



13 November 2023

Subject: Management discussion and analysis of Q3 ended 30 September 2023

Dear Directors and Managers Stock Exchange of Thailand

T.R.V. Rubber Products Public Company Limited and its subsidiary ('The Group') would like to clarify the Group's operating results and financial position for the nine-month period ended 30 September 2023 as follows:

Unit: million baht

Income Statement	Quarter 3		Increase		Quarter 3		Increase	
	3 months		(Decrease)		9 months		(Decrease)	
	2023	2022	MB.	%	2023	2022	MB.	%
Revenue from sales	42.46	43.08	(0.62)	(1.44)	130.49	135.55	(5.06)	(3.73)
Cost of sales	30.21	31.10	(0.88)	(2.84)	88.37	88.45	(0.08)	(0.09)
Gross profit	12.25	11.99	0.26	2.18	42.12	47.10	(4.98)	(10.57)
Gross profit margin (Percentage)	28.84	27.82			32.28	34.75		
Other income	0.17	44.45	(44.28)	(99.61)	0.63	44.64	(44.01)	(98.58)
Selling expenses	2.60	2.56	0.04	1.47	8.06	7.53	0.53	7.03
Administrative expenses	7.43	7.40	0.03	0.44	22.78	21.16	1.62	7.66
Finance costs	0.37	0.35	0.01	4.01	1.03	1.11	(0.08)	(7.28)
Profit before income tax expenses	2.02	46.13	(44.10)	(95.61)	10.88	61.94	(51.05)	(82.43)
Income tax expense	0.56	9.14	(8.58)	(93.92)	2.45	12.69	(10.24)	(80.71)
Net profit	1.47	36.99	(35.52)	(96.03)	8.43	49.25	(40.81)	(82.88)
Net profit margin (Percentage)	3.46	85.86			6.46	36.33		

**Revenue by product group for the three-month period**

Structure of Revenue	30-Sep-23		30-Sep-22	
	Million baht	%	Million baht	%
Automotive sector	26.86	63.26	22.42	52.04
Growth rate (Percentage)	19.81			
Appliance sector	14.76	34.77	20.23	46.94
Growth rate (Percentage)	(27.00)			
Others	0.84	1.98	0.44	1.02
Growth rate (Percentage)	91.22			
Total revenue from sales	42.46	100.00	43.08	100.00
Growth rate (Percentage)	(1.44)			

**Revenue by product group for the nine-month period**

Structure of Revenue	30-Sep-23		30-Sep-22	
	Million baht	%	Million baht	%
Automotive sector	75.76	58.06	66.72	49.22
<b>Growth rate (Percentage)</b>	<b>13.56</b>			
Appliance sector	52.09	39.92	67.47	49.77
<b>Growth rate (Percentage)</b>	<b>(22.78)</b>			
Others	2.64	2.02	1.37	1.01
<b>Growth rate (Percentage)</b>	<b>92.18</b>			
Total revenue from sales	130.49	100.00	135.55	100.00
<b>Growth rate (Percentage)</b>	<b>(3.73)</b>			

**Revenue from sales**

For the three-month period ended 30 September 2023, the Group's revenue from sales decreased by THB 5.06 million or 1.44% compared to the same period of the previous year. This was mainly because of the decrease in sales of moulded rubber parts for electrical appliances which was caused by orders from some customers decreased due to their export sales. However, the growth rate of revenue from moulded rubber parts for automotives increased by 19.81% compared to the same period of the previous year. This was because new model work increased in Q3 2023, including accessory parts which continued to increase from the previous quarter.

For the nine-month period ended 30 September 2023, the Group's revenue from sales decreased by THB 5.06 million or 3.73% compared to the same period of the previous year. This was mainly because of the decrease in sales of moulded rubber parts for electrical appliances which was caused by a customer has moved its production base from Thailand. Meanwhile, revenue from moulded rubber parts for automotives increased from the new model work.

**Cost of sales and gross profit**

For the three-month period ended 30 September 2023, the Group's cost of sales was THB 30.21 million, a 2.84% decrease. This was caused by lower sales along with the decreased labour costs and production expenses.

For the nine-month period ended 30 September 2023, the Group's cost of sales was THB 88.37 million, a slight 0.09% decrease. This was because an increase in raw material costs and electricity costs.

For the three-month period ended 30 September 2023, the Group's gross profit increased by 2.18% due to an increase in proportion sale of moulded rubber parts for automotives. However, overall of nine-month period, gross profit decreased mainly due to a drop in sales of moulded rubber parts for electrical appliances and an increase in raw material costs and electricity costs.

**Other income**

For the three-month period ended and nine-month period ended 30 September 2023, other income decreased due to sale of investment properties in 2022.

**Selling expenses**

For the three-month period ended and nine-month period ended 30 September 2023, the Group's selling expenses were THB 2.60 million and THB 8.06 million, increase of THB 0.04 million and THB 0.53 million, respectively, compared to the same period of the previous year. This was mainly due to customer service expenses and promotion expenses increased to support sales and channels to find new customers.

**Administrative expenses**

For the nine-month period ended 30 September 2023, the Group's administrative expenses were THB 22.78 million, an increase of THB 1.62 million compared to the same period of the previous year, mainly from consulting fees related to the capital increase.

**Net profit**

For the three-month period ended and nine-month period ended 30 September 2023, net profit was THB 1.47 million and THB 8.43 million, decrease of THB 35.52 million and THB 40.81 million, respectively, compared to the same period of the previous year. This was mainly due to decrease in other income from sale of investment properties.

**Statement of financial position**

Financial Statements (Unit: million baht)	30-Sep-23	31-Dec-22	Increase (Decrease)	% Increase (Decrease)	% Proportion per total assets
<b>Assets</b>					
Current assets	355.28	223.79	131.49	58.76%	71.46%
Non-current assets	141.89	148.73	(6.84)	-4.60%	28.54%
<b>Total assets</b>	<b>497.17</b>	<b>372.52</b>	<b>124.65</b>	<b>33.46%</b>	<b>100.00%</b>
<b>Liabilities and shareholders'equity</b>					
Current liabilities	39.15	36.42	2.73	7.50%	7.87%
Non-current assets	14.91	21.42	(6.51)	-30.40%	3.00%
Non-current assets	443.12	314.69	128.43	40.81%	89.13%
<b>Total liabilities and shareholders'equity</b>	<b>497.17</b>	<b>372.52</b>	<b>124.65</b>	<b>33.46%</b>	<b>100.00%</b>

**Total assets**

Financial Statements (Unit: million baht)	30-Sep-66	31-Dec-22	Increase (Decrease)	% Increase (Decrease)	% Proportion per total assets
Cash and cash equivalents	140.17	182.00	(41.83)	-22.98%	28.19%
Trade and other receivables	185.78	28.95	156.83	541.65%	37.37%
Inventory	12.84	12.75	0.09	0.69%	2.58%
Land,building with equipment,and right-of-use	136.93	143.80	(6.87)	-4.78%	27.54%
Other assets	21.45	5.01	16.44	327.73%	4.31%
<b>Total assets</b>	<b>497.17</b>	<b>372.52</b>	<b>124.65</b>	<b>33.46%</b>	<b>100.00%</b>



As of 30 September 2023, the Group's total assets were THB 497.17 million, an increase of THB 124.65 million or 33.46% compared to 31 December 2022, due mainly to the following reason.

- 1) Trade and other receivables increased by THB 156.83 million due to the subsidiary made advance payment for inventories to be used in the sale project.
- 2) Other assets increased by THB 16.44 million, mainly due to valued added tax from advance payment for inventories and incremental costs in operating the subsidiary's project.

### **Total liabilities**

Financial Statements (Unit: million baht)	30-Sep-23	31-Dec-22	Increase (Decrease)	% Increase (Decrease)	% Proportion per total assets
Trade and other payables	29.39	18.35	11.04	60.19%	5.91%
Loan from financial institutions	10.26	15.75	(5.49)	-34.84%	2.06%
Liabilities under leasing agreements	2.43	4.32	(1.90)	-43.88%	0.49%
Income tax payable	0.65	8.75	(8.10)	-92.58%	0.13%
Employee benefit obligations	10.64	9.93	0.71	7.13%	2.14%
Other liabilities	0.69	0.74	(0.05)	-7.16%	0.14%
<b>Total liabilities</b>	<b>54.05</b>	<b>57.84</b>	<b>(3.78)</b>	<b>-6.54%</b>	<b>10.87%</b>

As of 30 September 2023, the Group's total liabilities were THB 54.05 million, a decrease of THB 3.78 million or 6.54% compared to 31 December 2022, due mainly to the following reason.

- 1) Other payables increased due to incremental costs in operating the subsidiary's project. Addition, accrued expense increased from accrued salaries and accrued bonuses during the period (note that as of 31 December 2022, TRV had paid salaries and bonuses within the same year as the financial statements)
- 2) Borrowing from a financial institution decreased by 5.49 million due to payments made during the period.
- 3) Lease liabilities decreased by THB 1.90 million due to payments made during the period.
- 4) Income tax payable decreased by THB 8.10 million because the balance as of 31 December 2022 was paid during the period.

### **Equity**

Financial Statements (Unit: million baht)	30-Sep-23	31-Dec-22	Increase (Decrease)	% Increase (Decrease)	% Proportion per total assets
Paid-up share capital	120.00	105.00	15.00	14.29%	24.14%
Premium on ordinary shares	254.89	149.89	105.00	70.05%	51.27%
Legal reserve	10.50	10.50	-	-	2.11%
Cumulative profit	57.73	49.30	8.43	17.10%	11.61%
<b>Total shareholders' equity</b>	<b>443.12</b>	<b>314.69</b>	<b>128.43</b>	<b>40.81%</b>	<b>89.13%</b>

As of 30 September 2023, the Group had total equity of THB 443.12 million, increased by THB 128.43 million compared to 31 December 2022, mainly due to a capital increase and net profits during the period.

**Analysis of key financial ratios**

Financial Ratio	Unit	As of 30 Sep.2023	As of 31 Dec.2022
Current Ratio	times	9.08	6.15
Return on Equity (ROE)	%	2.23	16.49
Return on Assets (ROA)	%	1.94	13.70
Debt to Equity Ratio	times	0.12	0.18
Interest Bearing Debt	times	0.03	0.06

**Liquidity ratio**

As of 30 September 2023, the Group's liquidity ratio increased from 2022 due to decrease in current assets.

**Gross profit and net profit margins**

For the nine-month period ended 30 September 2023, the Group's gross profit margin decreased from 34.75% to 32.28% as compared to the same period of the previous year. This was due to a drop in sales of moulded rubber parts for electrical appliances and an increase in raw material costs and electricity costs.

**Efficiency ratio**

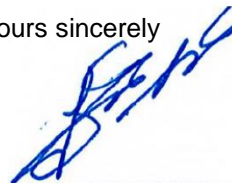
As of 30 September 2023, ratio of return on assets and return on equity decreased as compared to 2022. This was because in 2022, TRV had profit from selling investment properties and the equity increased due to share capital increased during the period.

**Financial policy ratios**

As of 30 September 2023, the Group's interest-bearing debt to equity ratio was 0.03 times, decrease by 0.03 times. Debt to equity ratio was 0.12 times, decrease by 0.06 when compared to 2022. This was due to a decrease in total liabilities as described above and shares capital increased during the period.

Please be informed accordingly.

Yours sincerely



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