

Ref. SF148/2023

08 November 2023

 Re Management Discussion and Analysis which are deviated more than 20% for 3rd Quarter 2023

Attn. The President

The Stock Exchange of Thailand (SET)

Starflex Public Company Limited would like to notify the operating results stated in financial statements which are deviated more than 20% for 3rd Quarter 2023. The details will be shown as follows.

Operational reports

Unit: Million Baht

Financial information	3rd Quarter		CHANGE (YOY)	9-month period		CHANGE (YOY)
	2023	2022	%	2023	2022	%
Total Revenues	429.4	424.6	1.1%	1,375.3	1,264.7	8.7%
Gross profit (GP)	107.1	45.3	136.4%	319.0	146.6	117.6%
Selling Expenses	11.1	9.4	18.1%	34.1	28.3	20.5%
Admin Expenses	41.0	35.7	14.8%	125.7	107.8	16.6%
Financial costs	1.53	1.46	4.8%	3.8	4.2	(9.5%)
Taxes	12.7	0.7	1714.3%	35.1	2.0	1655.0%
Total Cost and Exp.	380.5	419.7	(9.3%)	1,235.3	1,242.9	(0.6%)
Net Profits (NP)	48.9	5.0	886.3%	140.0	21.8	542.2%

Revenue and Profitability

In Q3/2023, total revenues were 429.4 million, increased by 1.1% compared to 424.6 million in Q3/2022. And for 9M/2023, total revenues were 1,375.3 million, increased by 8.7% compared to 1,264.7 million in the same period last year.

The company's gross profits were 107.1 million in Q3/2023 increased by 136.4% from 45.3 million in the same period of 2022. Also, in 9M/2023 the company's gross profits were 319.0 million increased by 117.6% from 146.6 million in 9M/2022.

The company's net profits were 48.9 million (equal to 11.4% NP margin) and 5.0 million (equal to 1.2% NP margin) in Q3/2022. When consider 9M/2023, the net profit were 140.0 million (equal to 10.2% NP margin) and 21.8 million (equal to 1.7% NP margin) in 9M/2022. Due to the company has managed the production cost more effectively, in both; efficiency in management of the raw materials and supplies sourcing, as well as, efficiency down to the lines of productions.

Expenses

In Q3/2023, selling expenses were 11.1 million increased by 18.1% compared to 9.4 million in Q3/2022. And for 9M period, selling expenses were 34.1 million increased by 20.5% compared to 28.3 million in the same period of 2022. The mainly increased in selling expenses were the consulting fees and the transportation expenses.

The company's administrative expenses were 41.0 million in Q3/2023, increased by 14.8% compared to 35.7 million in the same period last year. For the 9M/2023, the administrative expenses were 125.7 million, increased by 16.6% compared to the same expenses 107.8 million in 9M/2022. The main reason of increasing in these expenses were the consulting fees which mostly related to the investment project in Vietnam, allowance for reduction inventories value, expenses on machine maintenance and travelling expenses.

In Q3/2023, financial expenses were 1.53 million, slightly increased when compared to 1.46 million in the same period last year. And for 9M/2023, the financial expenses were 3.8 million, decreased 9.5% compared to 4.2 million in 9M/2022. Due to the company has continuously managed its short-term borrowing more effectively.

Statement of Financial Position

Balance sheet	Unit:Million Baht			
	At the date		CHANGE (YOY)	
	30-Sep-23	31-Dec-22	AMT	%
Total assets	1,649.7	1,601.9	47.8	3.0%
Total liabilities	648.7	616.5	32.2	5.2%
Total shareholder's equity	1,001.0	985.4	15.6	1.6%

Assets

At the end of September 2023, the company had total assets of 1,649.7 million, increased 3.0% from 1,601.9 million at the same period in 2022, where the increasing assets mainly comprised of increasing in trade and other receivables 27.8 million, property plant and equipment 13.1 million, other non-current assets 37.6 million. All these increasing incurred from construction of new plant and investment in new machines for supporting the company's future businesses.

Liabilities

At the end of September 2023, the company had total liabilities of 648.7 million, increased 5.2% from 616.5 million at the same period of 2022. For 9 months, the liabilities had mainly increased from account payable and short-term borrowing related to the high volume of spending in raw materials purchased.

Equities

At the end of Q3/2023, the company had the equities of 1,001.1 million, increased 15.6 million. Due to the company had reserved 100.1 million for the treasury stock project in Q2/2023 and had been paid the dividend 24.3 million in Q2/2023.

Yours Sincerely,

Somchai Wongrassamee

Chief Financial Officer

Starflex Public Company Limited