



MBAX 004/2023

November 9, 2023

Subject: Clarification of the operating results which are deviated more than 20%

To: The Managing Director
The Stock Exchange of Thailand

- ❖ Multibax Public Company Limited would like to clarify the operating results which are deviated more than 20% from the same period last year, for nine months ended September 30, 2023 as follows:

1. Revenue of sales

Total revenue was accounted for 796.35 million Baht, decreased by 689.60 million Baht or 46.41 percent compared to the same period last year (1,485.95 million Baht).

2. Cost of sales

Total cost of sales was accounted for 788.84 million Baht, decreased by 468.75 million Baht or 37.27 percent compared to the same period last year (1,257.59 million Baht).

3. Selling and Administrative Expenses

Total selling and administrative expenses were accounted for 66.85 million Baht, decreased by 10.58 million Baht or 13.66 percent compared to the same period last year (77.43 million Baht).

4. Finance costs

Finance costs was accounted for 17.71 million Baht, increased by 1.87 million Baht or 11.81 percent compared to the same period last year (15.84 million Baht).

5. Other Income

Other incomes were accounted for 13.76 million Baht, increased by 1.04 million Baht or 8.18 percent compared to the same period last year (12.72 million Baht).

6. Gain & Loss on exchange rate

Loss on exchange rate were accounted for 2.44 million Baht, decreased by 7.81 million Baht or 145.44 percent compared to the same period last year (gain on exchange rate 5.37 million Baht).

7. Tax Expenses (Income tax expenses)

Income tax expenses was accounted for 9.76 million Baht, increased by 34.36 million Baht or 139.67 percent compared to the same period last year (tax expenses 24.60 million Baht).

8. Net (Loss) Profit

Loss was accounted for 55.96 million Baht, decreased by 184.54 million Baht or 143.52 percent compared to the same period last year (Net profit 128.58 million Baht).

Reasons for the decreased of the net profit for nine months ended September 30, 2023 were:

1. Revenue from sales decreased by 689.60 million baht or 46.41 percent, the important factor was the significant decreasing of the sales quantity. The situation of the orders in this quarter were still slowing down similarly to the first and second quarter. As well, the deteriorating economic environment has overwhelmed many major markets including the USA and EU and diminishing the buying power of the consumers. Therefore, inventories were very high and forced the customers to send less orders. As a consequence, the revenue from sales were seriously reduced when compared with the same period of 2022.
2. Cost of sales increased from 84.63 percent in 2022 to 99.06 percent in 2023 from the impact of less sales orders, therefore, the production costs were also downed proportionately. However, the wages and overhead cost per unit were higher comparatively, thus, the overall cost of production and sales per unit were highly increased. As a result, the gross profit for the nine months of 2023 had been recorded at 7.51 million Baht or decreased by 220.85 million baht or 96.71 percent. At the present time, the company has laid out various measures to control the expenses including the number of employees to be tally with the current sales orders.
3. Total selling and administrative expenses were decreased by 10.58 million Baht or 13.66 percent, from the reduction of the export expenses proportionately to the lower sales quantities.
4. Finance costs increased by 1.87 million Baht or 11.81 percent, from the impact of higher interest rates for the loans from financial institutes.
5. Other income were increased by 1.04 million Baht or 8.18 percent, from the high trend of customer compensation towards the new product sales in this quarter. This compensation was increased to the level of the agreed trading responsibility.
6. Gain on exchange rate were decreased by 7.81 million Baht or 145.44 percent, from the high volatility of Thai baht against US dollar. Actually, the forex management under the current circumstance was profoundly difficult. However, the company has tried her best to manage this exchange rate that in 2023, the loss on exchange rate had been recorded at 2.44 million Baht while in 2022 we did some gains at 5.37 million Baht.
7. Income tax expenses were increased by 34.36 million Baht or 139.67 percent. This is mainly from the fact that in the nine months of 2023, the company has to record the income from tax reimbursement, resulting from the deferred tax assets derived from the net loss, compared to the same period last year that the tax expenses were 24.60 million Baht.
8. In summary, from the decreasing of the orders, the sales revenue was inevitably decreased. The cost of sales and production cost increased, so the gross profit was recorded at 7.51 million Baht, decreased by 220.85 million Baht or 96.71 percent. Combining with all other factors including the increase of the finance costs and the decreasing of the gain on exchange rate, decreasing of the selling and administrative expenses and the adding up of the other income and income tax, the company recorded a net loss for nine months ended September 30, 2023 at 55.96 million Baht. This net profit was decreased by 184.54 million Baht or 143.52 percent when compared to the same period of 2022 where they were 128.58 million Baht. Nevertheless, should we focus on each quarter consecutively, we see the positive development comparatively for each quarter. This came from the lower labor, overhead and other cost, thus the quarterly gross profit were recorded at 17.87 million baht. And as the orders were still not coming back as previously, the company has focused on the working capital to smoothen the operation with sufficient liquidity. Also, we will strictly maintain the cost control measurements in every aspect.

For your acknowledgement.

Yours Sincerely,

Signature _____
(Mr. Pisuth Lertvilai)
Deputy Managing Director