



THANTAWAN

THIP-SET/024/2022

August 8, 2022

Subject : Filing of Reviewed Financial Statements for the 2nd
Quarter of 2022 and 2021 and Management
Discussion and Analysis

Attention : The President
The Stock Exchange of Thailand

Enclosures : 1. Reviewed Financial Statements and the Auditor's
Review Report for the 2nd Quarter of 2022 and 2021
2. Management Discussion and Analysis

The Board of Directors Meeting No. 8/2022 of Thantawan Industry Public Company Limited which was held on Monday, August 8, 2022 had approved the Reviewed Financial Statements for three-month and six-month period ended June 30th, 2022. The Management Discussion and Analysis for the 2nd Quarter of this year can be clarified as attached.

Please be informed accordingly.

Very truly yours,

(Mr. Teerachai Siritunyanont)

Authorized Director



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Management Discussion and Analysis for Q2 2022

A) Results of Operations

The net profit after tax of Q2 2022 was THB 101.0 million which increased by THB 38.7 million or 62.3% compared to Q2 2021. Earnings per share was THB 1.12 which higher than Q2 2021 by THB 0.43. Key highlight of Q2 2022 are described below:

Sales Revenue	Bags		Drinking Straw		Other Products		Total Sales Revenue	
	Q2 2022	Q2 2021	Q2 2022	Q2 2021	Q2 2022	Q2 2021	Q2 2022	Q2 2021
International sales	856.5	746.9	17.9	13.7	38.2	31.1	912.6	791.7
Domestic sales	81.1	70.9	43.5	27.3	16.9	21.9	141.5	120.1
Total sales	937.6	817.8	61.4	41.0	55.1	53.0	1,054.1	911.8
Inc.(Dec)								
International sales	109.6	14.7%	4.2	30.7%	7.1	22.8%	120.9	15.3%
Domestic sales	10.2	14.4%	16.2	59.3%	5.0	-22.8%	21.4	17.8%
Total sales Inc.(Dec)	119.8	14.6%	20.4	49.8%	2.1	4.0%	142.3	15.6%

- Overall sales increased by THB 142.3 million or 15.6% compared to Q2 2021, mainly due to customer demand increased. International sales increased by THB 120.9 million or 15.3% from Europe, US and Asia. Domestic market also recovered after relief of Covid-19 situation reflecting in sales improved by THB 21.4 million or 17.8%. Both Bags and Drinking straw were driving sales growth in this year.
- Q2 2022 Other income increased 5.2 million or 64.13% compared to Q2 2021 significantly due to unrealized gain on investment increase of THB 8.5 million (from mark to market investment) and favorable FX gain decrease of THB 2.5 million. These two items depend heavily on macroeconomic situation which possibly impact investment value either gain or loss. However, the company has tried our best to carefully hedge FX exposure and thoroughly select investment instruments and closely monitor market situation.
- The company's overall expenses increased by THB 103.1 million or 12.3% compared Q2 2021, mainly due to
 - Cost of sales increased by THB 88.9 million or 11.8% in line with increased sales, mainly due to significantly rising of resin price. However percentage of cost of sales to revenue decreased 2.7%

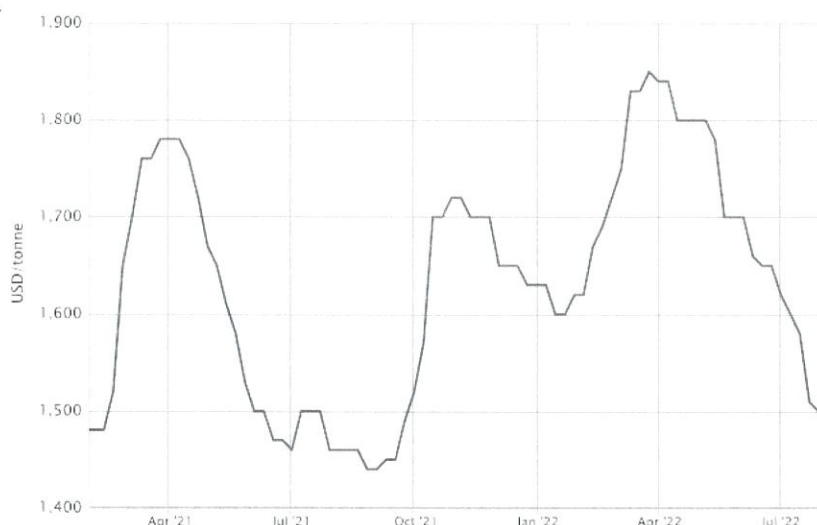


Mr. Teerachai Siritunyanont

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Director

Mrs. Pojanard Prinyapatkorn

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Graph presents LDPE price from Apr 2021- Present

- Graph presented the key resin price until present. The average price of Q2 2022 was higher than Q2 2021. However, gross margin in Q2 2022 was 20.1% increased from Q2 2021 by 2.7%, the company actively and closely monitors resin cost against selling price to maintain reasonable profit level.
- However, Year 2022 the company has continuously improved production efficiency as a part of sustainable cost reduction. As a result, the production cost did not increase in accordance with higher production volume.
- Selling expenses increased by THB 7.0 million and administrative expenses increased by THB 7.2 million because the company investing in people and R&D for future expansion.

B) Financial position

Assets

As of June 30, 2022, Company's total assets were THB 3,096 million, increased from December 31, 2021 by THB 139.0 million or 4.7%. Significant changes in assets were followings;

- 1.) The company tried to maximize return on asset by investing idle cash approximately THB 185.9 million to both current and non-current financial assets, making reduction in cash and increase in financial asset.
- 2.) Trade and other receivables increased by THB 9 million in line with sales increased.
- 3.) Inventory increased by THB 66.6 million or 9.1%, mainly from finished goods increased by THB 50.6 million and raw material by THB 22.4 million.




 Mr. Teerachai Siritunyanont
 Director


 Mrs. Pojanard Prinyapatpakorn
 Director

Liabilities and Shareholders' Equity

As of June 30, 2022, the company's total liabilities were THB 720.3 million, increased from previous year by THB 76.8 million or 11.9% because increased in accounts payable THB 86 million in accordance with inventory increased and short-term loan from financial institution of THB 20 million for working capital. On the other hand, accrued expenses slightly decreased due to bonus payment in Q1, 2022.

Shareholders' equity as of June 30, 2022 was THB 2,375.7 million, increased by THB 62.2 million or 2.7% compared to December 31, 2021, added up from the comprehensive income for Q2 2022.

C) Key Financial Ratios

Description	Unit	Q2 2022	Q2 2021
Gross profit margin	%	20.06%	17.33%
Net profit margin	%	9.46%	6.76%
Return on shareholders' equity	%	4.20%	2.99%
Return on total assets	%	3.31%	2.40%
Liquidity ratio	Times	2.46	3.86
Cash cycle	Days	79	81
Debt to Equity ratio	Times	0.30	0.24
Book value per share	THB/share	26.40	23.02
Basic earnings per share	THB/share	1.12	0.69



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Director

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Director