

10 August 2023

Subject Management Discussion and Analysis on the Financial Statements for the 2nd Quarter of 2023
(1 April – 30 June 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 2nd quarter of 2023 (1 April – 30 June 2023) with details as follows;

Items	2 nd quarter of 2023		2 nd quarter of 2022		Change	
	mn THB	%	mn THB	%	mn THB	%
Net sales	101.26	100.00%	103.70	100.00%	- 2.44	(2.35%)
Cost of sales	(63.81)	(63.02%)	(66.99)	(64.60%)	- 3.18	(4.75%)
Gross Profit	37.45	36.98%	36.71	35.40%	+ 0.74	2.02%
Other income	5.10	5.04%	0.57	0.54%	+ 4.53	794.74%
Selling expenses	(9.76)	(9.64%)	(8.72)	(8.41%)	+ 1.04	11.93%
Administrative expenses	(11.46)	(11.32%)	(10.55)	(10.17%)	+ 0.91	8.63%
Financial Costs	(1.90)	(1.88%)	(1.74)	(1.68%)	+ 0.16	9.20%
Profit (Loss) before Tax	19.43	19.19%	16.27	15.69%	+ 3.16	19.42%
Income Tax Revenue (Expenses)	(3.91)	(3.86%)	(3.27)	(3.15%)	+ 0.64	19.57%
Net Profit (Loss)	15.53	15.33%	13.00	12.54%	+ 2.52	19.38%

Net Sales

In 2nd quarter of 2023, the Company had net sales of 101.26 mn baht, decreased of 2.44 mn baht or 2.35% compared to the same period of 2022 mainly due to slowdown in economic conditions during elections and political instability. As a result, the sales volume decreased slightly.

Other Incomes

Other Incomes comprised of revenue from sales of metal scraps from the production process, interest income, gain on foreign exchange, etc. In 2nd quarter of 2023, the Company has other incomes of 5.10 mn baht, increase of 4.53 mn baht or 794.74% compared to the same period of 2022.

Cost of sales and Gross Profit Margin

In 2nd quarter of 2023, the Company has cost of sales of 63.81 mn baht decreased in line with net sales. However, the ratio of the decrease in cost of sales is more than the decrease in net sales when compared to the same period of 2022. As a result, the company’s gross profit margin increased to 36.98% while the same period of 2022 had gross profit margin of 35.40% because the main raw materials cost has decreased.

Selling expenses

The Company has selling expenses in 2nd quarter of 2023 of 9.76 mn baht or 9.64% of net sales. The increasing in selling expenses due to the increase of fuel expense for its own trucks.

Administrative Expenses

The Company has administrative expenses in 2nd quarter of 2023 of 11.46 mn baht, an increase of 0.91 mn baht or 8.63% compared to 2nd quarter of 2022 mainly from adjustment of increasing salary annually

Financial Costs

In 2nd quarter of 2023, the Company has financial costs of 1.90 mn baht, increased 0.16 mn baht or 9.20% compared to 2nd quarter of 2022 due to adjustment of increasing loan interest rates.

Net Profit and Net Profit Margin

The Company has net profit in 2nd quarter of 2023 of 15.53 mn baht which represents net profit margin of 15.33%, increased 2.52 mn baht or 19.38% compared to same period in 2nd quarter of 2022. This was a result of increased gross profit and gain on exchange rates.

Assets

The Company has total assets as of 30 June 2023 of 697.75 mn baht, an increase from 31 December 2022 of 11.03 mn baht or 1.61%. The increase was from property, plant and equipment of 30.35 mn baht from the investment in the construction of the 2nd factory to support the expansion of production capacity while short-term investments decrease by 19.71 mn baht from maturity.

Liabilities

The Company has total liabilities as of 30 June 2023 of 220.30 mn baht, a decrease from 31 December 2022 of 12.51 mn baht or 5.37%. This was mainly due to decrease in income tax payable by 2.61 mn baht, and a decrease in borrowings from financial institutions of 17.18 mn baht.

Shareholders' Equity

The Company has shareholders' equity as of 30 June 2023 of 477.45 mn baht, an increase from 31 December 2022 of 23.55 mn baht or 5.19% from profit generate in year 2023.

Statement of Cash Flows

According to the Cash Flow Statement of the 2nd quarter of 2023, the Company has net cash inflows from operating activities of 61.07 mn baht from increase the net profit. The Company has net cash outflows from investing activities of 30.54 mn baht mainly from the investment in the construction of the 2nd factory to support the expansion of production capacity. Lastly, the Company has net cash outflows from financing activities of 34.43 mn baht mainly from repayment long-term loans from financial institution of 20.50 mn baht. Consequently, the Company has cash and cash equivalents as of 30 June 2023 of 57.12 mn baht.

Please be informed accordingly,

Best Regards,
CPANEL Public Company Limited

(Mr. Chakrit Theepakornsukkasame)
CEO