



บริษัท บางสะพานบาร์มิล จำกัด (มหาชน)
BANGSAPHAN BARMILL PUBLIC COMPANY LIMITED

สำนักงานกรุงเทพฯ : ชั้น 8 อาคารประภาวิทย์ 28/1 ถนนสุรศักดิ์ แขวงสีลม เขตบางรัก กทม. 10500 ทะเบียนเลขที่ บมจ. 0107547000702
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BSBM2023/001

20 February 2023

Subject: Management explanation and analysis for the year ended 31 December 2022
To: President of the Stock Exchange of Thailand

The Company would like to disclose the Financial Statements (audited) for the year ended 31 December 2022 with management explanation as following.

Income Statements Analysis, Comparison of 2022 VS 2021

The Company's revenue from sales in 2022 decreased from Baht 1,383.3 million in 2021 to Baht 1,081.3 million in 2022, representing a decline of 21.8% year-over-year (YoY). The decline was primarily driven by a decrease in sales volume, which fell from 62,725 MT in 2021 to 42,957 MT in 2022, or 31.5% YoY. However, the average selling price of the Company's products increased from Baht 22,054 per MT in 2021 to Baht 25,172 per MT in 2022, representing an increase of 14.1%.

In 2022, the Company's cost of sales amounted to Baht 1,020.1 million, compared to Baht 1,241.6 million in 2021. The gross profit rate decreased significantly from 10.2% in 2021 to 5.7% in 2022. This decline was primarily due to a 20% increase in raw material costs, which rose from Baht 17,441 per MT in 2021 to Baht 20,922 per MT in 2022. The selling price of steel bars increased by 14.1% during the same period. It should be noted that the cost of goods sold in 2022 included a provision for loss on diminution in value of inventories totaling Baht 3.44 million.

In 2022, the Company's selling expenses amounted to Baht 13.6 million, compared to Baht 15.4 million in 2021. As a percentage of total sales, selling expenses accounted for 1.25% and 1.11% in 2022 and 2021, respectively. The primary expense within selling expenses was transportation cost, which was directly related to sales volume at an approximate rate of 1-2%. The Company's administrative expenses were Baht 26.0 million in 2022 and Baht 24.5 million in 2021. The primary expenses within administrative expenses were employee expenses.

During the year 2022, the Company incurred factory overhead costs of Baht 25.0 million due to a decline in rebar prices in the second half of the year. As a result, customers postponed their purchases of rebar if it was unnecessary, leading to a reduction in demand. To avoid excess inventory, the Company ceased production at certain times and only produced to match orders. In 2021, the Company incurred factory overhead costs of Baht 20.7 million during production halts.

In 2022, the Company generated Baht 6.6 million in income from the sales of scrap, compared to Baht 10.7 million in 2021. The related cost of sales for scrap was Baht 3.5 million in 2022 and Baht 4.6 million in 2021.

Due to the factors mentioned above, the Company's net income in 2022 was Baht 1.26 million, a significant decrease from the Baht 72.1 million generated in 2021.

Analysis of Balance Sheet, for the Year Ended 31 December 2022

The Company's total assets at the end of 2022 and 2021 were Baht 1,892 million and Baht 1,970 million, respectively. The current assets decreased from Baht 1,206 million at the end of 2021 to Baht 1,141 million at the end of 2022 as Cash and cash equivalents decreased by Baht 81 million, while Trade receivables increased by Baht 10 million.



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Total liabilities at the end of 2022 and 2021 were Baht 25 million and Baht 83 million, respectively. The decrease in liabilities mainly came from a decrease in Trade Accounts Payable by Baht 62 million.

Total shareholders' equity at the end of 2022 was Baht 1,867 million, which decreased from Baht 1,886 million in 2021, due to the payment of an interim dividend of Baht 22.4 million from operating profits in 2022 and retained earnings.

The Company's liquidity ratios at the end of 2022 and 2021 were 76.1 and 17.2 times, respectively. This high liquidity ratio reflects the strong financial position and high liquidity of the Company. On the other hand, the Company's debt-to-equity ratios were still low at 0.01 and 0.04 at the end of 2022 and 2021, respectively, resulting from the absence of any long-term loan financing.

Yours sincerely,

(Mr. Surakit Thantananont)
Deputy Managing Director