

The Stock Exchange of Thailand
93 Ratchadapisek Road,
Dindaeng, Dindaeng,
Bangkok 10400

13th May, 2022

Dear Sirs,

Re : Submission of the Interim Financial Statements for the period ended March 31, 2022
and Management Discussion and Analysis for the first quarter 2022 results

To: Directors and Manager
The Stock Exchange of Thailand

Management Discussion and Analysis for the first quarter results

Summary

In the first quarter of 2022, the Thai economy improved from the previous quarter. This was in line with the increase in export sale value due to better demand from trading partners including the easing of international travel restrictions. In addition, private consumption and investment also increased. Despite some deceleration from the COVID-19 outbreak,OMICRON strains

higher production costs and other cost of living Headline inflation rose sharply in line with energy price.

The exchange rate of the baht against the US dollar weakened due to the conflict between Russia and Ukraine which is crisis situation. According to some global customers such as India and China have policy to buy locally due to cost effective and short lead time benefits.

As more than 75% of revenue was export sales, Thai Baht depreciation against US dollar in same period effect to increase export sales.

In summary, the company reported total revenues in 1Q22 of Baht 1,783.7 million, increase 25.7% from Baht 1,418.6 million in 1Q21 and net profit of Baht 133.9 million or decrease 31.4% from Baht 195.2 million in 1Q21.

Operating Results for first quarter of 2022

Unit : Million Baht

	1Q22	1Q21	Change %
Revenue			
Revenue from sales of goods	1,744.7	1,357.0	28.6
Net foreign exchange gain	-	28.9	(100.0)
Other income	39.0	32.7	19.3
Total revenue	1,783.7	1,418.6	25.7
Expenses			
Cost of sales of goods	1,517.5	1,091.8	39.0
Gross profit	227.2	265.2	(14.3)
Gross profit margin	13.0%	19.5%	
Selling expenses	73.5	45.9	60.1
Administrative expenses	32.6	37.0	(11.9)
Net foreign exchange loss	0.4	-	-
Finance costs	-	-	-
Total expenses	1,624.0	1,174.7	38.2
Profit before income tax expense	159.7	243.9	(34.5)
Tax expense	25.8	48.7	(47.0)
Profit for the period	133.9	195.2	(31.4)
Earnings per share (in Baht)	3.10	4.52	(31.4)

The Company's net profit for 1Q22 was Baht 133.9 million representing a decrease of Baht 61.3 million from Baht 195.2 million in 1Q21 or significant down by 31.4%. The main reasons are as follows:

1. The company reported revenue from sales for 1Q22 of Baht 1,744.7 million, increased by Baht 387.7 million. In terms of sales by operating segments are as below:

	1Q22		1Q21		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Can and Tube	893.5	51.2	785.7	57.9	107.8	13.7
Export sales	527.4	30.2	439.7	32.4	87.7	19.9
Domestic sales	366.1	21.0	346.0	25.5	20.1	5.8
Slug	851.2	48.8	571.3	42.1	279.9	49.0
Export sales	851.2	48.8	570.2	42.0	281.0	49.3
Domestic sales	-	-	1.1	0.1	(1.1)	(100.0)
Total sales	1,744.7	100.0	1,357.0	100.0	387.7	28.6

The increasing sales of Baht 387.7 million comprised of Can/Tube sales increased Baht 107.8 million or 13.7% contributed from export sales increased Baht 87.7 million or 19.9%, local increased Baht 20.1 million or 5.8%.

Slug sales increased Baht 279.9 million or 49% due to the increase in sales volume of 571 MT or 9% mainly increased export to Dubai Australia India and Japan.

2. Net foreign exchange loss for 1Q22 was Baht 0.4 million from recognized foreign exchange differences arising on received/payment in foreign currency and from translated assets and liabilities denominated in foreign currencies to Thai Baht which was mainly from US\$.

3. Other income was Baht 39 million, increased by Baht 6.3 million, mainly consisting of Aluminium Baled scrap which are scrap from production process sold to other industries for recycled.

4. The increase cost of sales was from Aluminium Ingot price increased and also Sale increased, compared to 1Q21 which increase in sales volume of Aluminium Slug 571 MT.

In summary, cost of sales for 1Q22 increased of Baht 425.7 million or 39% from 1,091.8 million to Baht 1,517.5 million.

5. The Company's gross profit for 1Q22 was Baht 227.2 million or 13% of total sales, which had been decreased from 1Q21 amount of Baht 38 million or 14.3% from Aluminium Ingot price increased.

6. Selling and administrative expenses for 1Q22 was Baht 106.1 million, increased of Baht 23.2 million or 28%, due to the export expenses mainly from huge increase of sea freight cost.

7. Income tax expense for 1Q22 decreased Baht 22.9 million from 1Q21 as a result of decreased profit before tax of Baht 84.2 million.

Financial position

Unit : Million Baht

	31-Mar-22	31-Dec-21	Change	Change
Total current assets	4,587.9	4,255.4	332.5	7.8%
Total non-current assets	2,800.9	2,887.6	(86.7)	-3.0%
Total assets	7,388.8	7,143.0	245.8	3.4%
Total current liabilities	559.6	432.4	127.2	29.4%
Total non-current liabilities	437.8	453.1	(15.3)	-3.4%
Total liabilities	997.4	885.5	111.9	12.6%
Total equity	6,391.4	6,257.5	133.9	2.1%
Total liabilities and equity	7,388.8	7,143.0	245.8	3.4%

Assets

As at 31 March 2022, the company reported total assets of Baht 7,388.8 million, increased of Baht 245.8 million or 3.4% from 31 December 2021 was due to

- Cash and cash equivalents increased of Baht 87.2 million.
- Trade account receivables increased Baht 179.3 million.
- Inventories increased Baht 76.5 million mainly from increased in Aluminium Ingot.
- Property, plant and equipment net decreased Baht 82.1 million from increase in depreciation expense of Baht 97.1 million while investment in assets increased Baht 15 million.

Liabilities

As at 31 March 2022, total liabilities was Baht 997.4 million, increased from 31 December 2021 Baht 885.5 million or 12.6% was due to

- Trade accounts payable increased Baht 85.6 million.
- Other payables increased Baht 41.4 million.
- Income tax payable increased Baht 21.4 million.
- Advance received from customer decreased Baht 14.1 million.

Equity

As at 31 March 2022, Shareholders' equity was Baht 6,391.4 million, increased Baht 133.9 million from net profit from 1Q22.

Cash flow statements

Unit : Million Baht

	3M22	3M21
Net cash from operating activities	102.3	263.2
Net cash used in investing activities	(15.1)	610.2
Net cash used in financing activities	-	-
Net increase in cash and cash equivalents	87.2	873.4
Cash and cash equivalents at 1 January	1,185.3	1,125.8
Cash and cash equivalents at 31 March	1,272.5	1,999.2

-Net cash inflow of Baht 102.3 million from operation, mainly from increased account payable and other payables.

-Cash for investment activities was Baht 15.1 million, from investment of fixed assets.

-As a result of the above, the cash and cash equivalent at 31 March 2022 was Baht 1,272.5 million.

Yours faithfully,
ALUCON Public Company Limited

(Mr. Takaaki Takeuchi)
Managing Director

CC. The Office Security Exchange Commission (S.E.C.)