

28 February 2023

Subject Management Discussion and Analysis on the Financial Statements for the year 2022 (1 January - 31 December 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 year 2022 (1 January - 31 December 2022) with details as follows;

Items	Y 2022		Y 2021		Change	
	mn THB	%	mn THB	%	mn THB	%
Net sales	431.63	100.00%	310.87	100.00%	+120.76	38.85%
Cost of sales	(263.30)	(61.00%)	(197.81)	(63.63%)	+65.49	33.11%
Gross Profit	168.33	39.00%	113.06	36.37%	+55.27	48.89%
Other incomes	2.34	0.54%	1.57	0.51%	+0.77	49.04%
Selling expenses	(36.09)	(8.36%)	(28.37)	(9.13%)	+7.72	27.21%
Administrative expenses	(41.98)	(9.73%)	(38.75)	(12.47%)	+3.23	8.34%
Financial Costs	(7.55)	(1.75%)	(14.92)	(4.80%)	-7.37	(49.40%)
Profit before Tax	85.05	19.70%	32.59	10.48%	+52.46	160.97%
Tax Income (Expenses)	(17.11)	(3.96%)	(0.79)	(0.25%)	+16.32	2065.82%
Net Profit	67.94	15.74%	31.80	10.23%	+36.14	113.65%

Net Sales

In 2022, the Company had net sales of 431.63 mn baht, increased of 120.76 mn baht or 38.85% 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 2022, the Company has other incomes of 2.34 mn baht, increase of 0.77 mn baht or 49.04% compared to the same period of 2021.

Cost of sales and Gross Profit Margin

In 2022, the Company has cost of sales of 263.30 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 39.00% while the same period of 2021 had gross profit margin of 36.37% 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 2022 of 36.09 mn baht or 8.36% of net sales. The increasing in selling expenses in line with the increasing in net sales, especially fuel expense of transportation products.

Administrative Expenses

The Company has administrative expenses in 2022 of 41.98 mn baht, increased of 3.23 mn baht or 8.34% compared to 2021 due to annual salary increases and overseas business travel expenses in order to study construction material technology and machinery for new factory.

Financial Costs

In 2022, the Company has financial costs of 7.55 mn baht, decreased 7.37 mn baht or 49.40% compared to 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 2022 of 67.94 mn baht which represents net profit margin of 15.74%, increased 36.14 mn baht or 113.65% compared to same period in 2021. This was due to the growth in net sales and economy of scale positive impact.

Assets

The Company has total assets as of 31 December 2022 of 686.72 mn baht, an increase from 31 December 2021 of 78.10 mn baht or 12.83%. The increase was from short-term investments of 60.24 mn baht and Property, plant and equipment of 36.49 mn baht from improved production capacity.

Liabilities

The Company has total liabilities as of 31 December 2022 of 232.82 mn baht, increased from 31 December 2021 of 12.61 mn baht or 5.73%. This was mainly due to an increase in trade and other payables of 1.20 million baht and 9.82 million baht, respectively, an increase in income tax payable by 11.13 million baht, and an increase in lease liabilities of 14.76 million baht.

Shareholders' Equity

The Company has shareholders' equity as of 31 December 2022 of 453.90 mn baht, an increase from 31 December 2021 of 65.49 mn baht or 16.86% from profit generate in the year.

Statement of Cash Flows

According to the Cash Flow Statement of 2022, the Company has net cash inflows from operating activities of 150.70 mn baht from increase the net profit. The Company has net cash outflows from investing activities of 116.55 mn baht from short-term investments and purchases of fixed assets. Lastly, the Company has net cash outflows from financing activities of 52.19 mn baht from repayment long-term loans from financial institution of 35.00 mn baht. Consequently, the Company has cash and cash equivalent as of 31 December 2022 of 61.03 mn baht.

Please be informed accordingly,

Best Regards,

CPANEL Public Company Limited

(Mr. Chakrit Theepakornsukkasame)

CEO