

NFC 059/2023

May 11, 2023

Subject: To submit Financial Statements and clarification of the Operating Results changed more than 20% for the 1st quarter ended March 31, 2023

Attention: The President
The Stock Exchange of Thailand (“SET”)

Attachment:

1. Interim Financial Information of the Company and its subsidiaries for the 1st quarter ended March 31, 2023
2. Management Discussion and Analysis for the 1st quarter ended March 31, 2023

NFC Public Company Limited (“the Company”) would like to submit the Interim Financial Information of the Company and its subsidiaries for the 1st quarter ended March 31, 2023, which had already reviewed from Auditor to SET as per Attachment No.1, together with a summary of the operating results which had changed in Management Discussion and Analysis for the 1st quarter ended March 31, 2023 as per Attachment No.2.

Please be informed accordingly.

Yours sincerely,

(Mrs. Bongkot Rungkornpaisarn)
Chief Government Liaison Officer
NFC Public Company Limited

Management Discussion and Analysis – For Quarter 1/2023 ended 31 March 2023

Operating Performance

For the quarter 1/2023 ended 31 March 2023, the Company's net profit attributable to equity holders of the Company was 19.01 MB., Total Net Profit increased by 9.90 MB. or 108.76% compared to quarter 1/2022.

- Gross Profit increased by 33.85 MB. or 75.49 %
- Other Income decreased by 0.16 MB. or 4.63%
- Total Expenses decreased by 6.32 MB. or 18.21%
- Financial Cost increased by 26.53 MB. or 310.07%
- Tax Income decreased by 3.58 MB. or 88.23%

According to the following details

Revenues from sales and services

For the quarter 1/2023 ended 31 March 2023, the Company had total revenue from sales and services of 422.09 MB., decreased by 246.58 MB. or 36.88% compared to quarter 1/2022 resulted from

- Revenue from sales of chemical products was 342.16 MB., decreased by 302.40 MB. or 46.92% compared to quarter 1/2022 due to
 - Revenue from Sales of Sulfuric Acid decreased by 304.45 MB. or 59.80%. due to Sales volume decreased by 30,205 tons or 29.07% and the average selling price per ton decreased by 43.32% according to the global market price.
 - Revenue from Sales of Ammonia increased by 7.53 MB. or 6.48%. because the average selling price per ton increased by 14.26%, however sale volume slightly decreased by 207 tons or 6.81%.
 - Revenue from Sales of Ammonium Hydroxide decreased by 5.48 MB. or 28.72% due to the average selling price per ton increased by 49.46%, however sale volume decreased by 1,195 tons or 52.31%.
- Total service income was 79.93 MB., increased by 55.82 MB. or 231.50% compared to quarter 1/2022 due to
 - Revenue from warehouse services increased by 0.99 MB. or 11.85% due to an increase in utilization of service areas.
 - Revenue from Logistic & Liquid warehouse increased by 1.11 MB. or 8.08% due to the adjustment of service charges.
 - Revenue from Port Service decreased by 0.97 MB. or 47.08% due to the decrease of terminal traffic.
 - Revenue from space service area increased by 54.69 MB. due to the Company and a Subsidiary Company entered into service contracts during the quarter 2/2022 onwards.

Cost of sales and services and gross margin

For the quarter 1/2023 ended 31 March 2023, the Company's cost of sales and services of 343.39 MB., decreased by 280.43 MB. or 44.95% compared to quarter

1/2022 while the total gross margin ratio was increased to 18.64% against quarter 1/2022 at 6.71% due to

- Cost of chemical products 320.24 MB. decreased by 299.40 MB. or 48.32% compared to quarter 1/2022 due to
 - Cost of sale Sulfuric Acid decreased by 301.83 MB. or 59.81% due to the decreased in the imported price in accordance with the market price trend together with the sale volume decreased.
 - Cost of sale Ammonia increased by 9.73 MB. or 10.18%
 - Cost of sale Ammonium Hydroxide decreased by 7.29 MB. or 37.63%
- The gross profit from sale of chemical products 21.91 MB. decreased by 3.01 MB. or 12.08% affecting to gross margin ratio increased to 6.40% compared to quarter 1/2022 at 3.87% resulted from the cost allocation as per proportion of revenue mixed.
- Cost of services 23.15 MB. increased by 18.96 MB. or 453.05% compared to quarter 1/2022 resulted from the cost allocation increased as per proportion of service revenue.

Other income

For the quarter 1/2023 ended 31 March 2023, the Company had other income of 3.30 MB., decreased by 0.16 MB. or 4.63% compared to quarter 1/2022, resulting from

- Gain from foreign exchange rate decreased by 2.81 MB.
- Gain from change of lease agreements (Right of use assets) increased by 2.67 MB.
- Revenue from other services decreased by 0.02 MB.

Total expenses

For the quarter 1/2023 ended 31 March 2023, the Company had total expenses of 28.38 MB., decreased by 6.32 MB. or 18.21% compared to quarter 1/2022 due to

- Selling expenses decreased by 1.48 MB. or 16.77%, due to transportation to the customer decreased.
- Administrative expenses decreased by 4.84 MB. or 18.70% resulting from
 - Depreciation from under-utilized assets decreased by 4.87 MB.
 - Depreciation and Other administrative expenses net increased by 0.03 MB.

Financial Costs

For the quarter 1/2023 ended 31 March 2023, the Company had Financial Costs of 35.08 MB., increased by 26.53 MB. or 310.07% when compared to quarter 1/2022 caused from interest expenses from Right of use assets increased by 23.99 MB. and the interest expenses and bank fee from Financial Institutions increased by 2.54 MB.

Tax Income

For the quarter 1/2023 ended 31 March 2023, the Company had deferred tax income decreased by 3.58 MB. or 88.23%. due to the Company has a deferred tax assets that expected to be utilized in the future.

Financial Position

The Company's Financial Position as at ended 31 March 2023, the Company had total assets of 7,765.40 MB., total liabilities of 6,320.31 MB., and shareholders' equity attributable to the owners of the Company of 1,445.09 MB. or book value of 1.33 Baht per share, and at the end of 2022, the Company had total assets of 7,673.53 MB., total liabilities of 6,247.45 MB., and shareholders' equity attributable to the owners of the Company of 1,426.08 MB. or book value of 1.31 Baht per share.

As at 31 March 2023, the Company has a working capital in cash of 584.39 MB., which is sufficient for current operation business. The significant changed for financial position of the Company are as follows.

- As of 31 March 2023, the Company's total assets were 7,765.40 MB., increased by 91.87 MB. or 1.20% compared to the end of year 2022 as per following details
 - Cash and cash equivalents of 584.38 MB., decreased by 35.19 MB. or 5.68% from net cashflow was used in investing activities in projects of subsidiary companies.
 - Trade accounts receivable and other current receivables 184.97 MB., a decrease of 3.33 MB. or 1.77%.
 - Inventories 152.99 MB., decreased by 0.54 MB. or equivalent to 0.35% from ammonia products decreased by 20.40 MB., ammonium hydroxide decreased by 0.06 MB., consumables and others increased by 0.49 MB., and goods in transit increased by 19.43 MB.
 - Other current financial assets of 17.11 MB., increased by 6.45 MB. or 60.52% due to the increase of cash security deposit.
 - Other current assets 7.19 MB., decreased by 2.48 MB. or 25.65% due to a decrease in deposits used as collateral for trade credits with financial institutions.
 - Other non-current financial assets 111.48 MB., increased by 1.03 MB. or 0.94% due to cash collateral as security of long-term lease contracts that due over 1 year.
 - Property, plant and equipment 2,398.45 MB., increased by 114.70 MB. or 5.02%, consisting of net depreciation during the period 6.33 MB., purchase of assets during the period 77.31 MB., and transferred expenses and interest capitalized as cost of assets during the period was 43.72 MB. Mainly are investments in the NFCT Fuel Tank Farm Project and NFCW Warehouse and Yard Service Project.
 - Right of use-assets 4,250.70, increased by 29.88 MB. or 0.71%. which arises from the adjustment on recognition right of use as per long-term lease agreements.
 - Other non-current assets 38.00 MB., decreased by 0.84 MB. or 2.17%, due to the amortized advance payment of a subsidiary's Fuel Tank Farm project.
- As of 31 March 2023, the company had total liabilities of 6,230.31 MB., increased by 72.86 MB. or 1.17% compared to the end of 2022.
 - Short-term loans from financial institutions 454.65 MB., decreased by 29.48 MB. or 6.09% as NFC decreased in utilization of LC/TR credit by 29.48 MB.

- Trade accounts payable and other current payable 418.79 MB., decreased by 18.85 MB. or 4.31% due to a decrease in net trade payables of 54.85 MB., an increase of advance income of 20.40 MB., an increase of accrued interest of 11.32 MB., while other trade payables and other accrued expenses increased net of 4.28 MB.
 - Long-term loans from financial institutions 1,058.56 MB. increased by 36.33 MB. or 3.55% when compared to the end of year 2022 resulted from the reclassification of current portion of long-term loans affected from adjustment of loan installments period of the NFCT Fuel Tank Farm Project.
 - Liabilities under lease agreements 4,271.80 MB., increased by 85.63 MB. or 2.05% due to the adjustment on recognition right of use as per long-term lease agreements.
- As of 31 March 2023, the Company has shareholders' equity of 1,445.09 MB., increased by 19.01 MB. or 1.33% compared to the end of the year 2022 due to the company's operating results as a comprehensive net profit of 19.01 MB. At present, the company has a paid-up capital of 815.87 MB., divided into 1,087.83 million ordinary shares with a par value of 0.75 baht per share.

Cash flow Statement of the Company

For the quarter 1/2023 ended 31 March 2023, the company had a net decrease in cash flow of 35.19 MB., with cash and cash equivalents at the beginning of 619.57 MB. As a result, cash and cash equivalents at the end of the period of 584.38 MB., due to.

- Net Cash flow from operating activities 73.08 MB., resulting from operating results and net change of working capital of the Company.
- Net cash flow used in investing activities was 77.31 MB., mainly resulting from NFCT Fuel Tank Farm Project and NFCW Warehouse and Yard Service Project.
- Net cash flow from financing activities of 30.96 MB., resulting from payment for trade credit (LC/TR) from financial institutions of 29.48 MB., and payment for financial lease agreements and interest expenses of 1.48 MB.