

11 May 2023

Subject Management Discussion and Analysis on the Financial Statements for the 1st Quarter of 2023
(1 January - 31 March 2023)

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 1st quarter of 2023 (1 January - 31 March 2023) with details as follows;

Items	1 st Quarter 2023		1 st Quarter 2022		Change	
	mn THB	%	mn THB	%	mn THB	%
Net sales	115.58	100.00%	90.17	100.00%	+ 25.41	28.18%
Cost of sales	(68.61)	(59.36%)	(56.66)	(62.84%)	+ 11.95	21.09%
Gross Profit	46.97	40.64%	33.51	37.16%	13.46	40.17%
Other income	3.00	2.59%	0.14	0.16%	+ 2.86	2,105.15%
Selling expenses	(10.18)	(8.81%)	(7.94)	(8.81%)	+ 2.24	28.17%
Administrative expenses	(13.84)	(11.97%)	(9.03)	(10.01%)	+ 4.81	53.27%
Financial Costs	(1.91)	(1.65%)	(2.15)	(2.38%)	- 0.24	(11.26%)
Profit (Loss) before Tax	24.04	20.80%	14.53	16.11%	+ 9.51	65.51%
Income Tax Revenue (Expenses)	(4.94)	(4.28%)	(2.92)	(3.24%)	+ 2.02	69.61%
Net Profit (Loss)	19.10	16.52%	11.61	12.88%	+ 7.49	64.48%

Net Sales

In 1st quarter 2023, the Company had net sales of 115.58 mn bath, increased of 25.41 mn baht or 28.18% compared to the same period of 2022 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, gain on foreign exchange, etc. In 1st quarter 2023, the Company has other incomes of 3.00 mn baht, increase of 2.86 mn baht or 2,105.15% compared to the same period of 2022.

Cost of sales and Gross Profit Margin

In 1st quarter 2023, the Company has cost of sales of 68.61 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 2022. As a result, the company’s gross profit margin increased to 40.64% while the same period of 2022 had gross profit margin of 37.16% because economy of scale from the significant increase in sales revenue, Although the main raw materials has increased.

Selling expenses

The Company has selling expenses in 1st quarter 2023 of 10.18 mn baht or 8.81% of net sales. The increasing in selling expenses correspond with the increasing in net sales, especially fuel expense for its own trucks.

Administrative Expenses

The Company has administrative expenses in 1st quarter 2023 of 13.84 mn baht, an decrease of 4.81 mn baht or 53.27% compared to 1st quarter 2022 due to loss from cut loss assets

Financial Costs

In 1st quarter 2023, the Company has financial costs of 1.91 mn baht, decreased 0.24 mn baht or 11.26% compared to 1st quarter 2022 due to repayment long-term loans in the year

Net Profit and Net Profit Margin

The Company has net profit in 1st quarter 2023 of 24.04 mn baht which represents net profit margin of 20.80%, increased 9.51 mn baht or increased 65.51% compared to same period in 1st quarter 2022. This was due to the growth in net sales resulting in an economy of scale.

Assets

The Company has total assets as of 31 March 2023 of 707.19 mn baht, an increase from 31 December 2022 of 20.48 mn baht or 2.98%. The increase was from Cash and cash equivalents of 9.91 mn baht and Other current assets of 4.07 mn baht

Liabilities

The Company has total liabilities as of 31 March 2023 of 234.09 mn baht, an increase from 31 December 2022 of 1.27 mn baht or 0.55%. This was mainly due to an increase in trade payables of 5.66 million bah, an increase in income tax payable by 5.10 mn baht, and a decrease in borrowings from financial institutions of 9.98 mn baht.

Shareholders' Equity

The Company has shareholders' equity as of 31 March 2023 of 473.10 mn baht, an increase from 31 December 2022 of 19.20 mn baht or 4.23% from profit generate in the 1st quarter of 2023.

Statement of Cash Flows

According to the Cash Flow Statement of the 1st quarter 2023, the Company has net cash inflows from operating activities of 38.50 mn baht from increase the net profit. The Company has net cash outflows from investing activities of 15.11 mn baht from purchases of property, plant, and equipment. Lastly, the Company has net cash outflows from financing activities of 13.48 mn baht from repayment long-term loans from financial institution of 10.00 mn baht. Consequently, the Company has cash and cash equivalents as of 31 March 2023 of 70.93 mn baht.

Please be informed accordingly,

Best Regards,

CPANEL Public Company Limited

(Mr. Chakrit Theepakornsukkasame)

CEO