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8 August 2022

Subject : Management Discussion and Analysis for Q2/2022

Attention : President

The Stock Exchange of Thailand

An overview of the results in the passing

The performance in the Q2/2022, the company and its subsidiaries have the total revenue from sales in amount of Baht 3,971.2 million which is increasing from the 2021 at equivalence of Baht 1,254.2 million, about 46%. These caused, revenue from sales of export increased about 63% and revenue from sales of domestic decreased about 12%.

Analysis of profit of company and its subsidiaries

The Q2/2022, the company and its subsidiaries have profit for the period of Baht 367.7 million as compared to the 2021, the company and its subsidiaries have profit for the period of Baht 342.8 million, profit increased Baht 24.9 million or 7% for the following main reasons;

1. The total sales has increased of Baht 1,254.2 million, due to sales volume of MDF Board has increased by 68%. The average price of MDF Board and Particleboard have increased by 11% and 12% respectively.
2. Cost of sales of Baht 3,094.0 million, increased of Baht 1,141.8 million, due to increased sales volume of MDF Board and increased cost of raw material in manufacturing.

Financial status

Total assets

As of 30 June 2022, the total assets of the company and its subsidiaries were Baht 20,524.2 million, increased by Baht 343.1 million compared to the total assets of Baht 20,181.1 million in 2021. The details of the significant increased or decreased were as follows:

1. Cash and cash equivalent items decreased by Baht 574.6 million.
2. Trade and other receivable increased by Baht 508.8 million.
3. Revenue Department receivable increased by Baht 46.9 million.
4. Inventories increased by Baht 540.3 million, due to the increased of finished goods of Baht 399.2 million, raw materials of Baht 109.5 million, goods in transit of Baht 64.8 million, decreased of work in process of Baht 24.4 million and supplies of Baht 8.7 million.
5. Maintenance supplies increased by Baht 18.3 million.

6. Property, Plant and equipment decreased by Baht 351.0 million.
7. Right-of-use assets increased by Baht 140.9 million.
8. Intangible assets increased by Baht 1.6 million.
9. Deferred tax assets increased by Baht 0.8 million.

Total Liabilities

As of 30 June 2022, the total liabilities of the company and its subsidiaries were Baht 12,926.8 million, decreased by Baht 506.3 million, compared to the total liabilities of Baht 13,433.1 million in 2021. The details of the significant increased or decreased were as follows:

1. Short-term loans from financial institutions decreased by Baht 140.0 million.
2. Trade and other payable increased by Baht 296.5 million.
3. Advances received from customers decreased by Baht 550.0 million.
4. Income tax payables increased by Baht 31.9 million.
5. Long-term loans from financial institutions decreased by Baht 293.1 million.
6. Lease liabilities increased by Baht 149.2 million.
7. Employee benefit obligations increased by Baht 9.2 million.
8. Deferred tax liabilities decreased by Baht 8.2 million.

Total shareholder's equity

As of 30 June 2022, the total shareholder's equity of the company and its subsidiaries were Baht 7,597.3 million, increased by Baht 849.3 million, compared to the total shareholders' equity of Baht 6,748.0 million in 2021, due to operating results with net profit and dividend payment during the year 2021.

As of 30 June 2022, the debt to equity ratio was 1.70:1, decreased by 0.29 times compared to that of 1.99:1 in 2021, due to decreased of loans from financial institutions, increased of trade and other payable, decreased of advances received from customers, increased of lease liabilities and operating results with increased retained earnings.

Liquidity

Cash flow

The Q2/2022, the company and its subsidiaries have cash flow received from operating activities Baht 738.1 million, cash flow used in investing activities Baht 443.4 million and cash flow used in financing activities Baht 501.4 million, cash and cash equivalent items as of the ended 30 June 2022 is Baht 1,275.2 million, decreased from the Q2/2021 by Baht 574.6 million as summarized;

1. Net cash received from operating activities is Baht 738.1 million, decreased by Baht 702.3 million, because of increased of profit from operation before change in operating assets and liabilities by Baht 341.2 million, increased operating assets Baht 37.0 million, decreased operating liabilities Baht 951.1 million and increased of cash paid for income tax Baht 51.4 million.
2. Net cash used in investing activities is Baht 443.4 million, increased by Baht 13.7 million, due to the payment of investment projects increased.
3. Net cash used in financing activities is Baht 501.4 million, increased by Baht 244.7 million, because of increased of short-term loans from financial institutions by Baht 485.2 million, decreased of long-term loans from financial institutions by Baht 197.7 million, decreased of cash paid for lease liabilities by Baht 10.2 million, increased of cash paid for interest expenses by Baht 21.7 million and increased of dividend payment by Baht 520.6 million.

Please be acknowledged for your information.

Sincerely Yours,

(Mr. Wanthana Jaroennawarat)

Director