



THANTAWAN

Ref: THIP-SET/040/2023

November 13, 2023

Subject : Filing of Reviewed Financial Statements for the 3<sup>rd</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 3<sup>rd</sup> Quarter of 2023 and 2022  
2. Management Discussion and Analysis

The Board of Directors Meeting No. 8/2023 of Thantawan Industry Public Company Limited which was held on Monday, November 13, 2023 had approved the Reviewed Financial Statements for three-month and nine-month period ended September 30<sup>th</sup>, 2023. The Management Discussion and Analysis for the 3<sup>rd</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



OFFICE

32<sup>nd</sup> Fl., Sun Towers Bldg.A, 123 Vibhavadi-Rangsit Rd., Chomphon, Chatuchak, Bangkok 10900 Thailand.  
Tel. + 66 2273 8333 Fax. + 66 2273 8282 , 273 8484 Website : [www.thantawan.com](http://www.thantawan.com)

FACTORY

143-144 Moo 8, Soi Kangval 2, Phetkasem Rd., Omyai, Sampran, Nakornpathom 73160 Thailand.  
Tel. + 66 2431 3051 , 811 4700 Fax. + 66 2420 3180 Website : [www.thantawan.com](http://www.thantawan.com)



Management Discussion and Analysis for the three-month and nine-month periods ended 30 September 2023 of Thantawan Industry Public Company Limited (“the Company”)

**A) Operating results**

Unit : million baht

Profit or loss	Q3/2023	Q3/2022	Change		Q3/2023	Q3/2022	Change	
	3 month	3 month	Amount	%	9 month	9 month	Amount	%
<b>Revenues</b>								
Revenue from contracts with customers	882.0	1,099.0	(217.0)	-19.7%	2,494.7	3,262.4	(767.7)	-23.5%
Cost of sales	695.5	901.6	(206.1)	-22.9%	2,010.6	2,638.8	(628.2)	-23.8%
<b>Gross Profit</b>	<b>186.5</b>	<b>197.4</b>	<b>(10.9)</b>	<b>-5.5%</b>	<b>484.1</b>	<b>623.6</b>	<b>(139.5)</b>	<b>-22.4%</b>
Other income	23.0	20.2	2.8	13.8%	78.1	54.8	23.3	42.6%
<b>Expenses</b>								
Selling and distribution expenses	31.3	30.5	0.9	2.9%	94.7	89.3	5.4	6.0%
Administrative expenses	61.3	65.6	(4.3)	-6.5%	199.4	207.2	(7.7)	-3.7%
<b>Profit from operating activities</b>	<b>116.8</b>	<b>121.6</b>	<b>(4.8)</b>	<b>-3.9%</b>	<b>268.2</b>	<b>382.0</b>	<b>(113.8)</b>	<b>-29.8%</b>
Finance cost	(0.7)	(0.8)	(0.1)	-13.6%	(2.1)	(2.2)	(0.1)	-4.8%
<b>Profit before income tax expenses</b>	<b>116.1</b>	<b>120.7</b>	<b>(4.6)</b>	<b>-3.8%</b>	<b>266.1</b>	<b>379.8</b>	<b>(113.7)</b>	<b>-29.9%</b>
Income tax expenses	(16.1)	(13.5)	2.6	19.6%	(35.0)	(52.7)	(17.7)	-33.6%
<b>Profit for the period</b>	<b>100.0</b>	<b>107.3</b>	<b>(7.3)</b>	<b>-6.8%</b>	<b>231.0</b>	<b>327.0</b>	<b>(96.0)</b>	<b>-29.4%</b>
Basic earnings per share	1.1	1.2	(0.1)		2.6	3.6	(1.1)	
<b>Gross Profit Margin</b>	<b>21.1%</b>	<b>18.0%</b>	<b>3.2%</b>		<b>19.4%</b>	<b>19.1%</b>	<b>0.3%</b>	

Net profits for the three-month and nine-months periods ended 30 September 2023 were THB 100.0 million and THB 231.0 million, respectively, which decreased by THB 7.3 million (6.8%) and THB 96.0 million (29.4%) compared to the same period last year, respectively. The decrease in net income was due primarily to the lower sales volume of export sales. The conflict between Russia and Ukraine has led to a slowdown in the global economy and affected sales in Europe and America as the customers slowed down their orders. However, the Company is accelerating to increase the market share for both internationally and domestically and adapting toward the sustainability development.



*Mr. Teerachai Sritunyanont*  
 Mr. Teerachai Sritunyanont  
 Director

*Mr. Ekaphol Pongstabhon*  
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 Director

● Revenue from sales of goods

Unit : million baht

Sales Revenue for 3 month	Drinking Straw		Bags		Other Products		Total Sales Revenue	
	Sep 23	Sep 22	Sep 23	Sep 22	Sep 23	Sep 22	Sep 23	Sep 22
Export sales	20.6	23.9	682.0	892.7	29.6	35.0	732.2	951.6
Domestic sales	42.6	48.5	93.7	85.5	13.5	13.4	149.8	147.4
Total sales	63.2	72.4	775.7	978.2	43.1	48.4	882.0	1,099.0
<b>Inc(Dec)</b>								
Export sales	(3.3)	-13.8%	(210.7)	-23.6%	(5.4)	-15.4%	(219.4)	-23.1%
Domestic sales	(5.9)	-12.2%	8.2	9.6%	0.1	0.7%	2.4	1.6%
<b>Total sales Inc(Dec)</b>	<b>(9.2)</b>	<b>-12.7%</b>	<b>(202.5)</b>	<b>-20.7%</b>	<b>(5.3)</b>	<b>-11.0%</b>	<b>(217.0)</b>	<b>-19.7%</b>


Unit : million baht

Sales Revenue for 9 month	Drinking Straw		Bags		Other Products		Total Sales Revenue	
	Sep 23	Sep 22	Sep 23	Sep 22	Sep 23	Sep 22	Sep 23	Sep 22
Export sales	55.0	61.1	1,905.3	2,670.1	99.3	114.4	2,059.6	2,845.6
Domestic sales	117.6	129.2	270.4	242.1	47.1	45.5	435.1	416.8
Total sales	172.6	190.3	2,175.7	2,912.2	146.4	159.9	2,494.7	3,262.4
<b>Inc(Dec)</b>								
Export sales	(6.1)	-10.0%	(764.8)	-28.6%	(15.1)	-13.2%	(786.0)	-27.6%
Domestic sales	(11.6)	-9.0%	28.3	11.7%	1.6	3.5%	18.3	4.4%
<b>Total sales Inc(Dec)</b>	<b>(17.7)</b>	<b>-9.3%</b>	<b>(736.5)</b>	<b>-25.3%</b>	<b>(13.5)</b>	<b>-8.4%</b>	<b>(767.7)</b>	<b>-23.5%</b>

For the three-month and nine-month periods ended 30 September 2023, revenue from sales of goods decreased by THB 217.0 million (19.7%) and THB 767.7 million (23.5%) compared to same period last year, respectively. The above table represents the breakdown of sales by products, classified between domestic sales and export sales.

The decrease in export sales was due primarily to the conflict between Russia and Ukraine as mentioned previously. However, the increase in domestic sales was mainly from the sales of products under own brands and online markets where the Company was trying to grow sales.



  
Mr. Teerachai Sirtunyanont  
Director

  
Mr. Ekaphol Pongstabhon  
Director

- **Other income**

For the three-month and nine-month periods ended 30 September 2023, other income increased by THB 2.8 million (13.8%) and THB 23.3 million (42.6%) compared to same period last year, respectively. The increase for the three-month period resulted mainly from a gain on exchange rate and profit from foreign investments, while the increase for the nine-month period resulted mainly from the compensation income from the customer (one-time income).

The Company tries to manage working capital to generate other income by carefully selecting investment instruments and closely monitoring the market situation to receive the appropriate return.

- **Gross profit margin**

For the three-month and nine-month periods ended 30 September 2023, gross profit margins were 21.1% and 19.4%, respectively, which increased by 3.2% and 0.3% compared to the same period last year, respectively. Such increase resulted mainly from the drop in cost of raw materials over the periods.


- **Selling and distribution expenses**

Selling and distribution expenses for the three-month and nine-month periods ended 30 September 2023 increased by THB 0.9 million (2.9%) and THB 5.4 million (6.0%) compared to the same period last year, respectively. Such increase was significantly due to sales and promotional expenses, employee expenses and travelling expenses of Sales department for expanding to new market and business in the future.

- **Administrative expenses**

Administrative expenses for the three-month and nine-month periods ended 30 September 2023 decreased by THB 4.3 million (6.5%) and THB 7.7 million (3.7%) compared to the same period last year, respectively. Such decrease was in line with the drop in accrued expenses of some items which were adjusted to align with the current situation which income decreased.



  
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## B) Financial position

### Assets

As of 30 September 2023, the Company's total assets amounted to THB 3,021.9 million, decreasing by THB 3.2 million (0.1%) from 31 December 2022. The significant changes in assets were listed below.


1. Cash and cash equivalents – The increase of THB 252.6 million or 89.5% resulted mainly from net cash flows from operation of THB 362.8 million and net cash flows from investing of THB 73.8 million. However, the Company paid dividend and repayment for lease agreement totaling THB 184.0 million.
2. Inventories – The decrease of THB 174.9 million or 28.0% was from the decrease in raw materials and finished goods by THB 74.3 million and THB 58.2 million, respectively. The Company reduced inventory level in line with the drop in sales order from customers.
3. Fixed assets – The decrease of THB 70.7 million or 8.2% was due to the depreciation and the disposal of unused machine and equipment during the period.
4. During the period, the Company invested in foreign debentures and funds totaling THB 408.5 million and disposed of such investments totaling THB 503.5 million. In addition, the fair value of such investments increased by THB 46.2 million. As a result, net investments decreased by THB 48.9 million, as presented in other current financial assets and other non-current financial assets. Currently, the Company is closely monitoring the situation and assessing impacts regularly to reduce risks and gain profits from investments in such financial assets.

### Liabilities and shareholders' equity

As of 30 September 2023, the Company's total liabilities amounted to THB 429.3 million, decreasing by THB 80.6 million or 15.8% from 31 December 2022. Major decreased items were accrued expenses and trade and other payables which decreased by THB 40.4 million and THB 40.4 million, respectively. Such decrease was in line with the drop in cost of sales and administrative expenses.

Shareholders' equity as of 30 September 2023 amounted to THB 2,592.6 million, increasing by THB 77.4 million or 3.1% compared to 31 December 2022. Such increase was from the total comprehensive profit for the nine-month period of THB 234.9 million less dividend of THB 157.5 million.



  
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Director

  
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Director

C) Key Financial Ratios

Description	Unit	Q3/2023 (9 month)	Q3/2022 (9 month)
Gross profit margin	%	19.40%	19.12%
Net profit margin	%	9.26%	10.02%
Return on shareholders' equity	%	9.05%	13.64%
Return on total assets	%	7.64%	10.88%
Liquidity ratio	Times	4.16	2.87
Cash cycle	Days	80	76
Debt to Equity ratio	Times	0.17	0.23
Book value per share	THB/share	28.81	26.64
Basic earnings per share	THB/share	2.57	3.63



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