

Ref. DBP. 094 / 2023

November 8, 2023

Subject : Clarification on Operating Results for the 3<sup>rd</sup> quarter and 9-month Period ending September 30, 2023

To : President  
The Stock Exchange of Thailand

Diamond Building Products Public Company Limited and its Subsidiary (together referred to as "Corporate Group") would like to clarify on the operating results according to the consolidated financial statements for the 3<sup>rd</sup> quarter and 9-month Period ending September 30, 2023 as follows.

The net profit of the Corporate Group for the 3<sup>rd</sup> quarter and 9-month period ending September 30, 2023 were Baht 168.68 million and Baht 512.90 million, respectively. In comparison with the same periods of previous year with the net profit of Baht 130.32 million and Baht 508.39 million, respectively, the net profit for the 3<sup>rd</sup> quarter increased by Baht 38.36 million or an increase of 29.44 percent and the net profit for the 9-month period increased by Baht 4.51 million or an increase of 0.89 percent.

Details of the changes or impacts are described in the Management Discussion and Analysis (MD&A) as attached herewith.

Please be informed accordingly.

Yours faithfully,

For and on behalf of Diamond Building Products Public Company Limited

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**DIAMOND BUILDING PRODUCTS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**MANAGEMENT DISCUSSION AND ANALYSIS**

(For the Consolidated Financial Statements of the 3<sup>rd</sup> Quarter Ending September 30, 2023)

**(1) Overall Operating Results**

The Company and its subsidiary company (together referred to as the “Corporate Group”) have overall operating results for the 3<sup>rd</sup> quarter and 9-month period ending September 30, 2023, which can be summarized as follows.

(1.1) For the 3<sup>rd</sup> quarter 2023, the revenue from sales and services of the Corporate Group totaled Baht 1,373.15 million, which increased from the same period of previous year by 11.02 percent and the net profit was Baht 168.68 million, which increased from the same period of previous year by 29.44 percent.

(1.2) For the 9-month period of year 2023, the revenue from sales and services of the Corporate Group totaled Baht 4,437.65 million, which increased from the same period of previous year by 11.38 percent and the net profit was Baht 512.90 million, which increased from the same period of previous year by 0.89 percent.

The Corporate Group’s growth rate has derived from the increase in revenues from sales and services in every distribution channel. In addition, the cost of energy and cost of the main raw materials such as cement and paper pulp tend to decrease and the management of product mix have contributed to the increase in net profit as compared with the same period of previous year, even though the gross profit margin decreased from the same period of previous year. Nonetheless, the Corporate Group shall endeavor to maintain its operating results in accordance with the established target.

**(2) Analysis of Operating Results and Profitability**

**(2.1) Revenues from Sales and Services**

Description	Year 2023		Year 2022		Increase / (Decrease)	
	Million Baht	% of Total Revenue	Million Baht	% of Total Revenue	Million Baht	%
<b>3<sup>rd</sup> Quarter (July – September)</b>						
Revenues from Sales	1,233.70	89.76	1,118.78	90.03	114.92	10.27
Revenues from Services	139.45	10.15	118.06	9.50	21.39	18.12
<b>Total Revenue from Sales and Services</b>	<b>1,373.15</b>	<b>99.91</b>	<b>1,236.84</b>	<b>99.53</b>	<b>136.31</b>	<b>11.02</b>
Gain on Sales of Fixed Assets	0.11	0.01	4.14	0.33	(4.03)	(97.34)
Gain on Foreign Exchange Rate – Net	-	-	-	-	-	-
Other Income	1.23	0.08	1.64	0.14	(0.41)	(25.00)
<b>Total Other Income</b>	<b>1.34</b>	<b>0.09</b>	<b>5.78</b>	<b>0.47</b>	<b>(4.44)</b>	<b>(76.82)</b>
<b>Total Revenue</b>	<b>1,374.49</b>	<b>100.00</b>	<b>1,242.62</b>	<b>100.00</b>	<b>131.87</b>	<b>10.61</b>

Description	Year 2023		Year 2022		Increase / (Decrease)	
	Million Baht	% of Total Revenue	Million Baht	% of Total Revenue	Million Baht	%
<b>9-month Period (January – September)</b>						
Revenues from Sales	4,042.95	90.93	3,662.93	91.66	380.02	10.37
Revenues from Services	394.70	8.88	321.39	8.04	73.31	22.81
<b>Total Revenue from Sales and Services</b>	<b>4,437.65</b>	<b>99.81</b>	<b>3,984.32</b>	<b>99.70</b>	<b>453.33</b>	<b>11.38</b>
Gain on Sales of Fixed Assets	0.07	-	4.18	0.10	(4.11)	(98.33)
Gain on Foreign Exchange Rate – Net	3.53	0.08	-	-	3.53	-
Other Income	5.10	0.11	7.85	0.20	(2.75)	(35.03)
<b>Total Other Income</b>	<b>8.70</b>	<b>0.19</b>	<b>12.03</b>	<b>0.30</b>	<b>(3.33)</b>	<b>(27.68)</b>
<b>Total Revenue</b>	<b>4,446.35</b>	<b>100.00</b>	<b>3,996.35</b>	<b>100.00</b>	<b>450.00</b>	<b>11.26</b>

The Corporate Group's total revenue in the 3<sup>rd</sup> Quarter 2023 increased from the same period of previous year by 10.61 percent, consisting of:

 Revenues from sales were Baht 1,233.70 million, which increased from the same period of previous year by Baht 114.92 million or 10.27 percent, due to the increase in revenues from product sales through group of housing projects of 23.54 percent, from the group of modern trade customers of 19.32 percent, from the group of overseas distribution agents of 14.48 percent and from the group of domestic distribution agents of 3.39 percent.

 Revenues from services were Baht 139.45 million, which increased from the same period of previous year by Baht 21.39 million or 18.12 percent, due to the increase in revenue from transportation of Baht 4.58 million and the increase in revenue from services of Baht 16.81 million.

 Other income totaled Baht 1.34 million, which decreased from the same period of previous year by Baht 4.44 million, due to the decrease in gain on sales of fixed assets of Baht 4.03 million and decrease in other income of Baht 0.41 million.

The Corporate Group's total revenue in the 9-month period of year 2023 increased from the same period of previous year by 11.26 percent, consisting of:

 Revenues from sales were Baht 4,042.95 million, which increased from the same period of previous year by Baht 380.02 million or 10.37 percent, due to the increase in revenues from product sales through group of housing projects of 27.28 percent, from the group of modern trade customers of 10.98 percent, from the group of overseas distribution agents of 10.73 percent and from the group of domestic distribution agents of 6.49 percent.

 Revenues from services were Baht 394.70 million, which increased from the same period of previous year by Baht 73.31 million or 22.81 percent, due to the increase in revenue from transportation of Baht 15.20 million and the increase in revenue from services of Baht 58.11 million.

 Other income totaled Baht 8.70 million, which decreased from the same period of previous year by Baht 3.33 million, due to the decrease in gain on sales of fixed assets of Baht 4.11 million and decrease in

other income of Baht 2.75 million, but there were increase in gain on foreign exchange rate of Baht 3.53 million.

## (2.2) Cost of Sales and Services

Description	Year 2023		Year 2022		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
<b>3<sup>rd</sup> Quarter (July – September)</b>						
Cost of Sales	855.39	62.29	798.29	64.54	57.10	7.15
Cost of Services	135.35	9.86	120.54	9.75	14.81	12.29
<b>Total Cost of Sales and Services</b>	<b>990.74</b>	<b>72.15</b>	<b>918.83</b>	<b>74.29</b>	<b>71.91</b>	<b>7.83</b>
<b>9-month Period (January – September)</b>						
Cost of Sales	2,902.50	65.41	2,541.64	63.79	360.86	14.20
Cost of Services	388.76	8.76	334.05	8.38	54.71	16.38
<b>Total Cost of Sales and Services</b>	<b>3,291.26</b>	<b>74.17</b>	<b>2,875.69</b>	<b>72.18</b>	<b>415.57</b>	<b>14.45</b>

The Corporate Group's total cost of sales and services in the 3<sup>rd</sup> Quarter 2023 increased from the same period of previous year by 7.83 percent, consisting of:

 Cost of sales was Baht 855.39 million, which increased from the same period of previous year by Baht 57.10 million or 7.15 percent, due to the increase in product sales volume of 0.48 percent and increase in the costs of raw materials and energy.

 Cost of services was Baht 135.35 million, which increased from the same period of previous year by Baht 14.81 million or 12.29 percent, due to the increase in the transportation cost of Baht 2.56 million and increase in cost of services of Baht 12.25 million.

The Corporate Group's total cost of sales and services in the 9-month period of year 2023 increased from the same period of previous year by 14.45 percent, consisting of:

 Cost of sales was Baht 2,902.50 million, which increased from the same period of previous year by Baht 360.86 million or 14.20 percent, due to the increase in product sales volume of 2.44 percent and increase in the costs of raw materials and energy.

 Cost of services was Baht 388.76 million, which increased from the same period of previous year by Baht 54.71 million or 16.38 percent, due to the increase in the transportation cost of Baht 11.64 million and increase in cost of services of Baht 43.07 million.

## (2.3) Selling and Administrative Expenses

Description	Year 2023		Year 2022		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
<b>3<sup>rd</sup> Quarter (July – September)</b>						
Selling Expenses	38.70	2.82	33.45	2.70	5.25	15.70
Administrative Expenses	112.50	8.19	112.26	9.08	0.24	0.21
Management's Remunerations*	19.36	1.41	13.74	1.11	5.62	40.90
<b>Total Selling and Administrative Expenses</b>	<b>170.56</b>	<b>12.42</b>	<b>159.45</b>	<b>12.89</b>	<b>11.11</b>	<b>6.97</b>

Description	Year 2023		Year 2022		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
<b>9-month Period (January – September)</b>						
Selling Expenses	114.42	2.58	103.53	2.60	10.89	10.52
Administrative Expenses	343.70	7.75	335.34	8.42	8.36	2.49
Management's Remunerations*	50.81	1.14	41.25	1.04	9.56	23.18
<b>Total Selling and Administrative Expenses</b>	<b>508.93</b>	<b>11.47</b>	<b>480.12</b>	<b>12.05</b>	<b>28.81</b>	<b>6.00</b>
<b>Remarks:</b> * Management means the director, chief executive officer or the next four executives succeeding the chief executive officer, the persons holding equivalent position to the fourth executive and shall include the persons holding the position of manager or equivalent in accounting or finance departments.						

The Corporate Group's total selling and administrative expenses in the 3<sup>rd</sup> Quarter 2023 increased from the same period of previous year by 6.97 percent, consisting of:

 Selling expenses were Baht 38.70 million, which increased from the same period of previous year by Baht 5.25 million or 15.70 percent, due to the increase in sales promotion expenses of Baht 1.43 million, increase in salary and benefits of the employees of Baht 1.27 million, increase in service expenses of Baht 1.32 million, increase in entertainment expenses of Baht 0.45 million and increase in other expenses of Baht 0.78 million.

 Administrative expenses were Baht 112.50 million, which increased from the same period of previous year by Baht 0.24 million or 0.21 percent, due to the increase in allowance for dead stock of Baht 4.85 million, increase in product packaging expenses of Baht 2.40 million, increase in processing expenses for export products of Baht 0.96 million, increase in local maintenance and property tax of Baht 0.70 million and increase in depreciation and amortization of Baht 0.66 million, but there were decrease in salary and benefits of the employees of Baht 1.84 million, decrease in service expenses of Baht 1.84 million, decrease in maintenance expenses of Baht 1.26 million, decrease in fuel expenses of Baht 0.64 million, decrease in expenses from product claims of Baht 0.41 million and decrease in other expenses of Baht 3.34 million.

 Management's remunerations were Baht 19.36 million, which increased from the same period of previous year by Baht 5.62 million or 40.90 percent.

The Corporate Group's selling and administrative expenses in the 9-month period of year 2023 increased from the same period of previous year by 6 percent, consisting of:

 Selling expenses were Baht 114.42 million, which increased from the same period of previous year by Baht 10.89 million or 10.52 percent, due to the increase in salary and benefits of the employees of Baht 3.84 million, increase in service expenses of Baht 2.53 million, increase in sales promotion expenses of Baht 1.93 million, increase in travelling expenses of Baht 1.09 million, increase in entertainment expenses of Baht 0.67 million and increase in other expenses of Baht 0.83 million.

 Administrative expenses were Baht 343.70 million, which increased from the same period of previous year by Baht 8.36 million or 2.49 percent, due to the increase in depreciation and amortization of Baht 4.99 million, increase in allowance for dead stock of Baht 4.01 million, increase in product packaging

expenses of Baht 3.49 million, increase in salary and benefits of the employees of Baht 3.40 million, increase in processing expenses for export products of Baht 1.61 million and increase in electricity expenses of Baht 0.95 million, but there were decrease in service expenses of Baht 4.58 million, decrease in maintenance expenses of Baht 0.94 million, decrease in fuel expenses of Baht 0.67 million, decrease in expenses from product claims of Baht 0.54 million and decrease in other expenses of Baht 3.36 million.



Management's remunerations were Baht 50.81 million, which increased from the same period of previous year by Baht 9.56 million or 23.18 percent.

#### (2.4) Profitability

Description	Year 2023		Year 2022		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
<b>3<sup>rd</sup> Quarter (July – September)</b>						
Revenues from Sales and Services	1,373.15	100.00	1,236.84	100.00	136.31	11.02
Costs of Sales and Services	990.74	72.15	918.83	74.29	71.91	7.83
GP	382.41	27.85	318.01	25.71	64.40	20.25
EBITDA	282.84	20.60	245.99	19.89	36.85	14.98
EBIT	213.20	15.53	164.35	13.29	48.85	29.72
NP	168.68	12.28	130.32	10.54	38.36	29.44
EPS (Baht per Share) *	0.20		0.15		0.05	29.44
Weighted Average Number of Ordinary Shares (Million Shares) *	855.03		855.03		-	-
<b>9-month Period (January – September)</b>						
Revenues from Sales and Services	4,437.65	100.00	3,984.32	100.00	453.33	11.38
Costs of Sales and Services	3,291.26	74.17	2,875.69	72.18	415.57	14.45
GP	1,146.39	25.83	1,108.63	27.82	37.76	3.41
EBITDA	863.56	19.46	882.80	22.16	(19.24)	(2.18)
EBIT	646.15	14.56	640.54	16.08	5.61	0.88
NP	512.90	11.56	508.39	12.76	4.51	0.89
EPS (Baht per Share) *	0.60		0.59		0.01	0.89
Weighted Average Number of Ordinary Shares (Million Shares) *	855.03		855.03		-	-
<b>Return on Equity (ROE) (%)</b>	<b>28.24%</b>		<b>27.60%</b>		<b>0.64%</b>	
<b>Return on Assets (ROA) (%)</b>	<b>18.31%</b>		<b>17.38%</b>		<b>0.93%</b>	
<b>Remark:</b> * Calculated based on the number of issued and paid-up ordinary shares deducted by the number of treasury share						
GP = Gross Profit, EBITDA = Earnings before Interest, Tax, Depreciation & Amortization, EBIT = Earnings before Interest & Tax,						
NP = Net Profit after Tax, EPS = Net Earnings per Share						

## Gross Profit (GP)



The Corporate Group's gross profit in the 3<sup>rd</sup> Quarter 2023 was Baht 382.41 million, an increase from the same period of previous year by Baht 64.40 million or 20.25 percent, due to the increase in revenues from sales and services of 11.02 percent, but there was an increase in cost of sales and services of 7.83 percent.



The Corporate Group's gross profit in the 9-month period of year 2023 was Baht 1,146.39 million, an increase from the same period of previous year by Baht 37.76 million or 3.41 percent, due to the increase in revenues from sales and services of 11.38 percent, but there was an increase in costs of sales and services of 14.45 percent.

## Net Profit (NP)

The Corporate Group's net profit and net earnings per share in the 3<sup>rd</sup> Quarter 2023 as follows:



The Corporate Group's net profit was Baht 168.68 million, an increase from the same period of previous year by Baht 38.36 million or 29.44 percent, due to the increase in gross profit margin of 20.25 percent, despite increase in selling and administrative expenses of 6.97 percent.



The Corporate Group's net earnings per share was Baht 0.20 per share, an increase from the same period of previous year of Baht 0.05 per share or 29.44 percent, due to increase in net profit of 29.44 percent.

The Corporate Group's net profit and net earnings per share in the 9-month period of year 2023 as follows:



The Corporate Group's net profit was Baht 512.90 million, an increase from the same period of previous year by Baht 4.51 million or 0.89 percent, due to the increase in gross profit margin of 3.41 percent, despite increase in selling and administrative expenses of 6 percent.



The Corporate Group's net earnings per share was Baht 0.60 per share, an increase from the same period of previous year of Baht 0.01 per share or 0.89 percent, due to increase in net profit of 0.89 percent.

## EBITDA



The Corporate Group's EBITDA in the 3<sup>rd</sup> Quarter 2023 was Baht 282.84 million, an increase from the same period of previous year by Baht 36.85 million or 14.98 percent, due to the increase in gross profit margin of 20.25 percent, despite increase in selling and administrative expenses excluding depreciation of 7.13 percent.



The Corporate Group's EBITDA in the 9-month period of year 2023 was Baht 863.56 million, a decrease from the same period of previous year by Baht 19.24 million or 2.18 percent, due to the increase in gross profit margin of 3.41 percent, but there was an increase in selling and administrative expenses excluding depreciation of 5.36 percent.

## Earnings Efficiency



**Return on Equity (ROE):** The Corporate Group's ROE increased from 27.60 percent as at end of year 2022 to 28.24 percent as at September 30, 2023 or an increase of 0.64 percent, due to an increase in annualized projected annual net profit of 9.31 percent, but there was an increase in average shareholders' equity of 6.82 percent from the previous year.



**Return on Assets (ROA):** The Corporate Group's ROA increased from 17.38 percent as at end of year 2022 to 18.31 percent as at September 30, 2023 or an increase of 0.93 percent, due to an increase in annualized projected annual net profit of 9.31 percent, but there was an increase in average total assets of 3.73 percent from the previous year.

### (2.5) Financial Position

Description	Statement of Financial Position		Increase / (Decrease)	
	As at September 30, 2023	As at December 31, 2022		
	Million Baht	Million Baht	Million Baht	%
Total Assets	3,728.32	3,740.61	(12.29)	(0.33)
Total Liabilities	1,272.81	1,353.38	(80.57)	(5.95)
Total Shareholders' Equity	2,455.51	2,387.23	68.28	2.86
Weighted Average Number of Ordinary Shares (Million Shares)*	855.03	855.03	-	-
Book Value (Baht per Share)*	2.87	2.79	0.08	2.87

**Remark:** \* Calculated based on the number of issued and paid-up ordinary shares deducted by the number of treasury stock



The Corporate Group's total assets as at September 30, 2023 decreased from the end of year 2022 by Baht 12.29 million or 0.33 percent, due to a net decrease in inventory of Baht 157.01 million and decrease in cash advance payment for purchase of assets of Baht 6 million, but there were net increase in fixed assets of Baht 50.23 million, net increase in trade accounts receivable and other accounts receivable of Baht 42.67 million, increase in right-of-use assets of Baht 27.27 million, increase in cash and cash in bank of Baht 25.81 million, increase in other current assets and other non-current assets of Baht 4 million, increase in intangible assets of Baht 0.52 million and increase in deferred income tax of Baht 0.22 million.



The Corporate Group's total liabilities as at September 30, 2023 decreased from the end of year 2022 by Baht 80.57 million or 5.95 percent, due to the decrease in short-term loan of Baht 111 million and decrease in long-term of Baht 90 million, but there were increase in trade accounts payable and other accounts payable of Baht 60.26 million, increase in financial lease liabilities of Baht 27.19 million, increase in other current liabilities of Baht 21.49 million, increase in current income tax payable of Baht 4.57 million and increase in provision for post-employment benefits obligation of Baht 6.92 million.



The Corporate Group's total shareholders' equity as at September 30, 2023 increased from the end of year 2022 by Baht 68.28 million or 2.86 percent, due to the increase in net profit of Baht 512.90 million, but there was a dividend payment of Baht 444.62 million, resulting in an increase in share book value from Baht 2.79 per share as at end of year 2022 to Baht 2.87 per share as at September 30, 2023.

## (2.6) Cash Flows

Description	Unit: Million Baht	
	Year 2023	Year 2022
Cash Flows from Operating Activities	947.51	653.61
Cash Flows used in Investing Activities	(254.61)	(102.62)
Cash Flows used in Financing Activities	(668.60)	(549.49)
Effect of exchange rate changes on cash and cash equivalents	1.50	2.06
Cash Increase (Decrease) – Net	25.80	3.56
Cash at the Beginning of the Period	11.38	23.00
Cash at the Ending of the Period	37.18	26.56
CFROE = Cash Flow Return on Equity Increase (Decrease) (%)	51.83%	25.37%



The Corporate Group's net cash from operating activities in the 9-month period of year 2023 was Baht 947.51 million, which was higher than the net profit before tax by Baht 309.30 million, due to the transactions that did not affect the cash such as depreciation of assets and amortization of Baht 217.41 million, net decrease in inventory of Baht 157.42 million, increase in trade accounts payable and other accounts payable of Baht 66.64 million, increase in other current liabilities of Baht 27.31 million and increase in other non-current liabilities of Baht 6.92 million, but there were net increase in trade accounts receivable and other accounts receivable of Baht 42.21 million, increase in other current assets of Baht 3.08 million, increase in other non-current assets of Baht 0.14 million and payment of accrued corporate income tax for year 2022 of Baht 34.95 million, payment of mid-year corporate income tax of year 2023 of Baht 82.73 million and payment of withholding tax of Baht 3.29 million.



The Corporate Group's net cash used in investing activities in the 9-month period of year 2023 was Baht 254.61 million, due to cash payment for tools and equipment replacement after their useful life of Baht 39.60 million, cash payment for the purchase of machinery for production of concrete roof tiles (CT-6) of Baht 206.12 million, cash advance payment for purchase of assets of Baht 6.34 million and cash payment for intangible assets of Baht 2.75 million, but there were cash received from sale of damaged and unusable assets of Baht 0.17 million and cash received from interest income of Baht 0.03 million.



The Corporate Group's net cash used in financing activities in the 9-month period of year 2023 was Baht 668.60 million, due to repayment of short-term loan of Baht 111 million, repayment of long-term loan of Baht 90 million, dividend payment of Baht 444.62 million, repayment of financial lease of Baht 18.49 million and interest payment of Baht 4.49 million.

## (2.7) Financial Ratios

Financial Ratios	As at September 30, 2023	As at December 31, 2022
Current Ratio (Times)	1.68	1.66
Quick Ratio (Times)	0.69	0.58
Cash flow Liquidity Ratio (Times)	1.20	0.56
Account Receivable Turnover Ratio (Times)	10.24	9.80
Average Collection Period (Days)	35	37
Inventory Turnover Period (Days)	19	19
Average Payable Period (Days)	15	13
Cash Cycle (Days)	39	43
Total Debt to Equity Ratio (Times)	0.52	0.57
Interest Coverage Ratio (Times)	134.23	96.76
Debt Service Coverage Ratio (Times)	8.06	7.31

## (3) Asset Management Capability

### (3.1) Debtor Quality, Accounts Receivable Aging, Provision and Sufficiency of Allowance for Doubtful Debts

The Corporate Group's trade accounts receivable and other accounts receivable as at September 30, 2023 accounted for 17.40 percent of the total assets with 78.06 percent not yet due for payment. The Corporate Group has established policy for setting provision or allowance for doubtful debts which is based on the analysis of accounts receivable aging and assessment of past debt collection experience. This year, the Corporate Group has bad debt of Baht 0.83 million and already set aside the allowance for doubtful accounts.

### (3.2) Inventory and Deterioration or Obsolete

The Corporate Group's inventory as at September 30, 2023 accounted for 27.03 percent of the total assets, of which 21.99 percent are finished products, 17.26 percent are work in progress, 51.37 percent are raw materials, 2.38 percent are goods in transits and 7 percent are supplies.

## (4) Liquidity and Capital Sufficiency

The Corporate Group manages its capital by preparing cash flow projection in order to manage the working capital for sufficient liquidity and low financial cost, which can be summarized as follows.



The Corporate Group's total debt to equity ratio as at September 30, 2023 was at 0.52 times, a decrease from end of year 2022, due to the decrease in total liabilities from the end of year 2022 of 5.95 percent and the shareholders' equity increased from the end of year 2022 by 2.86 percent and the interest coverage ratio was at 134.23 times, an increase from end of year 2022, due to an increase in annualized cash flow from operating activities from the previous year of 99.72 percent, but there was an increase in annualized interest on loan from the previous year of 44.30 percent.



The Corporate Group's current ratio as at September 30, 2023 was 1.68 times, an increase from the end of year 2022, due to a decrease in current assets of 4.73 percent and decrease in current liability of 6.21 percent and the quick ratio of 0.69 times, which increased from the end of year 2022, due to a

decrease in inventory of 13.48 percent and decrease in current liability of 6.21 percent and the cash flow liquidity ratio was 1.20 times, an increase from end of year 2022, due to an increase in annualized cash flow from operating activities from the previous year of 99.72 percent.



The Corporate Group's cash cycle as at September 30, 2023 was 39 days, a decrease from the end of year 2022 of 4 days, due to the decrease in average collection period of 2 days and increases in average payable period of 2 days, but there was inventory turnover period of 19 days, which was the same as at end of year 2022.



The Corporate Group's debt service coverage ratio increased from 7.31 times as at end of year 2022 to 8.06 times as at September 30, 2023, due to an increase in annualized EBITDA from end of year 2022 of 5.42 percent and decrease in financial lease liabilities and long-term loan due within one year of 6.92 percent, but there was an increase in annualized interest on loan from the previous year of 44.30 percent.

The Corporate Group has policy for setting the credit term period as follows.



**Debt Collection Period:** The credit term period is determined based on the risk assessment on payment by the customer, including contact period, financial position, guarantee and payment history, depending on the situation involving competition and sales promotion during each period of the Corporate Group by specifying the guarantee protection for credit limit as follows.

Risk Probability	Very Low	Low	Medium	High
Credit Term Period	60 days	45 days	30 days	Payment transfer first if no guarantee



**Repayment Period:** The repayment period is determined based on the type of product and raw material or hiring services, order value and payment conditions from trade discount negotiation.

Work Value	Type and Order Value of Product and Raw Material
Credit Term Period	30 – 60 days

As at September 30, 2023, the Corporate Group's average collection period was 35 days, in line with the established policy and the average repayment period was 15 days, which was less than the established policy, as the Corporate Group made payments for the raw materials on a cash-basis term in order to receive trade discounts.

## (5) Debt Obligation

The Corporate Group has established policy to mitigate risk from interest fluctuation by taking long-term loan with fixed interest rate. Currently, the Corporate Group has obligation to comply with the terms and conditions of the loan agreement with commercial bank in the country as follows:

- (5.1) Investment in the machinery installation project for production of fiber cement tiles (NT-11) with loan amount of Baht 300 million with interest rate starting since the first loan installment until September 30, 2023 at a fixed interest rate of 2.10 percent per annum and a loan repayment period within 2 years and 6 months with monthly repayment term and the first loan repayment starting on April 30, 2022. As at September 30, 2023, such loan has already been paid off.
- (5.2) Investment in the machinery installation project for production of concrete roof tiles (CT-6) with loan amount of Baht 400 million with interest rate starting since the first loan installment until April 30, 2027 at a fixed interest rate of 3.50 percent per annum and a loan repayment period within 3 years and 6 months with monthly repayment term and the first loan repayment starting on June 30, 2024. As at September 30, 2023, the outstanding loan balance was Baht 60 million.

As at September 30, 2023, the Corporate Group had long-term debt obligations with commercial banks totaling Baht 60 million. Accordingly, the Corporate Group must comply with the terms and conditions stipulated in the loan agreements, which state that the Total Debt to Equity Ratio (D/E Ratio) must not exceed 2 times and the Debt Service Coverage Ratio (DSCR) must not be less than 1.25 times. As at September 30, 2023, the Corporate Group was able to maintain the above financial ratios as stipulated by such loan agreements.

## (6) Factors Having Impact on Future Operating Results

Although the cost of energy and cost of the main raw materials during the 4<sup>th</sup> quarter 2023 have tendency to reduce; however, the selling prices also tend to decrease as well, which will have an impact on the revenues from sales and services, as well as the gross profit margin. Accordingly, the Corporate Group must try to maintain its growth rate of revenues from sales and services in order to meet its performance target under its strategy, namely **“Build your dream home with DIAMOND”**.