



ASEFA PUBLIC COMPANY LIMITED

บริษัท อาซีฟา จำกัด (มหาชน)

No CS66/061

May 11, 2023

Subject : Management Discussion and Analysis for the first quarter period ended March 31, 2023

Attention: The Board of directors

The Stock Exchange of Thailand

The Board of Directors' Meeting of Asefa Public Company Limited ("the Company") No.3/2023 held on May 11, 2023 approved the financial statement of the Interim Financial Statements for the three-month period ended March 31, 2023.

The Company would like to clarify the changes in significant performance are as follows:

(Unit: Million Baht)

Consolidated Financial Statement	1st Quarter 2023	1st Quarter 2022	Change Increased / (Decreased)	
			Amount	%
Revenue for sale and services	863.16	533.85	329.31	61.68
Cost of sales and services	720.36	444.88	275.48	61.92
Gross profit	142.79	88.97	53.82	60.49
Gross Profit Margin (%)	16.54%	16.67%		
Other income	9.18	4.90	4.28	87.28
Profit before expenses	151.98	93.88	58.10	61.89
Distribution Cost & Administrative expenses	106.57	82.96	23.62	28.47
Finance costs	1.89	0.33	1.57	479.86
Share of loss from investments in associate	0.51	0.00	0.51	100.00
Profit before income tax	43.01	10.59	32.41	305.98
Income tax expenses	8.63	2.35	6.28	267.25
Net profit (Equity holders of the Company)	34.29	8.86	25.43	287.19
Net Profit Margin (%)	3.93%	1.64%		
Earnings per share (Baht)	0.06	0.02	0.04	200.00

Performance Analysis and Discussion

Overview of results for the three-month period ended March 31, 2023, the company and its subsidiaries had total revenues from sales and service of 863.16 million baht, an increased 329.31 million baht or by 61.68%, with a net profit of 34.29 million baht, increased of 25.43 million baht or by 287.19%. The net profit margin increased from 1.64% to 3.93%, when compared to the same period of last year. An increase in revenue and net profit of the company group, because the company has a large project and many projects delivered in this quarter. In addition, raw material prices have decreased volatility which made the cost of company is low, when compared to the increased sales volume.

**Revenues for sales and service**

Revenues from sales and service for the three months ended March 31, 2023, amounting to 863.16 million baht, increased by 329.31 million baht or by 61.68%, when compared to the same period of last year. The main change was manufacturer and distributor by company group, which increased by 146.30 million baht; the supplied and distributed products group increased by 61.07 million baht. and revenue from the service group, increased by 121.94 million baht.

Costs of sales and service

Costs of sales and service for the three months ended March 31, 2023, and 2022, amounting to 720.36 million baht and 444.88 million baht respectively, an increase of 275.48 million baht with a gross profit margin of 16.54%, which was close to the same period last year, which decreased by 0.13%.

Distribution cost & Administrative expenses

Distribution cost and administrative expenses for the three months ended March 31, 2023, and 2022, amounting to 106.57 million baht and 82.96 million baht respectively, increased 23.62 million baht or 28.47%. Most of the increased expenses were employee-related expenses of 7.58 million baht, advertising and sales promotion expenses of 2.50 million baht, allowance for doubtful accounts of 4.93 million baht, and allowance for the obsolete inventory of 3.17 million baht.

Statements of Financial Position

(Unit: Million Baht)

Consolidated Financial Statement	As at Mar 31, 2023	As at Dec 31, 2022	Change Increased / (Decreased)	
			Amount	%
Current assets	2,128.02	2,094.95	33.07	1.58
Non – current assets	824.35	825.68	(1.33)	(0.16)
Total assets	2,952.37	2,920.63	31.74	1.09
Liabilities	1,347.05	1,336.89	10.16	0.76
Shareholders' equity	1,605.32	1,583.74	21.58	1.36
Total Liabilities and shareholders' equity	2,952.37	2,920.63	31.74	1.09



Analysis of financial position

Assets

As of March 31, 2023, the Company and its subsidiaries total assets amounted to 2,952.37 million baht, an increase of 31.74 million baht or 1.09% from December 31, 2022. Significant changes from cash and cash equivalents decreased by 15.64 million baht. Trade and current receivables decreased by 42.23 million baht, and assets from current contracts increased by 47.90 million baht because the company there was an increase in unbilled revenue from sales of services from the same period last year. The inventories-net increased by 66.58 million baht, which most increased in finished goods and work in process, which is in the process of being worked and waiting to be delivered. The short and long-term loans to other entities decreased by 33.36 million baht, during the period the Company received some repayment from such loan.

Liabilities

As of March 31, 2023, the Company and its subsidiaries total liabilities amounted to 1,347.05 million baht, an increase from December 31, 2022 in the amount of 10.16 million baht or 0.76%, with significant changes from Bank overdrafts and short-term loans decreased by 78.96 million baht., because the Company's cash flow from operations increased compared to the previous period, so the Company repaid some short-term loans from financial institutions. Trade payables and other current payables increased by 54.59 million baht, due to the increase in raw material purchases. Liabilities arising from current contracts increased by 28.37 million baht because the company there is a deposit received in advance from services in new projects increased from the previous period. The company's debt-to-equity ratio decreased from 0.83 times to 0.82 times.

Shareholders' Equity

As of March 31, 2023, shareholders' equity amounted to 1,605.32 million baht, an increase of 21.58 million baht or 1.36%. During the period, profits were distributed from subsidiaries in the amount of 3.00 million baht. Treasury shares amounted to 9.80 million baht and profit from operations was 34.38 million baht.

For your information.

Yours sincerely,

Mr. Phaiboon Ungkanakornkul
Managing Director