



THANTAWAN

Ref: THIP-SET/032/2023

August 11, 2023

Subject : Filing of Reviewed Financial Statements for the 2<sup>nd</sup>  
Quarter of 2023 and 2022 and Management  
Discussion and Analysis

Attention : The President  
The Stock Exchange of Thailand

Enclosures : 1. Reviewed Financial Statements and the Auditor's  
Review Report for the 2<sup>nd</sup> Quarter of 2023 and 2022  
2. Management Discussion and Analysis

The Board of Directors Meeting No. 5/2023 of Thantawan Industry Public Company Limited which was held on Friday, August 11, 2023 had approved the Reviewed Financial Statements for three-month and six-month period ended June 30<sup>th</sup>, 2023. The Management Discussion and Analysis for the 2<sup>nd</sup> Quarter of this year can be clarified as attached.

Please be informed accordingly.

Very truly yours,

(Mr. Teerachai Siritunyanont)(Mr. Ekaphol Pongstabhon)

Authorized Director



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Management Discussion and Analysis for For the three-month and six-month periods ended 30 June 2023

A.) Results of Operations

- Net Profit

The net profit after tax for the three-month period was THB 61.6 million which decreased by THB 39.4 million or 39% compared to same period last year. Earning per share was THB 0.68 lower than Q2/2022 by THB 0.44 per share.

For the six-month period amounting to THB 131.0 million decreased from the same period last year by THB 88.7 million or 40.4%. Earning per share was THB 1.46 which lower than 2022 by THB 0.99 per share.

- Gross Profit

For the three-month and six-month periods ended 30 June 2023, overall gross profit was decreased compare with the prior year. The gross profit margins for the three-month period was 17.2 and the six-month period was 18.5 which decreased from the prior year by 2.9 and 1.2, respectively. The analysis of the decrease in gross profit was described in cost of sale section.

Sales Revenue	Drinking Straw		Bags		Other Products		Total Sales Revenue	
	June 2023	June 2022	June 2023	June 2022	June 2023	June 2022	June 2023	June 2022
for 3 month								
International sales	18.4	17.9	514.3	856.5	23.4	38.2	556.1	912.6
Domestic sales	37.3	43.5	86.0	81.1	18.6	16.9	141.9	141.5
Total sales	55.7	61.4	600.3	937.6	42.0	55.1	698.0	1,054.1
<b>Inc.(Dec)</b>								
International sales	0.5	2.8%	- 342.2	-40.0%	- 14.8	-38.7%	- 356.5	-39.1%
Domestic sales	- 6.2	-14.3%	4.9	6.0%	1.7	10.1%	0.4	0.3%
<b>Total sales Inc.(Dec)</b>	- 5.7	<b>-9.3%</b>	- 337.3	<b>-36.0%</b>	- 13.1	<b>-23.8%</b>	- 356.1	<b>-33.8%</b>

Sales Revenue	Drinking Straw		Bags		Other Products		Total Sales Revenue	
	June 2023	June 2022	June 2023	June 2022	June 2023	June 2022	June 2023	June 2022
for 6 month								
International sales	34.4	37.2	1,223.3	1,777.4	69.7	79.4	1,327.4	1,894.0
Domestic sales	75.1	80.7	176.6	156.6	33.6	32.1	285.3	269.4
Total sales	109.5	117.9	1,399.9	1,934.0	103.3	111.5	1,612.7	2,163.4
<b>Inc.(Dec)</b>								
International sales	- 2.8	-7.5%	- 554.1	-31.2%	- 9.7	-12.2%	- 566.6	-29.9%
Domestic sales	- 5.6	-6.9%	20.0	12.8%	1.5	4.7%	15.9	5.9%
<b>Total sales Inc.(Dec)</b>	- 8.4	<b>-7.1%</b>	- 534.1	<b>-27.6%</b>	- 8.2	<b>-7.4%</b>	- 550.7	<b>-25.5%</b>



*Mr. Teerachai Siritunyanont*  
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*Mr. Ekaphol Pengstabhon*  
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 Director

- Revenue from sales of goods

For the three-month period ended 30 June 2023, revenue from sales of goods decreased by THB 356.1 million or 33.8% compared to same quarter last year. The six-month period decreased by THB 550.7 or 25.5%. The decreased in three-month and six-month period was mainly from international sales by THB 356.5 million or 39.1% and THB 566.6 million or 29.9%, respectively. This was due to the conflict between Russia and Ukraine which led to a slowdown in the global economy, began to affect sales in Europe and America as customer slowdown their orders. In addition, the domestic sale was slightly increased because the domestic market is highly competitive. The increase in six-month period of domestic sale by THB 15.9 million was mainly from products under own brands and increased from online markets where the company was trying to grow sales. Moreover, the company is accelerating to increase the market share for both internationally and domestically and adapting to eco-friendly global trends as well.

- Other income

Other income for the three-month period ended 30 June 2023 increased by THB 34.8 million or 259.8% compare with the same period last year. The main increase was due to the compensate income from the customer (one-time income) amounting to THB 31.7 million and the profit from foreign investment by THB 4.1 million.

The six-month period was increased by THB 20.6 million or 55.39%. The main increase was due to the compensate income from the customer (one-time income).

However, the company tries to manage working capital to generate other income by carefully select investment instruments and closely monitor the market situation.



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Director

- Expenses

Expenses for 3 month period	Q2/2023	%	Q2/2022	%	Inc.(de.)	%
Cost of sales	578,159	82.8%	842,653	79.9%	-264,494	-31.4%
Selling and distribution expenses	31,457	4.2%	30,308	2.8%	1,149	3.8%
Administrative expenses	66,087	8.9%	72,274	6.8%	-6,187	-8.6%
<b>Total expenses</b>	<b>675,703</b>	<b>96.8%</b>	<b>945,235</b>	<b>89.7%</b>	<b>-269,532</b>	<b>-28.5%</b>

Expenses for 6 month period	Q2/2023	%	Q2/2022	%	Inc.(de.)	%
Cost of sales	1,315,114	81.5%	1,737,161	80.3%	-422,047	-24.3%
Selling and distribution expenses	63,328	3.8%	58,857	2.7%	4,471	7.6%
Administrative expenses	138,096	8.3%	141,581	6.4%	-3,485	-2.5%
<b>Total expenses</b>	<b>1,516,538</b>	<b>94.0%</b>	<b>1,937,599</b>	<b>89.6%</b>	<b>-421,061</b>	<b>-21.7%</b>

Total expenses for the three-month and six-month periods ended 30 June 2023 decrease by THB 269.5 million or 28.5% and THB 421.1 or 21.7%, respectively. This was mainly due to the following;

- Cost of sales for the three-month and six-month periods decreased by THB 264.5 million or 31.4% and THB 422.1 or 24.3%, respectively. This decrease was in line with the lower sales revenue. However, cost of sales was decrease in the lower proportion compare with the revenue mainly reason from fixed-cost which cannot be reduced immediately. In addition, from the high cost of energy from the increase in the FT, as a result, the gross profit for three-month and six-month period was lower compare with the same period of last year, which decreased compared to the same period last year by 2.9 and 1.2 percent, respectively.
- Selling and distribution expenses for the three-month and six-month periods increased by THB 1.2 and 4.5 million, respectively. Increased due to the company invested in HR expenses and the travelling expense to expand the market and business in the future.
- Administrative expenses for the three-month and six-month periods decreased by THB 6.2 and 3.5 million, respectively. This was from reducing expenses in line with the current situation which income has decreased.



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## B) Financial position

### Assets

As of June 30, 2023, the Company's total assets of THB 2,989.9 million was decreased from December 31, 2022 by THB 35.2 million or 1.2%. The significant changes in assets were both increasing and decreasing, as follows:

- 1.) Inventories decreased by THB 50.4 million or 8.1%, which was impacted by a decrease in international orders in relation to a decrease in international income, resulting in a decrease in raw materials by 32.9 million THB and finished goods by THB 16.6 million. However, apart from the raw material orders decreased, the company also manages existing raw materials for cost efficiency.
- 2.) Net fixed assets decreased from the depreciation and the disposal of obsolete and unused assets such tools and computers from the assets register for donation.
- 3.) Trade and other receivables decreased in relation to the revenue.
- 4.) During the period, the Company invested in debentures and foreign funds by THB 336.3 million and disposed during the period by THB 318.5 million with the impact of the increase in fair value of THB 23.6 million. Net investments increased by THB 41.3 million, as shown in the financial statements in other current financial assets and other non-current financial assets. Currently, the Company is closely monitoring the situation and assessing impacts to reduce risks in investing in foreign funds and debentures. In addition, as of June 30, 2023, the Company has a net increase in cash equivalent and investments of THB 68.7 million.

### Liabilities and shareholders' equity

As of June 30, 2023, The Company's total liabilities amounting to THB 501.3 million, decrease from 31 December 2022 by THB 8.6 million or decrease by 1.7% mainly decreased due to lower accrued expenses by THB 47.2 million. On the other hand, trade and other payables increase by THB 34.6 million mainly from undue of trade payable from purchased in ended of period.

Shareholders' equity as of June 30, 2023 amounted to THB 2,488.6 million decrease by THB 26.6 million or 2.5% compared to December 31, 2022 from the total comprehensive profit for the six-month period by THB 130.9 million deducted with dividend payment by THB 157.5 million.



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Director

c) Key Financial Ratios

Description	Unit	2/2023 (3 month)	2/2022 (3 month)
Gross profit margin	%	17.18%	20.06%
Net profit margin	%	8.25%	9.46%
Return on shareholders' equity	%	2.43%	4.20%
Return on total assets	%	2.05%	3.31%
Liquidity ratio	Times	3.31	3.20
Cash cycle	Days	89	79
Debt to Equity ratio	Times	0.20	0.24
Book value per share	THB/share	27.65	27.02
Basic earnings per share	THB/share	0.68	1.12



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