

7 November 2023

Subject Management Discussion and Analysis on the Financial Statements for the 3<sup>rd</sup> Quarter of 2023  
(1 July – 30 September 2023)

Attention The President  
The Stock Exchange of Thailand

CPANEL Public Company Limited (“the Company”) would like to notify the operating and financial performances for the 3<sup>rd</sup> Quarter of 2023 (1 July – 30 September 2023) with details as follows;

Items	3 <sup>rd</sup> quarter of 2023		3 <sup>rd</sup> quarter of 2022		Change	
	mn THB	%	mn THB	%	mn THB	%
Net sales	101.58	100.00%	121.29	100.00%	-19.71	(16.25%)
Cost of sales	(62.92)	(61.94%)	(69.62)	(57.40%)	-6.70	(9.62%)
<b>Gross Profit</b>	<b>38.66</b>	<b>38.06%</b>	<b>51.67</b>	<b>42.60%</b>	<b>-25.18</b>	<b>(25.18%)</b>
Other income	1.94	1.91%	0.87	0.72%	+1.07	122.99%
Selling expenses	(10.28)	(10.12%)	(9.67)	(7.97%)	+0.61	6.31%
Administrative expenses	(11.75)	(11.57%)	(10.63)	(8.76%)	+1.12	10.54%
Financial Costs	(1.95)	(1.92%)	(1.73)	(1.43%)	+0.22	12.72%
<b>Profit (Loss) before Tax</b>	<b>16.62</b>	<b>16.36%</b>	<b>30.51</b>	<b>25.16%</b>	<b>-13.89</b>	<b>(45.53%)</b>
Income Tax Revenue (Expenses)	(3.33)	(3.28%)	(6.15)	(5.07%)	-2.82	(45.85%)
<b>Net Profit (Loss)</b>	<b>13.29</b>	<b>13.02%</b>	<b>24.36</b>	<b>20.08%</b>	<b>-11.13</b>	<b>(45.69%)</b>

#### Net Sales

In 3<sup>rd</sup> quarter of 2023, the Company had net sales of 101.58 mn bath, decreased of 19.71 mn baht or 16.25% compared to the same period of 2022 mainly due to slowdown in economic conditions. As a result, the sales volume decreased.

#### Other Incomes

Other Incomes comprised of revenue from sales of metal scraps from the production process, interest income, gain on foreign exchange, etc. In 3<sup>rd</sup> quarter of 2023, the Company has other incomes of 1.94 mn baht, increase of 1.07 mn baht or 122.99% compared to the same period of 2022.

#### Cost of sales and Gross Profit Margin

In 3<sup>rd</sup> quarter of 2023, the Company has cost of sales of 62.92 mn baht decreased in line with net sales. However, the ratio of the decrease in cost of sales is less than the decrease in net sales when compared to the same period of 2022. As a result, the company’s gross profit margin decreased to 38.06% while the same period of 2022 had gross profit margin of 42.60%

**Selling expenses**

The Company has selling expenses in 3<sup>rd</sup> quarter of 2023 of 10.28 mn baht or 10.12% of net sales. The increasing in selling expenses mainly due to the increase of fuel expense for the company's transportation vehicles.

**Administrative Expenses**

The Company has administrative expenses in 3<sup>rd</sup> quarter of 2023 of 11.75 mn baht, an increase of 1.12 mn baht or 10.54% compared to 3<sup>rd</sup> quarter of 2022 mainly from annual salary adjustments.

**Financial Costs**

In 3<sup>rd</sup> quarter of 2023, the Company has financial costs of 1.95 mn baht, increased 0.22 mn baht or 12.72% compared to 3<sup>rd</sup> quarter of 2022 due to loan interest rates adjustments.

**Net Profit and Net Profit Margin**

The Company has net profit in 3<sup>rd</sup> quarter of 2023 of 13.29 mn baht which represents net profit margin of 13.02%, decreased 11.13 mn baht or 45.69% compared to same period in 3<sup>rd</sup> quarter of 2022. This was a result of net sales decreased and increased in cost of sales and expenses.

**Assets**

The Company has total assets as of 30 September 2023 of 776.05 mn baht, an increase from 31 December 2022 of 89.34 mn baht or 13.01%. The increase was from property, plant and equipment of 106.38 mn baht from the investment in the construction of the 2<sup>nd</sup> factory to support the expansion of production capacity while short-term investments decrease by 19.84 mn baht from maturity.

**Liabilities**

The Company has total liabilities as of 30 September 2023 of 285.21 mn baht, a increase from 31 December 2022 of 52.40 mn baht or 22.51%. From increase in borrowings from financial institutions of 29.47 mn baht for the investment in the construction of the 2<sup>nd</sup> factory

**Shareholders' Equity**

The Company has shareholders' equity as of 30 September 2023 of 490.84 mn baht, an increase from 31 December 2022 of 36.94 mn baht or 8.14% from profit generate in year 2023.

**Statement of Cash Flows**

According to the Cash Flow Statement of the 3<sup>rd</sup> quarter of 2023, the Company has net cash inflows from operating activities of 209.18 mn baht from increase the net profit. The Company has net cash outflows from investing activities of 118.09 mn baht mainly from the investment in the construction of the 2<sup>nd</sup> factory to support the expansion of production capacity. Lastly, the Company has net cash inflows from financing activities of 9.28 mn baht mainly from long-term loans from financial institution. Consequently, the Company has cash and cash equivalents as of 30 September 2023 of 100.37 mn baht.

Please be informed accordingly,

Best Regards,  
CPANEL Public Company Limited

(Mr. Chakrit Theepakornsukkasame)  
CEO