

Ref. Simat 03-23

February 28th, 2023

Subject: Management Discussion and Analysis on operating result for the year 2022

To: Managing Director of Stock Exchange of Thailand

Simat Technologies Public Company Limited would like to report of operating result for the year ended December 31st, 2022 as follows:

Operating Performance

unit : million Baht

Income statement	Year 2022		Year 2021		Change	
					In amount	In Portion
Revenue from sales and services	920	100%	971	100%	(51)	
Cost of sales and services	(602)	64%	(610)	63%	8	(1%)
Gross Profit	318	36%	361	37%	(43)	(1%)
Other income	9	1%	9	1%	0	(0%)
Selling and administrative expenses	(212)	23%	(218)	22%	6	(1%)
Profit before financial cost and income tax	115	12%	152	16%	(37)	(3%)
Financial cost	(16)	2%	(30)	3%	14	1%
Share of profit from associate	1	0%	0	0%	0	0%
Profit before income tax	100	11%	123	13%	(23)	(2%)
Income tax	(15)	2%	(24)	2%	9	0%
Net profit for the year	85	9%	99	11%	(14)	(2%)
Other comprehensive income (loss)	1	0%	1	0%	0	0%
Portion of non-controlling interest	(22)	2%	(25)	3%	3	1%
Portion of equity holder of the company	64	7%	76	8%	(12)	(1%)

The consolidated net profit (Loss) (portion of the parent company) for the year 2022 and 2021 were Baht 64 million and Baht 76 million, respectively. The operating profit of year 2022 decreased from the prior year about Baht 12 million or 16% due to Baht 51 million or 5% decrease in sales, 1% increase in portion of cost of sales and service and 1% increase in portion of selling and administrative expenses. Financial cost decreased by 1%.

unit : million Baht

Revenue structure by business	IT Business	Label product	Silkscreen printing	Government project	Broadband internet	Others	Total
Year 2022	4 0%	252 27%	336 37%	271 29%	57 6%	0 0%	920 100%
Year 2021	28 3%	180 19%	422 43%	266 27%	65 7%	10 1%	971 100%
Increase (decrease)	(24) (86%)	72 40%	(86) (20%)	5 2%	(8) (12%)	(10) (100%)	(51) (5%)

■ **Revenue from Sales and Services**

The decrease in sales in 2022 was due to

1. Silkscreen printing business has been affected by the decrease of production in electric manufacturing industry. There have been shortage of chips which are the main components in production. But there has been increase in sales of Label product business instead.

2. Sales of broadband internet business decreased from the decrease of subscriber numbers. Anyhow, the company has corporated witdue to TFRS revenue recognitionh a subsidiary of Charoen Cable TV Network Co., Ltd. to adjust the strategy by expanding the customer segment.

3. Due to TFRS revenue recognition, sales of some project in IT Business could not be recognized in year 2022 but it would be recognized in year 2023 instead.

■ **Cost of sales and service**

The increase in cost of sales was due to higher raw material costs of the silkscreen printing business compared to year 2021, and the broadband internet service business with lower sales, but the cost of sales did not decrease accordingly.

■ **Selling and administrative expenses**

Selling and administrative expenses increased from the provision for machines and equipment relocating to new plants, and impairment of mold which use for producing Toshiba washing machine workpieces.

■ **Financial Cost**

Financial cost decreased by 1% from collecting money in government project business and repay loan and account payables.

Financial Position

unit : million Baht

Consolidated balance sheet	31 December 2022	31 December 2021	31 December 2020
Current assets	664	760	617
Non-current assets	1,020	1,001	1,099
Total assets	1,684	1,761	1,716
Current liabilities	237	426	771
Non-current liabilities	193	182	286
Liabilities	430	608	1,057
Shareholders' equity	1,254	1,153	659
Total liabilities and shareholders	1,684	1,761	1,716

Financial ratios

	31 December 2022	31 December 2021
1. Return on Assets (ROA)	5.00%	5.79%
2. Current Ratio	2.80 times	1.79 times
3. Debt to Equity Ratio (DE Ratio)	0.34 times	0.53 times

- **Return on Assets (ROA)**

Year 2022, the company could make profit of 5% on the average total assets.

- **Current Ratio**

At the end of year 2022, the company had ability to pay short-term obligations within one year for 2.8 times.

- **Debt to Equity Ratio (DE Ratio)**

At the end of year 2022, the company used debt to finance its assets at 0.34 time relative to the value of shareholders' equity.

Cash Flow

unit : million Baht

Cash flow	Activities			Increase (decrease)
	Operating	Investing	Financing	
Year 2022	194	(78)	13	129
Year 2021	(138)	124	(67)	(81)

Cash flow of the company and its subsidiaries for year 2022 has net increase of Baht 129 million.

Net cash flow from operations for year 2022 was net cash inflow of Baht 194 million from collecting money in government project business.

Net cash flow from investments for year 2022 was net cash outflow of Baht 78 million from buying machines and equipment.

Best regards,

(Mr. Boonlerd lewpornchai)

CEO