

10 November 2022

Subject Management Discussion and Analysis on the Financial Statements for the 3rd Quarter of 2022
(1 July - 30 September 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 3rd quarter of 2022 (1 July - 30 September 2022) with details as follows;

Items	3 rd Quarter 2022		3 rd Quarter 2021		Change	
	mn THB	%	mn THB	%	mn THB	%
Net sales	121.29	100.00%	62.79	100.00%	+ 58.50	93.16%
Cost of sales	(69.62)	(57.40%)	(41.75)	(66.49%)	+ 27.87	66.76%
Gross Profit	51.67	42.60%	21.04	33.51%	+30.63	145.55%
Other income	0.87	0.72%	0.61	0.97%	+ 0.26	42.06%
Selling expenses	(9.67)	(7.97%)	(5.99)	(9.54%)	+ 3.68	61.40%
Administrative expenses	(10.63)	(8.76%)	(10.05)	(16.02%)	+ 0.58	5.67%
Financial Costs	(1.73)	(1.43%)	(4.20)	(6.69%)	- 2.47	(58.68%)
Profit before Tax	30.51	25.16%	1.41	(2.24%)	+ 29.10	2,068.51%
Tax Income (Expenses)	(6.15)	(5.07%)	2.01	(3.20%)	+ 8.16	406.37%
Net Profit	24.36	20.08%	3.42	5.44%	+ 20.94	613.29%

Net Sales

In 3rd quarter 2022, the Company had net sales of 121.29 mn bath, increased of 58.50 mn baht or 93.16% 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 3rd quarter 2022, the Company has other incomes of 0.87 mn baht, increase of 0.26 mn baht or 42.06% compared to the same period of 2021.

Cost of sales and Gross Profit Margin

In 3rd quarter 2022, the Company has cost of sales of 69.62 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 42.60% while the same period of 2021 had gross profit margin of 33.51% 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 3rd quarter 2022 of 9.67 mn baht or 7.97% of net sales. The increasing in selling expenses in line with the increasing in net sales, especially fuel expense.

Administrative Expenses

The Company has administrative expenses in 3rd quarter 2022 of 10.63 mn baht, an decrease of 0.58 mn baht or 5.67% compared to 3rd quarter 2021 due to annual salary increases and overseas travel expenses

Financial Costs

In 3rd quarter 2022, the Company has financial costs of 1.73 mn baht, decreased 2.47 mn baht or 58.68% compared to 3rd 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 3rd quarter 2022 of 24.36 mn baht which represents net profit margin of 20.08%, increased 20.94 mn baht or increased 613.29% compared to same period in 3rd 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 September 2022 of 653.68 mn baht, an increase from 31 December 2021 of 45.06 mn baht or 7.40%. The increase was from investment of Short-term investments in fixed income open-end fund of 40.11 mn baht, Inventory of 5.06 mn baht from the forecast sales

Liabilities

The Company has total liabilities as of 30 September 2022 of 218.92 mn baht, a decrease from 31 December 2021 of 1.28 mn baht or 0.58%. This was mainly due to an increase in trade and other payables of 11.22 million baht and 3.79 million baht, respectively, an increase in income tax payable by 6.37 million baht, and a decrease in borrowings from financial institutions of 25.74 million baht.

Shareholders' Equity

The Company has shareholders' equity as of 30 June 2022 of 434.76 mn baht, an increase from 31 December 2021 of 46.35 mn baht or 11.93% from profit generate in the year.

Statement of Cash Flows

According to the Cash Flow Statement of the 3rd quarter 2022, the Company has net cash inflows from operating activities of 43.60 mn baht from increase the net profit. The Company has net cash outflows from investing activities of 56.51 mn baht from Short-term investments in fixed income open-end fund. Lastly, the Company has net cash outflows from financing activities of 39.72 mn baht from repayment long-term loans from financial institution of 26.00 mn baht. Consequently, the Company has cash and cash equivalents as of 30 September 2022 of 84.01 mn baht.

Please be informed accordingly,

Best Regards,

CPANEL Public Company Limited

(Mr. Chakrit Theepakornsukkasame)

CEO