



ASEFA PUBLIC COMPANY LIMITED

บริษัท อาซีฟา จำกัด (มหาชน)

No. CS65/89

August 4, 2022

Subject: Management Discussion and Analysis of Quarter 2 period ended June 30, 2022

Attention: The Board of directors
The Stock Exchange of Thailand

The Board of Directors' Meeting of Asefa Public Company Limited ("the Company") No.4/2022 held on August 4, 2022 approved the financial statement of the Interim Financial Statements for the three-month period ended June 30, 2022. The Company would like to clarify the changes in significant performance are as follows;

(Unit: Million Baht)

Consolidated Financial Statement	Q2'2022	Q2'2021	Change Increased / (Decreased)		6-Month 2022	6-Month 2021	Change Increased / (Decreased)	
			Amount	%			Amount	%
Revenue for sale and services	766.31	522.36	243.95	46.70	1,300.16	1,147.88	152.28	13.27
Cost of sales and services	624.78	432.83	191.95	44.35	1,069.65	928.88	140.77	15.15
Gross profit	141.54	89.53	52.00	58.09	230.51	219.00	11.51	5.25
Gross Profit Margin (%)	18.47%	17.14%			17.73%	19.08%		
Other income	9.44	6.58	2.86	43.54	14.34	11.95	2.39	19.97
Profit before expenses	150.97	96.11	54.87	57.09	244.85	230.96	13.89	6.02
Distribution & Administrative expenses	101.63	84.05	17.59	20.93	184.59	169.99	14.60	8.59
Finance costs	0.39	0.05	0.34	746.59	0.72	0.11	0.61	553.29
Profit before income tax	48.95	12.01	36.93	307.43	59.54	60.86	(1.32)	(2.16)
Income tax expenses	9.52	1.94	7.58	391.45	11.87	11.40	0.47	4.11
Net profit (Equity holders of the Company)	40.05	10.19	29.86	293.08	48.90	50.29	(1.39)	(2.76)
Net Profit Margin (%)	5.16%	1.93%			3.72%	4.34%		
Earnings per share (Baht)	0.07	0.02	0.05	250	0.09	0.09	-	-

Performance Analysis and Discussion

Overview of results for the three-month period ended June 30, 2022, the company and its subsidiaries had total revenues from sales and service of 766.31 million baht, an increased by 243.95 million baht or by 46.70%, with a net profit of 40.05 million baht, increased of 29.86 million baht or by 293.08%, net profit margin increased from 1.93% to 5.16%, when compared to the same period of last year. As a result, the Company has increased workloads from many major projects and increased delivery of goods and services from the same period last year. As well as the Company has managed production costs in accordance with the sales price, improved efficiency and impact from the price of the main raw material used in the production of the type. Steel, copper, with price increases, decreased volatility.



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For the first half of year 2022, the company and its subsidiaries had total revenues from sales and service of 1,300.16 million baht, an increased by 152.28 million baht or by 13.27%, with a net profit of 48.90 million baht, decreased of 1.39 million baht or by 2.76%, net profit margin decreased from 4.34% to 3.72%, when compared to the same period of last year.

Revenues for sales and service

Revenues from sales and service for the three-month period ended June 30, 2022, amounting to 766.31 million baht, increased by 243.95 million baht or by 46.70%, when compared to the same period of last year. The mainly change being to manufacturer and distributor by company group, increased by 166.44 million baht and supplied and distributed products group increased by 12.51 million baht. For the revenue from the service group, increased by 65.01 million baht. The increase in revenues due to the Company's increased jobs from several major projects and increased delivery of goods and services from the same period of last year.

Costs of sales and service

Costs of sales and service for the three-month period ended June 30, 2022 and 2021, amounting to 624.78 million baht and 432.82 million baht respectively. Which a increased gross profit margin from 17.14% to 18.47%, The increase in gross margin, this was mainly to the management of production costs in accordance with the sales price, the effective management. Coupled with and the price of the main raw materials used in the production of steel, copper type, there is a decrease in volatility.

Selling, Distribution & Administrative expenses

Selling, Distribution and Administrative expenses for the three-month period ended June 30, 2022 and 2021, amounting to 101.63 million baht and 84.05 million baht respectively, increased 17.59 million baht or by 20.93%. The major increase will be in respect of the sales promotion and entertainment expenses increased by 6.25 million baht. The reserve for receivable was increased by 7.19 million baht and reserve for allowance for obsolete inventory increased by 1.00 million baht.

Statements of Financial Position

(Unit: Million Baht)

Consolidated Financial Statement	As at Jun 30, 2022	As at Dec 31, 2021	Change Increased / (Decreased)	
			Amount	%
Current assets	1,776.31	1,585.06	191.25	12.07
Non – current assets	818.99	886.77	(67.78)	(7.64)
Total assets	2,595.30	2,471.83	123.47	5.00
Liabilities	1,060.00	859.66	200.34	23.30
Shareholders' equity	1,535.30	1,612.17	(76.87)	(4.77)
Total Liabilities and shareholders' equity	2,595.30	2,471.83	123.47	5.00



Analysis of Financial Condition

Assets

As of June 30, 2022, has the total assets amounting to 2,595.30 million baht, increased from the year ended December 31, 2021 by 123.47 million baht. or 5.00%. With significant changes are as follows;

Trade and current receivables including current portion of installment receivable and contract assets increased by 18.96 million baht, since the Company had revenue from sales and services that increased from the same period last year. Short-term and Long-term loan to other company decreased by 40.27 million baht, due to during the period, the Company receives contractual payments, the agreement to receive the transfer of debtor repayment rights from debtors. The Inventories-net increased by 87.51 million baht, Most of this increases in finished goods and work in process, which are in the process of being worked and waiting to be delivered. The property, plant and equipment decreased by 7.60 million baht, decreasing from depreciation and asset write-off during the period amounting to 17.44 million baht. With additional assets were purchased during the period, amounting to 9.84 million baht.

Liabilities

As at June 30, 2022, has the total liabilities amounting to 1,060 million baht, increased from the year ended December 31, 2021 by 200.34 million baht. or 23.30%. With significant changes are as follows;

Bank overdrafts and short-term loans from financial institutions, increased of 130.01 million baht, due to reserve as working capital of the company. Trade and other current payables, increased 31.81 million baht, Due to the increasing quantity of raw material purchases from production. Current contract liabilities, increased 46.41 million baht, due to during the period there is an advance received for goods and revenue from contract received in advance. Previously, the Company still had a non-high debt-to-equity ratio. by a slight increase from 0.53 times to 0.68 times.

Shareholders' Equity

As at June 30, 2022, Shareholders' Equity in amount of 1,535.30 million baht, decreased 76.87 million baht, or 4.77%. Which during the period, there were operating profits 47.63 million baht. The Company sold a share of the joint venture's profit of 4.50 million baht and dividend payment of 120.04 million baht.

For your information.

Yours sincerely,

Mr. Phaiboon Ungkanakornkul

Managing Director