

Management Discussion and Analysis

For Quarter 2 Ending Jun 30<sup>th</sup>, 2023

The Company's Performance

Performance	Q2/23	Q1/23	Q2/22	Change +/-		6M/23	6M/22	Change +/-
Unit: Million Baht				%YoY	%QoQ			%YoY
Revenue from sales	420.4	241.0	434.4	(3.2%)	74.4%	661.3	819.4	(19.3%)
Cost of Sales	296.2	196.2	294.3	0.6%	51.0%	492.4	568.8	(13.4%)
Gross Profit	124.2	44.8	140.1	(11.3%)	177.2%	168.9	250.6	(32.6%)
Gross Profit Margin	29.5%	18.6%	32.3%	(2.8%)	10.9%	25.5%	30.6%	(5.1%)
Other income	7.7	3.6	8.8	(12.5%)	113.9%	11.4	14.1	(19.1%)
Total revenues	428.1	244.6	443.2	(3.4%)	75.0%	672.7	833.5	(19.3%)
Distribution costs	27.7	16.8	23.6	17.4%	64.9%	44.5	58.5	(23.9%)
Administrative expenses	27.1	21.5	27.8	(2.5%)	26.0%	48.5	49.7	(2.4%)
Profit from operation	77.1	10.1	97.6	(21.0%)	663.4%	87.3	156.4	(44.2%)
Financial cost	0.3	-	1.0	(70.0%)	0.0%	0.4	1.5	(73.3%)
Income tax expenses	15.2	1.9	19.3	(21.2%)	700.0%	17.1	30.8	(44.5%)
Net Profit	61.6	8.2	77.3	(20.3%)	651.2%	69.8	124.1	(43.8%)
Net Profit Margin	14.4%	3.4%	17.4%	(3.0%)	11.0%	10.4%	14.9%	(4.5%)
EBITDA	91.9	23.6	109.2	(15.8%)	289.4%	115.6	178.8	(35.3%)
EBITDA Margin	21.5%	9.6%	24.6%	(3.1%)	11.9%	17.2%	21.5%	(4.3%)

Total Revenues

In Q2'2023, the Company had total revenue was 428.1 million baht, decreased by 15.1 million baht or representing of 3.4% compared to the same period of the previous year. As a result, the customers in the Americas are in the process of negotiating conditions for expanding distribution channels that there is slow down the import of goods , thus making the sales plan to America Still did not meet the expected target, as for the sales of products in other regions During the second quarter, it continues to grow according to the strategic plan to expand the customer base in the market. Especially in Europe, grew to high of 245.6% , Australia grew of 162. 1 % , the Middle East grew of 39.4 % , Asia grew of 37.2 % and Africa grew of 26.4 % , resulting in an increase in the Company's sales revenue of 179.4 million baht or representing of 74.4% compared to the previous quarter.

For total revenue for the six-month period of 2023, it was 672.7 million baht, decreased by 160.8 million baht or representing of 19.3% compared to the same period of the previous year. Significant impacts had been made on customers in America as mentioned above since the first quarter. However, the company will continue to monitor the situation closely with customers to track sales back into the next quarter.

Cost of Sales

In Q2'2023, the Company had cost of sales was 296.2 million baht, increased by 1.9 million baht or representing of 0.6% compared to the same period of the previous year. Due to rising raw material and packaging prices Including the cost of consumables in production increased. fuel cost electrical energy Although the company will use electricity from solar energy from the factory roof to reduce normal electricity consumption. But it still can't reduce the overall electricity cost compared to the increase in FT. The management awareness the problem and plan to have mass production to achieve economies of scale in each month's production. Including the control of production costs and cost of sales to be effective according to the set target.

The company had total cost of sales for the six-month period of 2023 was 492.4 million baht, decreased by 76.4 million baht or representing of 13.4% compared to the same period of the previous year that according to the decreased of sales ratio.

## Gross Profit

The Company had earned the gross profit in Q2'2023 of 124.2 million baht, decreased by 15.9 million baht or presenting of 11.3% compared to the same period of the previous year. This gross profit decreased result from the increased sales costs and decreased sales revenue.

The Company had gross profit for the six-month period of 2023 was 168.9 million baht, decreased by 81.7 million baht or representing of 32.6% compared to the same period of the previous year because the price of raw materials and expenses are increased, which affects the price cost of sale that increased and revenue from sales that decreased.

## Distribution Expenses

The Company had sales and distribution expenses in Q2' 2023, was 27.7 million baht, increased by 4.1 million baht or representing of 17.4% compared to the same period in the previous year according to, there is a selling expenses from the marketing plan to promote domestic sales including domestic and international exhibition booths to perform marketing for more customers' awareness of PLUS's products and seeking new customers as per the strategy.

The company had sales and distribution expenses for the six-month period of 2023 was 44.5 million baht, decreased by 14.0 million baht or representing of 23.9% compared to the same period of the previous year. The cost of exporting goods decreased of following the sales ratio. But the company still had more sale promotion expenses according to the marketing plan.

## Administrative Expenses

The Company had the administrative expenses in Q2'2023, was 27.1 million baht, decreased by 0.7 million baht or representing of 2.5% compared to the same period in the previous year according to, decreased of sales ratio. The company controls its administrative expenses effectively under the conditions of labor prices, other expenses and public utilities that increased prices.

The company had administrative expenses for the six-month period of 2023 was 48.5 million baht, decreased by 1.2 million baht or representing of 2.4% compared to the same period in the previous year. The company controls its administrative expenses effectively under the conditions of labor prices, other expenses and public utilities that increased prices.

## Net Profit

The Company had net profit in Q2' 2023 was 61.6 million baht, representing a net profit margin of 14.4% of total revenue, decreased by 15.7 million baht or representing of 20.3% compared to the same period in the previous year.

The Company had net profit for the six-month period of 2023 was 69.8 million baht, representing a net profit margin of 10.4% of total revenue, decreased by 54.3 million baht or representing of 43.8% compared to the same period in the previous year.

**The Company's Statement of Financial Position**

(Unit : Million Baht)	30 Jun 2023	31 December 2022	% Change
Total current assets	718.7	821.4	(12.5%)
Total non-current assets	845.5	630.8	34.0%
<b>Total Assets</b>	<b>1,564.2</b>	<b>1,452.2</b>	<b>7.7%</b>
Total current liabilities	311.4	186.7	66.9%
Total non-current liabilities	16.5	11.9	38.2%
<b>Total Liabilities</b>	<b>327.9</b>	<b>198.6</b>	<b>65.1%</b>
Capital	1,008.7	1,008.7	0.0%
Accumulated profit	227.6	244.9	(7.1%)
<b>Total shareholders' equity</b>	<b>1,236.3</b>	<b>1,253.6</b>	<b>(1.4%)</b>

**Assets**

As of Jun 30<sup>th</sup>, 2023, the Company had the total assets of 1,564.2 million baht increased by 7.7% from that of the end of the year 2022, current assets of 718.7 million baht decreased by 12.5% from the cash and cash equivalents, deposit for goods paid in advance, and increased inventory for the sales of the next quarter, non-current assets of 845.5 million baht increased by 34.0% from advance payment for machines, paid for the purchase of equipment and tools in the factory improve the building area. According to the company's production capacity expansion plan to support the expanding market that is growing continuously.

**Liabilities**

As of Jun 30<sup>th</sup>, 2023, the Company had a total liability of 327.9 million baht increased from that of the end of the year 2022 by 65.1%, current liabilities of 311.4 million baht increased by 66.9% from trade payables due to procurements of production raw materials and packaging Various materials used in production and income received in advance for goods awaiting delivery on time and accrued corporate income tax from the Company's performance, non-current liabilities of 16.5 million baht which increased by 38.2% due to the liabilities under long-term financial and assets lease agreements and estimation of the future employees' benefit.

**Shareholders' Equity**

As of Jun 30<sup>th</sup>, 2023, the Company had a total shareholders' equity of 1,236.3 million baht which decreased by 1.4%, the company paid dividends from the performance in 2022, amounted of 87.1 million baht and had profit from operating results increased in the amount of 69.8 million baht from the period of Q2'2023.

**Key Financial Ratios**

Financial Ratios	Quarter 2		Quarter 1
	2023	2022	2023
Gross profit margin (%)	29.54	32.26	18.58
Net profit ratio (%)	14.39	17.45	3.36
Profit per share (baht)	0.09	0.13	0.01
Return on Assets (%)	10.17	15.35	11.27
Return on Equity (%)	12.32	22.36	13.44
Liquidity ratio (times)	2.31	3.05	3.36
Debt to equity ratio (times)	0.27	0.29	0.23
Book value per share (baht)	1.85	1.75	1.88

### Liquidity and Capital Resources

Cash Flow Statement (Million Baht)	6M/2023	6M/2022	% Change
<b>Cash flows from operating activities</b>			
Net cash flow from operating activities	179.4	154.8	15.9%
<b>Cash flows from investing activities</b>			
Net cash from (used in) investing activities	(236.0)	(40.0)	490.0%
<b>Cash flows from financing activities</b>			
Net cash from (used in) financing activities	(88.2)	548.7	(116.1%)
<b>Cash and cash equivalents net increase</b>	<b>(144.8)</b>	<b>663.5</b>	<b>(121.8%)</b>
Cash and cash equivalents at beginning of period	578.2	37.9	1,425.6%
<b>Cash and cash equivalents at end of period</b>	<b>433.5</b>	<b>701.4</b>	<b>(38.2%)</b>

As of Jun 30<sup>th</sup>, 2023, the Company had the balance of cash and cash equivalent of 433.5 million baht which the net cash flow from operating activities of 179.4 million baht. The net cash flow spent on investment activity was 236.0 million Baht that was spent on machinery, equipment, and software for accept the expanding capacity. Net cash flow from financing activities of 88.2 million Baht from dividend payment of 87.1 million baht and paid debt of lease agreement.