/163-165, Phaholyothin Place Bldg., 40<sup>th</sup> Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400, Thailand  
Tel : +66 2619 0742-4 Fax : +66 2619 0488

Branch Office 2 : 269 Moo 3, Tambon Samran, Amphur Muang, Khon Kaen 40000, Thailand Tel : +66 43 393 350 Fax : +66 43 393 358

Branch Office 3 : 169-170 Moo 4, Mitraphap Road, Tambon Tan Diaio, Amphur Kaengkhroi, Saraburi 18110, Thailand Tel : +66 36 224 171-8

**DIAMOND BUILDING PRODUCTS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**MANAGEMENT DISCUSSION AND ANALYSIS**

(For the Consolidated Financial Statements of the 1<sup>st</sup> Quarter Ending March 31, 2022)

**(1) Overall Operating Results**


For the 1<sup>st</sup> quarter 2022, the total revenue from sales and services of the Company and its Subsidiary (together referred to as the "Corporate Group") was Baht 1,379.18 million, which increased from the same period of previous year by 3.69 percent and the net profit in the 1<sup>st</sup> quarter 2022 was Baht 191.94 million, which decreased from the same period of previous year by 2.05 percent. This was due to the increase in the prices of raw materials and fuels; however, the Corporate Group was still able to maintain its gross margin within the required criteria.


**(2) Analysis of Operating Results and Profitability**


**(2.1) Revenues from Sales and Services**

Description	Year 2022		Year 2021		Increase / (Decrease)	
	Million Baht	% of Total Revenue	Million Baht	% of Total Revenue	Million Baht	%
Revenues from Sales	1,280.34	92.63	1,238.39	93.03	41.95	3.39
Revenues from Services	98.84	7.15	91.74	6.89	7.10	7.74
<b>Total Revenue from Sales and Services</b>	<b>1,379.18</b>	<b>99.78</b>	<b>1,330.13</b>	<b>99.92</b>	<b>49.05</b>	<b>3.69</b>
Gain on Sales of Fixed Assets	0.02	-	0.07	0.01	(0.05)	(71.43)
Gain on Foreign Exchange Rate – Net	0.55	0.04	-	-	0.55	-
Other Income	2.45	0.18	1.01	0.07	1.44	142.57
<b>Total Other Income</b>	<b>3.02</b>	<b>0.22</b>	<b>1.08</b>	<b>0.08</b>	<b>1.94</b>	<b>179.63</b>
<b>Total Revenue</b>	<b>1,382.20</b>	<b>100.00</b>	<b>1,331.21</b>	<b>100.00</b>	<b>50.99</b>	<b>3.83</b>

The Corporate Group's total revenue in the 1<sup>st</sup> Quarter 2022 increased from the same period of previous year by 3.83 percent, consisting of:

 Revenues from sales were Baht 1,280.34 million, which increased from the same period of previous year by Baht 41.95 million or 3.39 percent, due to increase in revenues from product sales through group of housing project of 18.33 percent and group of domestic distribution agents of 3.78 percent.


 Revenues from services were Baht 98.84 million, which increased from the same period of previous year by Baht 7.10 million or 7.74 percent, due to the increase in revenue from transportation of Baht 3.78 million and revenue from services increased by Baht 3.32 million.


 Other income was Baht 3.02 million, which increased from the same period of previous year by Baht 1.94 million, due to revenue from sales of scrap.

## (2.2) Cost of Sales and Services

Description	Year 2022		Year 2021		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
Cost of Sales	883.13	64.03	836.84	62.91	46.29	5.53
Cost of Services	103.53	7.51	91.89	6.91	11.64	12.67
<b>Total Cost of Sales and Services</b>	<b>986.66</b>	<b>71.54</b>	<b>928.73</b>	<b>69.82</b>	<b>57.93</b>	<b>6.24</b>

The Corporate Group's total cost of sales and services in the 1<sup>st</sup> Quarter 2022 increased from the same period of previous year by 6.24 percent, consisting of:


 Cost of sales was Baht 883.13 million, which increased from the same period of previous year by Baht 46.29 million or 5.53 percent, due to the decrease in product sales volume of 1.29 percent, but there were increases in the costs of raw materials and fuels.


 Cost of services was Baht 103.53 million, which increased from the same period of previous year by Baht 11.64 million or 12.67 percent, due to the increase in the transportation cost of Baht 7.61 million and increase in cost of services of Baht 4.03 million.

## (2.3) Selling and Administrative Expenses

Description	Year 2022		Year 2021		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
Selling Expenses	32.53	2.36	31.26	2.35	1.27	4.06
Administrative Expenses	107.42	7.79	113.30	8.52	(5.88)	(5.19)
Management's Remuneration*	13.68	0.99	11.21	0.84	2.47	22.03
<b>Total Selling and Administrative Expenses</b>	<b>153.63</b>	<b>11.14</b>	<b>155.77</b>	<b>11.71</b>	<b>(2.14)</b>	<b>(1.37)</b>
<b>Remarks:</b> * Management means the director, chief executive officer or the next four executives succeeding the chief executive officer, the persons holding equivalent position to the fourth executive and shall include the persons holding the position of manager or equivalent in accounting or finance departments.						

The Corporate Group's total selling and administrative expenses in the 1<sup>st</sup> Quarter 2022 decreased from the same period of previous year by 1.37 percent, consisting of:

 Selling expenses were Baht 32.53 million, which increased from the same period of previous year by Baht 1.27 million or 4.06 percent, due to the increase in salary and benefits of the employees of Baht 1.04 million, increase in service expenses of Baht 0.35 million, increase in fuel expenses of Baht 0.33 million and increase in other expenses of Baht 0.34 million, but there were decrease in sales promotion expenses of Baht 0.79 million.

 Administrative expenses were Baht 107.42 million, which decreased from the same period of previous year by Baht 5.88 million or 5.19 percent, due to the decrease in salary and benefits of the employees of Baht 6.43 million and decrease in allowance for obsolete inventory of Baht 4.16 million, but there were increase in product packaging expenses of Baht 1.64 million, increase in depreciation and amortization of Baht 0.92 million, increase in technology expenses of Baht 0.71 million and increase in other expenses of Baht 1.44 million.



Management's remunerations were Baht 13.68 million, which increased from the same period of previous year by Baht 2.47 million or 22.03 percent, due to the appointments of executives.

#### (2.4) Profitability

Description	Year 2022		Year 2021		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
Revenue from Sales and Services	1,379.18	100.00	1,330.13	100.00	49.05	3.69
Cost of Sales and Services	986.66	71.54	928.73	69.82	57.93	6.24
GP	392.52	28.46	401.40	30.18	(8.88)	(2.21)
EBITDA	321.60	23.32	323.16	24.30	(1.56)	(0.48)
EBIT	241.92	17.54	246.71	18.55	(4.79)	(1.94)
NP	191.94	13.92	195.96	14.73	(4.02)	(2.05)
EPS (Baht per Share) *	0.22		0.23		(0.01)	(4.35)
Weighted Average Number of Ordinary Shares (Million Shares) *	855.03		855.03		-	-
Return on Equity (ROE) (%)	34.24%		28.67%		5.57%	
Return on Assets (ROA) (%)	22.15%		17.02%		5.13%	
<b>Remark:</b> * Calculated based on the number of issued and paid-up ordinary shares deducted by the number of treasury share						
GP = Gross Profit, EBITDA = Earnings before Interest, Tax, Depreciation & Amortization, EBIT = Earnings before Interest & Tax, NP = Net Profit after Tax, EPS = Net Earnings per Share						

#### Gross Profit (GP)



The Corporate Group's gross profit in the 1<sup>st</sup> Quarter 2022 was Baht 392.52 million, a decrease from the same period of previous year by Baht 8.88 million or 2.21 percent, due to the increase in revenues from sales and services of 3.69 percent but there was an increase in cost of sales and services of 6.24 percent.

#### Net Profit (NP)

The Corporate Group's net profit and net earnings per share in the 1<sup>st</sup> Quarter 2022 as follows:



The Corporate Group's net profit was Baht 191.94 million, the decrease from the same period of previous year by Baht 4.02 million or 2.05 percent, due to the decrease in gross profit margin of 2.21 percent, even though the decrease in selling and administrative expenses of 1.37 percent.



The Corporate Group's net earnings per share was Baht 0.22 per share, a decrease from the same period of previous year of Baht 0.01 per share or 4.35 percent, due to the decrease in net profit of 2.05 percent.

#### EBITDA



The Corporate Group's EBITDA in the 1<sup>st</sup> Quarter 2022 was Baht 321.60 million, a decrease from the same period of previous year by Baht 1.56 million or 0.48 percent. This was due to the decrease in gross profit margin of 2.21 percent, even though the decrease in selling and administrative expenses excluding depreciation of 2.23 percent.

## Earnings Efficiency



**Return on Equity (ROE):** The Corporate Group's ROE increased from 28.67 percent as at end of year 2021 to 34.24 percent as at March 31, 2022 or an increase of 5.57 percent, due to an increase in annualized projected annual net profit of 31.14 percent but there was an increase in average shareholders' equity of 9.82 percent from the previous year.



**Return on Assets (ROA):** The Corporate Group's ROA increased from 17.02 percent as at end of year 2021 to 22.15 percent as at March 31, 2022 or an increase of 5.13 percent, due to an increase in annualized projected annual net profit of 31.14 percent but there was an increase in average total assets of 0.79 percent from the previous year.

### (2.5) Financial Position

Description	Statement of Financial Position		Increase / (Decrease)	
	As at March 31, 2022	As at December 31, 2021		
	Million Baht	Million Baht	Million Baht	%
Total Assets	3,473.25	3,459.47	13.78	0.40
Total Liabilities	1,135.06	1,313.22	(178.16)	(13.57)
Total Shareholders' Equity	2,338.19	2,146.25	191.94	8.94
Weighted Average Number of Ordinary Shares (Million Shares)*	855.03	855.03	-	-
Book Value (Baht per Share)*	2.73	2.51	0.22	8.76

**Remark:** \* Calculated based on the number of issued and paid-up ordinary shares deducted by the number of treasury stock



The Corporate Group's total assets as at March 31, 2022 increased from the end of year 2021 by Baht 13.78 million or 0.40 percent, due to a net increase in trade accounts receivable and other accounts receivable of Baht 82.86 million, net increase in inventory of Baht 2.84 million, increase in intangible assets of Baht 2.70 million and increase in other current assets and other non-current assets of Baht 1.03 million but there were net decrease in fixed assets of Baht 59.04 million, decrease in cash and cash in bank of Baht 9.50 million, decrease in right of use assets of Baht 5.43 million, decrease in cash advance payment for purchase of assets of Baht 1.43 million and decrease in deferred income tax of Baht 0.25 million.



The Corporate Group's total liabilities as at March 31, 2022 decreased from the end of year 2021 by Baht 178.16 million or 13.57 percent, due to the decrease in short-term loan of Baht 296 million, decrease in long-term of Baht 30 million, decrease in financial lease liabilities of Baht 5.45 million and decrease in other current liabilities of Baht 2.94 million but there were increase in trade accounts payable and other accounts payable of Baht 107.82 million, increase in current income tax payable of Baht 47.72 million and increase in provision for post-employment benefits obligation of Baht 0.69 million.




The Corporate Group's total shareholders' equity as at March 31, 2022 increased from the end of year 2021 by Baht 191.94 million or 8.94 percent, due to the increase in net profit of Baht 191.94 million,


resulting in an increase in share book value from Baht 2.51 per share as at end of year 2021 to Baht 2.73 per share as at March 31, 2022.

## (2.6) Cash Flows

Description	Unit: Million Baht	
	Year 2022	Year 2021
Cash Flows from Operating Activities	389.75	445.65
Cash Flows used in Investing Activities	(66.93)	(27.94)
Cash Flows used in Financing Activities	(333.63)	(408.00)
Effect of exchange rate changes on cash and cash equivalents	1.30	0.35
Cash Increase – Net	(9.51)	10.06
Cash at the Beginning of the Period	23.00	22.07
Cash at the Ending of the Period	13.49	32.13
CFROE = Cash Flow Return on Equity Increase (Decrease) (%)	69.53%	39.61%

 The Corporate Group's net cash from operating activities in the 1<sup>st</sup> Quarter 2022 was Baht 389.75 million, which was higher than the net profit before tax by Baht 149.83 million, due to the transactions that did not affect the cash such as depreciation of assets and amortization of Baht 79.68 million, increase in trade accounts payable and other accounts payable of Baht 157.84 million, decrease in other current assets of Baht 1.17 million and increase in non-other current liabilities of Baht 0.69 million but there were net increase in trade accounts receivable and other accounts receivable of Baht 86.01 million, net increase in inventory of Baht 2.85 million, decrease in other current liabilities of Baht 0.68 million and increase in other non-current assets of Baht 0.01 million.

 The Corporate Group's net cash used in investing activities in the 1<sup>st</sup> Quarter 2022 was Baht 66.93 million, due to cash payment for tools and equipment replacement after their useful life of Baht 63.22 million and payment of intangible assets of Baht 3.74 million, but there was cash received from sale of damaged and unusable assets of Baht 0.03 million.

 The Corporate Group's net cash used in financing activities in the 1<sup>st</sup> Quarter 2022 was Baht 333.63 million, due to repayment of short-term loan of Baht 296 million, repayment of long-term loan of Baht 30 million, repayment of financial lease of Baht 5.84 million and interest payment of Baht 1.79 million.

## (2.7) Financial Ratios

Financial Ratios	As at March 31, 2022	As at December 31, 2021
Current Ratio (Times)	1.76	1.42
Quick Ratio (Times)	0.79	0.59
Cash flow Liquidity Ratio (Times)	1.72	0.73
Account Receivable Turnover Ratio (Times)	9.87	9.99
Average Collection Period (Days)	36	36
Inventory Turnover Period (Days)	13	18
Average Payable Period (Days)	17	11
Cash Cycle (Days)	32	43
Total Debt to Equity Ratio (Times)	0.49	0.61
Interest Coverage Ratio (Times)	219.29	94.62
Debt Service Coverage Ratio (Times)	8.59	33.37

## (3) Asset Management Capability

### (3.1) Debtor Quality, Accounts Receivable Aging, Provision and Sufficiency of Allowance for Doubtful Debts

The Corporate Group's trade accounts receivable and other accounts receivable as at March 31, 2022 accounted for 18.39 percent of the total assets with 83.35 percent not yet due for payment. The Corporate Group has established policy for setting provision or allowance for doubtful debts which is based on the analysis of accounts receivable aging and assessment of past debt collection experience. Accordingly, the Corporate Group has experienced no bad debt.

### (3.2) Inventory and Deterioration or Obsolete

The Corporate Group's inventory as at March 31, 2022 accounted for 23.53 percent of the total assets, of which 14.03 percent are finished products, 20.07 percent are work in progress, 45 percent are raw materials, 12.61 percent are goods in transits and 8.29 percent are supplies.

## (4) Liquidity and Capital Sufficiency

The Corporate Group manages its capital by preparing cash flow projection in order to manage the working capital for sufficient liquidity and low financial cost, which can be summarized as follows.



The Corporate Group's total debt to equity ratio as at March 31, 2022 was at 0.49 times, a decrease from end of year 2021, due to the decrease in total liabilities from the end of year 2021 of 13.57 percent and the shareholders' equity increased from the end of year 2021 by 8.94 percent and the interest coverage ratio was at 219.29 times, an increase from end of year 2021, due to an increase in annualized cash flow from operating activities from the previous year of 92.42 percent and decrease in annualized interest on loan from the previous year of 18.85 percent.



The Corporate Group's current ratio as at March 31, 2022 was 1.76 times, an increase from the end of year 2021, due to an increase in current assets of 5.52 percent and decrease in current liability of 14.80 percent and the quick ratio of 0.79 times, which increased from the end of year 2021, due to a increase

in inventory of 0.35 percent and decrease in current liability of 14.80 percent and the cash flow liquidity ratio was 1.72 times, an increase from end of year 2021, due to an increase in annualized cash flow from operating activities from the previous year of 92.42 percent.



The Corporate Group's cash cycle as at March 31, 2022 was 32 days, a decrease from the end of year 2021 of 11 days, due to the decrease in inventory turnover period of 5 days and increase in average payable period of 6 days.



The Corporate Group's debt service coverage ratio decreased from 33.37 times as at end of year 2021 to 8.59 times as at March 31, 2022, due to an increase in annualized EBITDA from end of year 2021 of 24.82 percent and decrease in annualized interest on loan from the previous year of 18.85 percent, but there were increase in the long-term loan and financial lease liabilities due within one year of 573.56 percent.

The Corporate Group has policy for setting the credit term period as follows.



**Debt Collection Period:** The credit term period is determined based on the risk assessment on payment by the customer, including contact period, financial position, guarantee and payment history, depending on the situation involving competition and sales promotion during each period of the Corporate Group by specifying the guarantee protection for credit limit as follows.

Risk Probability	Very Low	Low	Medium	High
Credit Term Period	60 days	45 days	30 days	Payment transfer first if no guarantee



**Repayment Period:** The repayment period is determined based on the type of product and raw material or hiring services, order value and payment conditions from trade discount negotiation.

Terms and Conditions	Type and Order Value of Product and Raw Material
Credit Term Period	30 – 60 days

As at March 31, 2022, the Corporate Group's average collection period was 36 days, in line with the established policy and the average repayment period was 17 days, which are better than the established policy, as the Corporate Group had cash payment for the raw materials in order to receive trade discount.

## (5) Debt Obligation

The Corporate Group has established policy to mitigate risk from interest fluctuation by taking long-term loan with fixed interest rate. Currently, the Corporate Group has obligation to comply with the terms and conditions of the loan agreement with commercial bank in the country, having the loan agreement for the NT-11 Project with loan amount of Baht 300 million with interest rate starting since the first loan installment until September 30, 2023 at a fixed interest rate of 2.10 percent per annum and a loan repayment period within 2 years and 6 months with monthly repayment term and the first loan repayment starting on April 30, 2021.



As at March 31, 2022, the Corporate Group had long-term debt obligations with commercial banks totaling Baht 180 million. Accordingly, the Corporate Group must comply with the terms and conditions stipulated in the loan agreements, which state that the Total Debt to Equity Ratio (D/E Ratio) must not exceed 2 times and the Debt Service Coverage Ratio (DSCR) must not be less than 1.25 times. It appeared that as at March 31, 2022, the Corporate Group was able to maintain the above financial ratios as stipulated by such loan agreements.

**(6) Factors Having Impact on Future Operating Results**

The conflict between Russia and Ukraine has adverse impact on the prices of raw materials and fuel, as well as the supply chain; therefore, the Corporate Group must manage on the purchase and production by procuring the raw materials from other sources that can be substituted, including utilizing its production capacity efficiently and effectively at full capacity.