



ASEFA PUBLIC COMPANY LIMITED

บริษัท อาซีฟา จำกัด (มหาชน)

No CS66/024

February 16, 2023

Subject : Management Discussion and Analysis for the year ended December 31, 2022

Attention: The Board of directors
The Stock Exchange of Thailand

The Board of Directors' Meeting of Asefa Public Company Limited ("the Company") No.1/2023 held on February 16, 2023 approved the financial statement of year 2022 for the year ended December 31, 2022. The Company would like to clarify the changes in significant performance are as follows:

(Unit: Million Baht)

Consolidated Financial Statement	2022	2021	Change	
			Increased / (Decreased)	
			Amount	%
Revenue for sale and services	3,090.66	2,599.01	491.65	18.92
Cost of sales and services	2,558.88	2,118.61	440.26	20.78
Gross profit	531.79	480.40	51.38	10.70
Gross Profit Margin (%)	17.21%	18.48%		
Other income	27.85	33.09	(5.23)	(15.82)
Profit before expenses	559.64	513.49	46.15	8.99
Distribution & Administrative expenses	426.35	343.89	82.45	23.98
Finance costs	3.17	0.83	2.34	281.99
Profit before income tax	129.37	168.77	(39.40)	(23.35)
Income tax expenses	24.36	31.96	(7.61)	(23.80)
Net profit (Equity holders of the Company)	103.33	138.34	(35.01)	(25.31)
Net Profit Margin (%)	3.31%	5.26%		
Earnings per share (Baht)	0.19	0.25	(0.06)	(24.00)

Performance Analysis and Discussion

Operating results for the year 2022, the company and its subsidiaries had total revenues from sales and service of 3,090.66 million baht, increased by 491.65 million baht or by 18.92%. The net profit of 103.33 million baht, decreased of 35.01 million baht or by 25.31%, with a net profit margin decreased from 5.26% to 3.31%, when compared to the same period of last year.

The Decrease in revenue and net profit of the company, mainly to the cost of some system engineering contracting projects from major raw materials which had significantly increased prices and there are additional costs arising from a longer implementation time than the projected plan. Including an increase in selling and administrative expenses, an increase in employee expenses, and an increase in the allowance for receivables from the same period of the previous year.



ASEFA PUBLIC COMPANY LIMITED

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Revenues for sales and service

Revenues from sales and service for the year ended December 31, 2022, amounting to 3,090.66 million baht, increased by 491.65 million baht or by 18.92%, when compared to the same period last year. The mainly change being to manufacturer and distributor by company group, increased by 206.70 million baht and supplied and distributed products group increased by 57.13 million baht. The revenue from the service group, an increased by 197.99 million baht. and revenue from the power plant demolition project increased by 29.82 million baht.

Costs of sales and service

Costs of sales and service for the year ended December 31, 2022 and 2021, amounting to 2,558.88 million baht and 2,118.61 million baht respectively. The gross profit increased by 51.38 million baht, when compared to the same period last year. Which decreased gross profit margin from 18.48% to 17.21%. The decrease in gross profit margin was mainly due to the price of the main raw materials used in the production and contracting of system engineering for some projects having increased in price. Including incremental costs arising from a longer implementation time than the projected plan.

Distribution & Administrative expenses

Distribution and administrative expenses for the year ended December 31, 2022 and 2021, amounting to 426.35 million baht and 343.89 million baht respectively, an increased 82.45 million baht or 23.98%. Which employee expenses increased by 14.27 million baht, allowance for debtors increased by 35.17 million baht, sales promotion and entertainment expenses increased by 10.32 million baht, reserve allowance for short-term investments and investments in joint ventures increased by 9.20 million.

Statements of Financial Position

(Unit: Million Baht)

Consolidated Financial Statement	2022	2021	Change	
			Increased / (Decreased)	
			Amount	%
Current assets	2,094.95	1,585.06	509.89	32.17
Non – current assets	825.68	886.77	(61.09)	(6.89)
Total assets	2,920.63	2,471.83	448.80	18.16
Liabilities	1,336.89	859.66	477.23	55.51
Shareholders' equity	1,583.74	1,612.17	(28.43)	(1.76)
Total Liabilities and shareholders' equity	2,920.63	2,471.83	448.80	18.16



ASEFA PUBLIC COMPANY LIMITED

บริษัท อาซีฟา จำกัด (มหาชน)

Assets

As of December 31, 2022, the Company and its subsidiaries total assets amounted to 2,920.63 million baht, an increase of 448.80 million baht or 18.16%, when compared to the same period last year. The major changes are as follows.

Cash and cash equivalents increased by 86.37 million baht, due to the company's increased cash flow from sales and services during the fourth quarter of 2022. Trade and other current receivables increased by 165.33 million baht and unbilled receivables increased by 114.31 million baht, which increased from Increased sales of goods and services. Short-term and long-term loans to other parties decreased by 37.03 million baht, due to during the period the Company received some debt repayment from such loans. Inventories increased by 119.12 million baht, due to an increase in the group of electrical equipment that is the main raw material used in production and projects that are in the process of waiting for delivery.

Liabilities

As of December 31, 2022, the Company and its subsidiaries total liabilities amounted to 1,336.89 million baht, an increase of 477.23 million baht or 55.51%, when compared to the same period last year. The major changes are as follows.

Bank overdrafts and short-term loans increased by 279.22 million baht, due to the Company's utilization of short-term credit facilities from financial institutions, which use as working capital for the Company's operations. Trade and other current payables increased by 161.39 million baht, due to the increase in the purchase of raw materials in line with the increase in production volume and sales. The Current contract liabilities increased by 19.38 million baht, an increase from deposits received in advance for new system engineering projects. The Company's debt-to-equity ratio increased from 0.53 times to 0.83 times.

Shareholders' Equity

As of December 31, 2022, Shareholders' Equity amounted to 1,583.74 million baht, a decrease of 28.43 million baht, or 1.76% during the year, there were operating profits of 95.59 million baht. The Company sold a share of the joint venture's profit of 4.50 million baht and a dividend payment of 120.04 million baht.

For your information.

Yours sincerely,

Mr.Phaiboon Ungkanakornkul
Managing Director