

Ref: THIP-SET/005/2024

February 15, 2024

Subject : Filing of Financial Statements for the years ended December 31, 2023 and 2022 and Management Discussion and Analysis Discussion and Analysis

Attention : The President
The Stock Exchange of Thailand

Enclosures : 1. Financial Statements and the Auditor's Report for the years ended December 31, 2023 and 2022
2. Management Discussion and Analysis

The Board of Directors Meeting No. 1/2024 of Thantawan Industry Public Company Limited which was held on February 15, 2024 had approved the Financial Statements for the years ended December 31, 2023 and 2022. The Management Discussion and Analysis for the years ended December 31, 2023 can be clarified as attached

Please be informed accordingly.

Very truly yours,



(Mr. Teerachai Siritunyanont)(Mr. Ekaphol Pongstabhon)

Authorized Director

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Management Discussion and Analysis for the year ended 31 December 2023 of Thantawan Industry Public Company Limited (“the Company”)

A) Operating results

Unit : million baht

Profit or loss	Year 2023	Year 2022	Increase (Decrease)	
			Amount	%
Revenues				
Revenue from contracts with customers	3,410.9	4,072.7	(661.8)	-16.2%
Cost of sales	2,728.0	3,298.3	(570.3)	-17.3%
Gross Profit	682.9	774.4	(91.5)	-11.8%
Other income	70.5	55.8	14.7	26.4%
Expenses				
Selling and distribution expenses	128.4	123.0	5.4	4.4%
Administrative expenses	285.6	285.8	(0.2)	-0.1%
Profit from operating activities	339.5	421.5	(82.0)	-19.5%
Finance cost	(2.8)	(2.9)	(0.1)	-3.7%
Profit before income tax expenses	336.7	418.6	(81.9)	-19.6%
Income tax expenses	(48.2)	(55.6)	(7.4)	-13.4%
Profit for the year	288.5	363.0	(74.5)	-20.5%
Basic earnings per share	3.2	4.0	(0.8)	
Gross Profit Margin	20.0%	19.0%	1.0%	

Net profits for the year ended 31 December 2023 were THB 288.5 million which decreased by THB 74.5 million (20.5%) compared to the prior year. The decrease in net income was due primarily to the lower sales volume of export sales. The conflict between Russia and Ukraine has led to a slowdown in the global economy and affected sales in Europe and America as the customers slowed down their orders during the first half of 2023. However, the Company is accelerating to increase the market share for both internationally and domestically and adapting toward the sustainability development.


Mr. Teerachai Siritunyanont
Director


Mr. Ekaphol Pongstabhon
Director



- **Revenue from contracts with customers**

Unit : million baht

	Plastic Bags		Drinking Straw		Other Products		Total	
	Year 23	Year 22	Year 23	Year 22	Year 23	Year 22	Year 23	Year 22
Revenue from sales								
Export sales	2,637.6	3,285.3	71.0	77.9	124.9	148.0	2,833.5	3,511.2
Domestic sales	365.5	327.8	156.4	174.2	55.5	59.5	577.4	561.5
Total sales	3,003.1	3,613.1	227.4	252.1	180.4	207.5	3,410.9	4,072.7
Changes and %changes								
Export sales	(647.7)	-19.7%	(6.9)	-8.9%	(23.1)	-15.6%	(677.7)	-19.3%
Domestic sales	37.7	11.5%	(17.8)	-10.2%	(4.0)	-6.7%	15.9	2.8%
Total Increase(Decrease)	(610.0)	-16.9%	(24.7)	-9.8%	(27.1)	-13.1%	(661.8)	-16.2%

For the year ended 31 December 2023, revenue from sales of goods decreased by THB 661.8 million (16.2%) compared to the prior year. Sales mainly dropped from export sales. The above table represents the breakdown of sales by products and by domestic sales and export sales.

The decrease in export sales was due primarily to the conflict between Russia and Ukraine as mentioned previously. However, the increase in domestic sales was mainly from the sales of products under own brands and online markets where the Company was trying to grow sales.

- **Other income**

For the year ended 31 December 2023, other income increased by THB 14.7 million (26.4%) compared to the prior year. The increase resulted mainly from the compensation income from the customer (one-time income) and interest income from the investment in financial asset.

The Company tries to manage working capital to generate other income by carefully selecting investment instruments and closely monitoring the market situation to receive the appropriate return.

- **Gross profit margin**

For the year ended 31 December 2023, gross profit margins were 20.0% which increased by 1.0% compared to the prior year. Such increase resulted mainly from the drop in cost of raw materials during the year.



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- **Selling and distribution expenses**

Selling and distribution expenses for year ended 31 December 2023 increased by THB 5.4 million (4.4%) compared to the prior year. Such increase was significantly due to sales and promotional expenses, employee expenses and travelling expenses of sales department for expanding to new market and business in the future.

- **Administrative expenses**

Administrative expenses consisted mainly of employee expenses, depreciation and utility expenses. For the year ended 31 December 2023, there were no significant changes in administrative expenses compared to prior year.

B) Financial position

Unit : million baht

Statement of financial position	31-Dec-23	%	31-Dec-22	%	Increase (Decrease)	%Increase (Decrease)
Current assets	2,200,635	69.5%	1,393,261	46.1%	807,374	57.9%
Non-current assets	965,073	30.5%	1,631,834	53.9%	(666,761)	-40.9%
Total assets	3,165,708	100.0%	3,025,095	100.0%	140,613	4.6%
Current liabilities	451,771	14.3%	433,452	14.3%	18,319	4.2%
Non-current liabilities	70,647	2.2%	76,435	2.5%	(5,788)	-7.6%
Total liabilities	522,418	16.5%	509,887	16.9%	12,531	2.5%
Shareholders' equity	2,643,290	83.5%	2,515,208	83.1%	128,082	5.1%
Total liabilities and shareholders' equity	3,165,708	100.0%	3,025,095	100.0%	140,613	4.6%

Assets

As of 31 December 2023, the Company's total assets amounted to THB 3,165.7 million, increasing by THB 140.6 million (4.6%) from 31 December 2022. The significant changes in assets were listed below.

1. Cash and cash equivalents – The increase of THB 683.3 million or 242.2% resulted mainly from net cash flows from operating activities of THB 478.8 million and net cash flows from investing activities of THB 394.5 million which mainly was cash received from sales of investment during the year. However, the Company paid dividend and repayment for lease agreement totaling THB 190.0 million.




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2. Inventories – The decrease of THB 92.4 million or 14.1% was from the decrease in finished goods and raw materials by THB 48.7 million and THB 31.8 million, respectively. The decrease was mainly due to the drop of raw material price during the year.
3. Property, plant and equipment – The decrease of THB 91.7 million or 10.7% was due to the depreciation during the year.
4. During the year, the Company disposed of investment in mutual funds and bonds totaling THB 1,027.6 million and reinvested in mutual funds, corporate bonds and government bonds totaling THB 613.4 million. In addition, the fair value of investments at the end of 2023 increased by THB 2.7 million. As a result, net investments decreased by THB 411.6 million. Such investments are presented in other current financial assets and other non-current financial assets. Currently, the Company is closely monitoring the situation and assessing impacts regularly to reduce risks and receive appropriate return from such investment.

Liabilities and shareholders' equity

As of 31 December 2023, the Company's total liabilities amounted to THB 522.4 million, increasing by THB 12.5 million or 2.5% from 31 December 2022. Major increased items were trade and other payables which increased by THB 25.0 million. Such increase was in line with the purchase volume of raw materials during the end of 2023. However, accrued expenses were decreased by THB 13.8 million which in line with the drop in revenues.

Shareholders' equity as of 31 December 2023 amounted to THB 2,643.3 million, increasing by THB 128.1 million or 5.1% compared to 31 December 2022. Such increase was from the total comprehensive income for the year of THB 285.6 million less dividend of THB 157.5 million.




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C) Key Financial Ratios

Description	Unit	Year 2023	Year 2022
Gross profit margin	%	20.02%	19.02%
Net profit margin	%	8.46%	8.91%
Return on shareholders' equity	%	11.19%	15.04%
Return on total assets	%	9.32%	12.14%
Liquidity ratio	Times	4.87	2.87
Cash cycle	Days	60	56
Debt to Equity ratio	Times	0.20	0.23
Book value per share	THB/share	29.37	26.83
Basic earnings per share	THB/share	3.21	4.03




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