

Date August 11, 2022

Subject: Management Discussion and Analysis for the six-month period ended June 30, 2022

To: Director and Manager
Stock Exchange of Thailand

Delta Paint Public Company Limited (“the Company”) would like to clarify the operating results for the six-month period ended June 30, 2022 with the following details:

Income Statement

	six-month	six-month	Change	
	period ended June 30, 2021	period ended June 30, 2022	Amount	Amount
Revenue from sales and services	387.7	430.5	42.8	11.1
Cost of sales and services	219.9	266.6	46.7	21.2
Gross profit	167.8	163.9	(3.9)	(2.3)
<i>Gross profit margin (%)</i>	43.3	38.1	(5.2)	(12.0)
Other revenues	5.7	3.6	(2.1)	(36.8)
Distribution Costs	103.5	109.7	6.2	6.0
Administrative expenses	23.6	24.7	1.1	4.7
Financial cost	4.1	1.9	(2.2)	(53.7)
Income tax expense	9.5	7.8	(1.7)	(17.9)
Net profit	32.8	23.4	(9.4)	(28.7)
<i>Net profit margin (%)</i>	8.5	5.4	(3.1)	(36.5)
Remeasurement of post-employment benefit obligations	-	-	-	-
Total comprehensive income	32.8	23.4	(9.4)	(28.7)

Revenue Structure Categorized by Product Grade

	six-month	%	six-month	%
	period ended June 30, 2021		period ended June 30, 2022	
Premium	156.9	40.4	173.6	40.3
Growth (%)	-		10.6	
Standard	105.7	27.3	133.2	30.9
Growth (%)	-		26.0	
Economy	125.1	32.2	123.7	28.8
Growth (%)	-		1.1	
Revenue from sales and services	387.7		430.5	
% Growth	-		11.1	

Revenue from sales and services

For the first six-months of the year 2022, the Company had revenue from sales and services of Baht 430.5 million, increased over the same period of the last year in the amount of Baht 42.8 million or by 11.1 percent due to the new product mix and expansion of distribution channel. The revenue can be categorized in premium, standard, and economy in the proportion of 40.3 percent, 30.9 percent, and 28.8 percent respectively.

Other Revenues

For the first six-months of 2022, the Company had an decrease in other revenue over the same period of last year in the amount of Baht 2.1 million

Cost of Sales and Services and Gross Profit

For the first six-months period of 2022, the Company had gross profit margin of 38.1 decreased quarter on quarter, as well as average cost per unit of some raw materials used in our production process increased.

Distribution Cost

For the first six months of 2022, the Company had an increase in distribution cost of Baht 6.2 million or 6.0 percent from the same period in previous year which is the result of increase in revenue from sales and services. Also, the Company had expanded the number of salespersons to customer's branched to introduce and advise product to end-users.

Administrative Expense

For the first six-months period of the year 2022, the Company had an increase in administrative over the same period of last year in the amount of Baht 1.1 million or by 4.7 percent.

Net Profit

For the first -months of the year 2022, profit for the period decreased Baht 9.4 million, or 28.7 percent , this decreased was primarily attributable to an decreases gross profit and increased selling expenses.

Balance Sheet

	As of	As of	Change	
	December 31, 2021	Jun 30, 2022	Amount	Amount
Total Assets	991.6	993.3	1.7	0.2
Total Liabilities	392.5	370.8	(21.7)	(5.5)
Total Shareholder's Equity	599.1	622.5	23.4	3.9
Debt to Equity Ratio (Time)	0.6	0.6	(0.0)	(0.0)

Assets

As of June 30, 2022, the Company and its subsidiaries had total assets of Baht 993.3 million, an decrease from total assets as of 31 December 2021 by Baht 1.7 million due to:

- Decreased in cash and cash equivalents of Baht 89.6 million.
- Increased in trade and other current receivables of Baht 44.5 million due to sales increasing.
- Increased in inventory of Baht 12.8 million to support a higher sale.
- Increased in land, building and equipment of Baht 18.0 million due to investing in equipment to increase distribution channels.

Liabilities

As of June 30, 2022, the Company and its subsidiaries had total liabilities of Baht 370.8 million, an decrease of Baht 21.7 million from 31 December 2021, an decrease of 5.5 percent due to:

- Decreased in bank overdrafts and short-term loans from financial institutions in the amount of Baht 35.2 million
- Increased in trade and other payables of Baht 19.7 million.

Equity

As of June 30, 2022, the Company and its subsidiaries had shareholders' equity of Baht 622.5 million, an increase of Baht 23.4 million from 31 December 2021, an increase of 3.9 percent, was primarily attributable to an increase in unappropriated retained earnings for our operations.

Debt to Equity Ratio

As of June 30, 2022, compared to the year ended December 31,2021 , the Company and its subsidiaries' debt to equity ratio remained unchanged at 0.6

Yours sincerely

(Mr.Athapon Tangkaravakoon)
Chief Financial Officer
Delta Paint Public Company Limited