



12 May 2022

Subject : Management Discussions & Analysis for 1<sup>st</sup> Quarter 2022 Financial Statement

To : Managing Director  
Market for Alternative Investment

Salee Industry Public Company Limited would like to clarify the Company's and subsidiaries's results for 1<sup>st</sup> quarter 2022 ended 31 March 2022. The company and subsidiaries generated net profit Baht 14.79 million for 1<sup>st</sup> quarter 2022, increasing 40% from the same period last year amounting to Baht 10.57 million.

The reason of increased net profit is occurred as follows :-

**1. Operating result and Profitability**

**Revenue**

In 1<sup>st</sup> quarter 2022, the Company and subsidiaries had a total revenue at Baht 381 million which increased from Baht 330 million at the same period last year or equal to 15% increase. The reason was higher sales in both plastic parts industry and label printing industry as the recovery of the global economy from Covid-19 and the extension of the customers base, even, there was bad effects in local market from Covid-19 situation.

**Cost of sales and expenses**

In 1<sup>st</sup> quarter 2022, the Company and subsidiaries had gross profit of Baht 80 million which increased Baht 9 million from the same period last year. The reason of the increase in gross profit was that the increase in sales as aboved. Besides, cost of sales slightly increased from 78% in 1<sup>st</sup> quarter last year to 79% in 1<sup>st</sup> quarter this year as the raw material cost increased.

In 1<sup>st</sup> quarter 2022, Selling and administrative expenses amounting to Baht 64 million which decreased from Baht 58 million at the same period last year or equal to 10% increase as the increase in sales, however, some of them was a fixed cost which did not fluctuate in line with the increased sales. The percentage of selling and administrative

expenses to sales revenue was at 17% at 1<sup>st</sup> quarter this year which was lower from the same period last year at 18% .

Therefore, the Company had a meeting every week to follow up and control all the expenses.

#### **Cost of fund**

The Company and subsidiaries had an interest expenses in 1<sup>st</sup> quarter 2022 amounting to Baht 1.00 million which decreased Baht 0.45 million comparing to the same period last year amounting to Baht 1.45 million as the decrease in long-term loans.

Therefore, the interest rate for short-term and long-term loans of the Company and subsidiaries was about 3-5% per year.

#### **Corporate income taxes**

In 1<sup>st</sup> quarter 2022, the Company and subsidiaries had corporate income taxes to pay Baht 3.34 million while the corporate income taxes in the same period last year was at Baht 4.68 million.

#### **Net income**

In 1<sup>st</sup> quarter 2022, the Company and subsidiaries had a profit of Baht 14.79 million, increasing 40% from the same period last year amounting to Baht 10.57 million because the sales increased at 15% as the recovery of the global economy from Covid-19 and the extension of new customers base. Even, there was some bad effects in local market from Covid-19 situation. While cost of sales and expenses increased at lower rate as some of them was a fixed cost which did not fluctuate in line with the increased sales.

## **2. Assets Management**

### **Assets**

Total assets of the Company and subsidiaries increased from Baht 1,969 million as of 31 March 2022 which increased about 2% compared to Baht 1,939 million as of 31 December 2021.

### **Short-term investment**

The Company and subsidiaries had a short-term investment amounting to Baht 200 million as of 31 March 2022 which was the same amount as of 31 December 2021.



**Account receivables**

The Company and subsidiaries had an account receivables amounting to Baht 363 million and Baht 351 million as of 31 March 2022 and 31 December 2021 respectively which the ratio of account receivables to total assets were equal to 18.41% and 18.11% respectively.

**Inventory**

The Company and subsidiaries had an inventory amounting to Baht 259 million as of 31 March 2022 which increased Baht 33 million compared to Baht 226 million as of 31 December 2021 which the ratio of inventory to total assets were equal to 13.16% and 11.66% respectively.

**Land building and equipments and intangible assets**

The Company and subsidiaries had Land building and equipments and intangible assets amounting to Baht 861 million and Baht 867 million as of 31 March 2022 and 31 December 2021 respectively which the ratio of Land building and equipments and intangible assets to total assets were equal to 43.74% and 44.69% respectively.

**Total debts**

As of 31 March 2022, the Company and subsidiaries had total debts amounting to Baht 358 million and could be divided to current liabilities of Baht 279 million and non-current liabilities of Baht 79 million which increased at 12% compared to Baht 346 million as of 31 December 2021.

The ratio of Debts to Equities (D/E ratio) of the Company and subsidiaries was at 0.22 times as of 31 March 2022 which was similar to as of 31 December 2021.

**Total equities**

As of 31 March 2022, the Company and subsidiaries had total equities amounting to Baht 1,611 million which increased Baht 18 million from Baht 1,593 million as of 31 December 2021 as profit from operation. Therefore, as of 31 March 2022, the Company's capital structure comprised of total debts amounting to Baht 358 million and total equities amounting to Baht 1,611 million which the ratio of total debts to total equities was 0.22 times.



### **3. Liquidity and the capital sufficiency**

#### **Liquidity**

As of 31 March 2022, the Company and subsidiaries had the ratio of current assets to current liabilities at 3.31 times which slightly decreased from 3.40 times as of 31 December 2021 as current liabilities increased from the increase in account payables from more production.

As of 31 March 2022, the Company and subsidiaries had a liquidity from cash flow amounting to Baht 70 million which decreased about Baht 12 million from the amount as of 31 December 2021 which mostly occurred from the use of the investment activities at amounting to Baht 29 million which most of them was the purchase of new machines and equipments. And the use of the financing activities at amounting to Baht 11 million which almost of them was the repayment of the long-term debts from Banks.

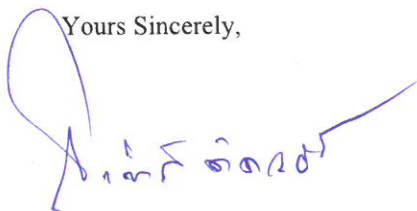
From the Company and subsidiaries' cash flow, it shown that the Company and subsidiaries had adequate cash flow to pay the debts and to comply with the conditions of the loans which in the past, the Company and subsidiaries had no any problems concerning the liquidity to pay the debts.

#### **Source of fund**

From 1st quarter 2022 financial statement, source of fund shown that cash flow come from some expenses which had no been paid in cash ex. depreciations etc. and loans from banks. This made us having adequate fund to reserve for the increase of needed working capital of business. Besides, the Company and subsidiaries also received the good support from Banks for making the loans.

Please kindly be informed accordingly,

Yours Sincerely,



(Mr.Sathit Tatawatorn)

Chairman of Executive Board

Salee Industry Public Company Limited