

Management Discussion and Analysis

For Quarter 3 Ending Sep 30<sup>th</sup>, 2023

The company's performance

Performance	Q3/23	Q2/23	Q3/22	Change +/-		9M/23	9M/22	Change +/-
Unit: Million Baht				%YoY	%QoQ			%YoY
Revenue from sales	409.6	420.4	375.9	9.0%	(2.6%)	1,070.9	1,195.3	(10.4%)
Cost of Sales	281.5	296.2	258.9	8.7%	(5.0%)	773.9	827.8	(6.5%)
Gross Profit	128.1	124.2	117.0	9.5%	3.1%	297.0	367.5	(19.2%)
Gross Profit Margin	31.3%	29.5%	31.1%	0.2%	1.8%	27.7%	30.7%	(3.0%)
Other income	4.9	7.7	6.3	(22.2%)	(36.4%)	16.3	20.4	(20.1%)
Total revenues	414.5	428.1	382.2	8.5%	(3.2%)	1,087.2	1,215.7	(10.6%)
Distribution costs	22.8	27.7	24.4	(6.6%)	(17.7%)	67.2	82.9	(18.9%)
Administrative expenses	34.0	27.1	32.9	3.3%	25.5%	82.5	82.7	(0.2%)
Profit from operation	76.2	77.1	65.9	15.6%	(1.2%)	163.6	222.3	(26.4%)
Financial cost	0.2	0.3	0.0	N/A	(33.3%)	0.6	1.5	(60.0%)
Income tax expenses	15.1	15.2	12.9	17.1%	(0.7%)	32.3	43.8	(26.3%)
Net Profit	60.9	61.6	53.0	14.9%	(1.1%)	130.7	177.1	(26.2%)
Net Profit Margin	14.7%	14.4%	13.9%	0.8%	0.3%	12.0%	14.6%	(2.6%)
EBITDA	92.2	91.9	78.5	17.5%	0.3%	207.9	257.3	(19.2%)
EBITDA Margin	22.2%	21.5%	20.5%	1.7%	0.7%	19.1%	21.2%	(2.1%)

Total revenues

In Q3'2023, the company had total revenue was 414.5 million baht, increased by 32.3 million baht or representing of 8.5% compared to the same period of the previous year. As a result, the product of sales in each region in the third quarter, there was continued growth according to the strategic plan for expand the customer base of sales department, including: Especially in Australia grew of 69.1%, the Middle East grew of 42.9%, America grew of 32.3%, and Europe grew of 20.8% compared to the same period of the previous year.

For total revenue for the nine-month period of 2023, it was 1,087.2 million baht, decreased by 128.5 million baht or representing of 10.6% compared to the same period of the previous year. As a result, the beginning of the year, sales in the Americas did not follow the sales targets due to delay of distribution expansion and a longer winter season. However, during the third quarter The situation has improved. Sales to customers in the Americas have begun to return significantly. Nevertheless, the company still foresaw the growth and ability to expand distribution channels. according to the projected planned.

Cost of sales

In Q3'2023, the company had cost of sales was 281.5 million baht, increased by 22.6 million baht or representing of 8.7% compared to the same period of the previous year according to the proportion of sales increased. Furthermore, the prices of raw materials and packaging have increased. additionally, the cost of material wastage in production, fuel, and electricity has also risen in line with economic situation. Management is aware of these issues and plans to implement mass production to achieve economies of scale in production each month efficiently, following the specified goals.

The company had total cost of sales for the nine-month period of 2023 was 773.9 million baht, decreased by 53.9 million baht or representing of 6.5% compared to the same period of the previous year. The following of the sales decreasing.

#### **Gross profit**

The company had earned the gross profit in Q3'2023 of 128.1 million baht, increased by 11.1 million baht or representing of 9.5% compared to the same period of the previous year. This is in line with increased revenue from product sales and effective control of sales costs and production costs.

The company had gross profit for the nine-month period of 2023 was 297.0 million baht, decreased by 70.5 million baht or representing of 19.2% compared to the same period of the previous year because the price of raw materials and packaging are including expenses production costs that adjusted prices for rising, which affects the price cost of sale that increased and revenue from sales that decreased.

#### **Distribution expenses**

The company had sales and distribution expenses in Q3' 2023, was 22.8 million baht, decreased by 1.6 million baht or representing of 6.6% compared to the same period in the previous year according to, the company has managed and control shipping costs, freight charges to be in line with actual sales. but we still focus on promotional activities sell whether it is exhibition booths both domestically and internationally have increased. to perform marketing for more customers' awareness of PLUS's products and seeking new customers as per the strategy.

The company had sales and distribution expenses for the nine-month period of 2023 was 67.2 million baht, decreased by 15.7 million baht or representing of 18.9% compared to the same period of the previous year. The cost of exporting goods decreased of following the sales ratio. But the company still had more sale promotion expenses according to the marketing plan.

#### **Administrative expenses**

The company had the administrative expenses in Q3'2023, was 34.0 million baht, increased by 1.1 million baht or representing of 3.3% compared to the same period in the previous year due to expenses related to the destruction of goods, insurance premiums for risk management expenses, and fees for transferring payments for the machinery increased. However, the company controls its administrative expenses effectively under the condition that the labor costs, other expenses and utilities costs were increased.

The company had administrative expenses for the nine-month period of 2023 was 82.5 million baht, decreased by 0.2 million baht or representing of 0.2% compared to the same period in the previous year. from Controlling administrative expenses various efficiently under. The situation price of labor costs utilities cost sand various expenses that has increased the price.

#### **Net profit**

The company had net profit in Q3' 2023 was 60.9 million baht, representing a net profit margin of 14.7% of total revenue, increased by 7.9 million baht or representing of 14.9% compared to the same period in the previous year.

The company had net profit for the nine-month period of 2023 was 130.7 million baht, representing a net profit margin of 12.0% of total revenue, decreased by 46.4 million baht or representing of 26.2% compared to the same period in the previous year.

**The company's statement of financial position**

(Unit : Million Baht)	30 September 2023	31 December 2022	% Change
Total current assets	586.9	821.4	(28.5%)
Total non-current assets	993.5	630.8	57.5%
<b>Total Assets</b>	<b>1,580.4</b>	<b>1,452.2</b>	<b>8.8%</b>
Total current liabilities	242.7	186.7	30.0%
Total non-current liabilities	40.5	11.9	239.4%
<b>Total Liabilities</b>	<b>283.2</b>	<b>198.6</b>	<b>42.6%</b>
Capital	1,008.7	1,008.7	0.0%
Retained earnings	288.5	244.9	17.8%
<b>Total shareholders' equity</b>	<b>1,297.2</b>	<b>1,253.6</b>	<b>3.5%</b>

**Assets**

As of Sep 30<sup>th</sup>, 2023, the company had the total assets of 1,580.4 million baht increased by 8.8% from that of the end of the year 2022, current assets of 586.9 million baht decreased by 28.5% from the cash and cash equivalents. payment for the purchase of machinery, equipment, software. for the trade accounts receivable there are sales conditions that include advance payments and customers paid on schedule, Inventories decreased from increased sales. Non-current assets of 993.5 million baht increased by 57.5% from advance payment for machines, paid for the purchase of equipment and tools in the factory improve the building area. According to the company's production capacity expansion plan to support the expanding market that is growing continuously.

**Liabilities**

As of Sep 30<sup>th</sup>, 2023, the company had a total liability of 283.2 million baht increased from that of the end of the year 2022 by 42.6%, current liabilities of 242.7 million baht increased by 30.0% from trade payables due to procurements of production raw materials and packaging various materials used in production and income received in advance for goods awaiting delivery on time and burden financial debt increasing , Total non-current liabilities of 40.5 million baht increased by 239.4% from long-term loans financial institutions under long-term financial lease for assets and estimation of the future employees' benefit increased.

**Shareholders' equity**

As of Sep 30<sup>th</sup>, 2023, the company had a total shareholders' equity of 1,297.2 million baht which increased by 3.5%, the company paid dividends from the performance in 2022, amounted of 87.1 million baht and had profit from the performance of results increased in the amount of 130.7 million baht from the period.

**Key financial ratios**

Financial Ratios	Quarter 3		Quarter 2
	2023	2022	2023
Gross profit margin (%)	31.27	31.11	29.54
Net profit ratio (%)	14.69	13.86	14.39
Profit per share (baht)	0.09	0.08	0.09
Return on Assets (%)	10.63	18.12	10.17
Return on Equity (%)	12.64	25.48	12.32
Liquidity ratio (times)	2.42	3.51	2.31
Debt to equity ratio (times)	0.22	0.23	0.27
Book value per share (baht)	1.94	1.83	1.85

**Liquidity and capital resources**

Cash Flow Statement (Million Baht)	9M/2023	9M/2022	% Change
<b>Cash flows from operating activities</b>			
Net cash flow from operating activities	212.1	207.2	2.4%
<b>Cash flows from investing activities</b>			
Net cash from (used in) investing activities	(371.7)	(98.5)	277.4%
<b>Cash flows from financing activities</b>			
Net cash from (used in) financing activities	(60.6)	548.6	(111.0%)
<b>Cash and cash equivalents net increase</b>	<b>(220.2)</b>	<b>657.3</b>	<b>(133.5%)</b>
Cash and cash equivalents at beginning of period	578.2	37.9	1,425.6%
<b>Cash and cash equivalents at end of period</b>	<b>358.0</b>	<b>695.2</b>	<b>(48.5%)</b>

As of Sep 30<sup>th</sup>, 2023, the company had the balance of cash and cash equivalent of 358.0 million baht which the net cash flow from operating activities of 212.1 million baht. The net cash flow spent on investment activity was 371.7 million baht that was spent on machinery, equipment, and software for accept the expanding capacity. Net cash flow from financing activities of 60.6 million baht from cash received of Long-term loans from financial institutions of 29.5 million baht, dividend payment of 87.1 million baht and paid debt of lease agreement paid long-term loans with periodic interest of 3.0 million baht.