

9 August 2022

Subject Management Discussion and Analysis on the Financial Statements for the 2<sup>nd</sup> Quarter of 2022  
(1 April - 30 June 2022)

Attention The President  
The Stock Exchange of Thailand

CPANEL Public Company Limited (“the Company”) would like to notify the operating and financial performances for the 2<sup>nd</sup> quarter of 2022 (1 April - 30 June 2022) with details as follows;

Items	2 <sup>nd</sup> Quarter 2022		2 <sup>nd</sup> Quarter 2021		Change	
	mn THB	%	mn THB	%	mn THB	%
Net sales	103.70	100.00%	70.48	100.00%	+ 33.22	47.13%
Cost of sales	(66.99)	(64.60%)	(46.37)	(65.79%)	+ 20.62	44.47%
<b>Gross Profit</b>	<b>36.71</b>	<b>35.40%</b>	<b>24.11</b>	<b>34.21%</b>	<b>12.60</b>	<b>52.26%</b>
Other income	0.57	0.54%	0.44	0.62%	+ 0.13	29.55%
Selling expenses	(8.72)	(8.41%)	(6.87)	(9.75%)	+ 1.85	26.93%
Administrative expenses	(10.55)	(10.17%)	(9.54)	(13.53%)	+ 1.01	10.59%
Financial Costs	(1.74)	(1.68%)	(4.07)	(5.77%)	- 2.33	(57.25%)
<b>Profit (Loss) before Tax</b>	<b>16.27</b>	<b>15.69%</b>	<b>4.07</b>	<b>(5.78%)</b>	<b>+ 12.20</b>	<b>299.75%</b>
Income Tax Revenue (Expenses)	(3.27)	(3.15%)	1.30	(1.85%)	+ 4.57	351.54%
<b>Net Profit (Loss)</b>	<b>13.00</b>	<b>12.54%</b>	<b>5.37</b>	<b>7.62%</b>	<b>+ 7.63</b>	<b>142.09%</b>

#### Net Sales

In 2<sup>nd</sup> quarter 2022, the Company had net sales of 103.70 mn baht, increased of 33.22 mn baht or 47.14% compared to the same period of 2021 mainly due to higher quantity of precast concrete panel products sale.

#### Other Incomes

Other Incomes comprised of revenue from sales of metal scraps from the production process, interest income, etc. In 2<sup>nd</sup> quarter 2022, the Company has other incomes of 0.57 mn baht, increase of 0.13 mn baht or 28.47% compared to the same period of 2021.

#### Cost of sales and Gross Profit Margin

In 2<sup>nd</sup> quarter 2022, the Company has cost of sales of 66.99 mn baht increased in line with net sales. However, the ratio of the increase in cost of sales is less than the increase in net sales when compared to the same period of 2021. As a result, the company's gross profit margin increased to 35.40% while the same period of 2021 had gross profit margin of 34.21% because economy of scale from the significant increase in sales revenue, Although steel price which is one of the main raw materials has increased.

**Selling expenses**

The Company has selling expenses in 2<sup>nd</sup> quarter 2022 of 8.72 mn baht or 8.41% of net sales. The increasing in selling expenses correspond with the increasing in net sales, especially fuel expense for its own trucks.

**Administrative Expenses**

The Company has administrative expenses in 2<sup>nd</sup> quarter 2022 of 10.55 mn baht, an decrease of 1.02 mn baht or 10.66% compared to 2<sup>nd</sup> quarter 2021 due to annual salary adjustments and overseas travel expenses

**Financial Costs**

In 2<sup>nd</sup> quarter 2022, the Company has financial costs of 1.74 mn baht, decreased 2.33 mn baht or 57.18% compared to 2<sup>nd</sup> quarter 2021. The Company repay loan to financial institution by using fund from IPO, resulting of decreasing in interest expense.

**Net Profit and Net Profit Margin**

The Company has net profit in 2<sup>nd</sup> quarter 2022 of 13.00 mn baht which represents net profit margin of 12.54%, increased 7.63 mn baht or increased 142.02% compared to same period in 2<sup>nd</sup> quarter 2021. This was due to the growth in net sales resulting in an economy of scale.

**Assets**

The Company has total assets as of 30 June 2022 of 637.91 mn baht, an increase from 31 December 2021 of 29.29 mn baht or 4.81%. The increase was from investment of Short-term investments in fixed income open-end fund of 40.04 mn baht, accounts receivable of 15.41 mn baht from the accounting period receive money while cash and cash equivalents decrease 27.74 mn baht.

**Liabilities**

The Company has total liabilities as of 30 June 2022 of 227.61 mn baht, an increase from 31 December 2021 of 7.41 mn baht or 3.36%. This was mainly due to an increase in trade and other payables of 8.35 million baht and 4.79 million baht, respectively, an increase in income tax payable by 5.10 million baht, and a decrease in borrowings from financial institutions of 17.00 million baht.

**Shareholders' Equity**

The Company has shareholders' equity as of 30 June 2022 of 410.30 mn baht, an increase from 31 December 2021 of 21.88 mn baht or 5.63% from profit generate in the 1<sup>st</sup> and 2<sup>nd</sup> quarter of 2022.

**Statement of Cash Flows**

According to the Cash Flow Statement of the 2<sup>nd</sup> quarter 2022, the Company has net cash inflows from operating activities of 52.67 mn baht from increase the net profit. The Company has net cash outflows from investing activities of 52.30 mn baht from Short-term investments in fixed income open-end fund. Lastly, the Company has net cash outflows from financing activities of 28.11 mn baht from repayment long-term loans from financial institution

of 17.00 mn baht. Consequently, the Company has cash and cash equivalents as of 30 June 2022 of 51.32 mn baht.

Please be informed accordingly,

Best Regards,  
CPANEL Public Company Limited

(Mr. Chakrit Theepakornsukkasame)  
CEO