



# บริษัท ยูนิออน ปิโตรเคมีคอล จำกัด (มหาชน) UNION PETROCHEMICAL PUBLIC COMPANY LIMITED

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20<sup>th</sup> February 2024

Subject : Management Discussion and Analysis for the period ended 31<sup>th</sup> December 2023

To : Managing Directors and Directors, The Stock Exchange of Thailand

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED and its subsidiaries according (“Company”), would like to clarify the operating results and financial status g to the financial statements for the period ended 31<sup>th</sup> December 2023 as follows:

Consolidated	For Year End		Change	
	2023	2022	Baht	%
<b>Revenues</b>				
Sales and services	2,828,443,097.00	3,073,639,112.00	(245,196,015.00)	(7.98)
Cost of sales and services	(2,550,410,853.00)	(2,844,598,507.00)	294,187,654.00	(10.34)
<b>Gross profit</b>	<b>278,032,244.00</b>	<b>229,040,605.00</b>	<b>48,991,639.00</b>	<b>21.39</b>
<b>Expenses</b>				
Other income	44,787,395.00	10,506,659.00	34,280,736.00	326.28
Selling expenses	(86,869,130.00)	(93,183,698.00)	6,314,568.00	(6.78)
Administrative expenses	(169,699,557.00)	(205,286,645.00)	35,587,088.00	(17.34)
<b>Profit (loss) from operating activities</b>	<b>66,250,952.00</b>	<b>(58,923,079.00)</b>	<b>125,174,031.00</b>	<b>(212.44)</b>
Finance Cost	(17,628,945.00)	(12,384,059.00)	(5,244,886.00)	42.35
<b>Profit (loss) before income tax expenses from continuing operations</b>	<b>48,622,007.00</b>	<b>(71,307,138.00)</b>	<b>119,929,145.00</b>	<b>(168.19)</b>
Income tax expenses (revenues)	(39,347,398.00)	(8,868,267.00)	(30,479,131.00)	343.69
<b>Profit (loss) for the period from continuing operations</b>	<b>9,274,609.00</b>	<b>(62,438,871.00)</b>	<b>71,713,480.00</b>	<b>(114.85)</b>
Profit (loss) for the period from discontinued operation net If income tax	(4,020,601.00)	(11,423,527.00)	7,402,926.00	(64.80)
<b>Profit (loss) for the period</b>	<b>5,254,008.00</b>	<b>(73,862,398.00)</b>	<b>79,116,406.00</b>	<b>(107.11)</b>
<b>Gross profit margin (%)</b>	<b>9.83%</b>	<b>7.45%</b>		<b>2.38%</b>
<b>Net profit margin (%)</b>	<b>0.19%</b>	<b>-2.40%</b>		<b>2.59%</b>

## ➤ Revenue from sales and administrative

For the year ending December 31, 2023, the company had income from sales. 2,828,443,097 baht, a decrease of 245,196,015 baht from the previous year, or 7.98 percent, as a result of the average selling prices of products in all product groups decreasing when compared to the previous year. and decreased income from sales of general chemical products (Solvent) and special chemical products.

### ➤ **Gross profit**

For the year ending December 31, 2023, the company had a gross profit of 278,032,244 baht, an increase of 48,991,639 baht from the previous year, or 2.38 percent, due to the products procured. and sold off at product cost It has released all old stock that had export costs in the first 3 months and has begun to recognize new costs. and the addition of The average product cost was less than the average selling price, resulting in an increase in gross profit compared to the previous year, especially in the general chemical product group (Solvent) and the plastic pellet group. that were able to make higher gross profits compared to the previous year

### ➤ **Selling expenses**

For the year ending December 31, 2023, the company had selling expenses of 86,869,130, a decrease from the previous year of 6,314,568 baht, or 6.78 percent, due to decreased sales promotion expenses. and lower shipping costs, which is associated with lower sales.

### ➤ **Administrative expenses**

For the year ending December 31, 2023, the company had administrative expenses of 169,699,557 baht, a decrease of 35,587,088 baht from the previous year, or 17.34 percent, due to tank expenses. Tank rentals are reduced and there are no unrealized losses from derivative contracts. There are no unrealized losses from investment units. Including no reserve for impairment of investment funds. Compared to last year Various expenses have decreased in the same direction as income and product prices per unit decreased from raw material prices.

### ➤ **Finance expenses**

For the year ending December 31, 2023, the company had financial expenses of 17,628,945 baht, an increase of 5,244,886 baht from the previous year, or 42.35 percent, due to the bank increasing interest rates.

### ➤ **Net profit**

For the year ending December 31, 2023, the company had a net profit of 5,254,008 baht, an increase from the previous year of 79,116,406 baht, or 107.11 percent, because in 2023 the company had released products with high costs over a period of 6 months. First, the new cost of goods sold has a good cost. Selling products increases the gross profit. and control expenses to reduce them, causing net profits to increase

## Statement of financial position

( Unit : Baht )	As at	As at	Change	
	December	December	Increase (DecreaseX)	
	31 , 2023	31 , 2022	Amount	%
<b>Total assets</b>	<b>1,684,460,286.00</b>	<b>2,051,708,538.00</b>	<b>(367,248,252.00)</b>	<b>(17.90)</b>
<b>Total liabilities</b>	<b>864,092,816.00</b>	<b>1,041,421,545.00</b>	<b>(177,328,729.00)</b>	<b>(17.03)</b>
<b>Total shareholders'equity</b>	<b>820,313,470.00</b>	<b>1,010,286,993.00</b>	<b>(189,973,523.00)</b>	<b>(18.80)</b>

### ➤ **Assets**

As of December 31, 2023, the company has total assets 1,684,460,286 Baht decreased from the previous year by 367,248,252 baht, accounting for 17.90 percent, the main reason being

1. Trade and other receivables decreased by 80,698,045 baht, or a decrease of 10.50 percent, resulting from sales of receivables from the general chemicals group (Solvent), which was related to sales of that group decreasing mainly. From the sales volume and average selling price, which corresponds to the decrease in sales revenue. The age of most trade receivables is classified as not yet due and payments not exceeding 3 months. As of 30<sup>th</sup> September 2023, the company had total assets of 1,570.46 million baht, a decrease from the same period of the previous year of 481.25 million baht, or 23.46 percent, with the main cause being
2. Inventories decreased by 29,784,591 baht, accounting for 7.67 percent, due to a decrease in purchases of products in the general chemical group, with sales volume exceeding the purchase volume during the period.
3. Non-current assets held for sale decreased by 513,090,475 baht, representing 100 percent, resulting from the sale of all common shares held by the company in Gratitude Infinite Public Company Limited, amounting to 221.60 million shares or Representing 66.99 percent of the shares issued and fully paid to new shareholders who are not related to the company.

## ➤ Liabilities

As of December 31, 2023, the company had total liabilities of 864,092,816 baht, a decrease of 177,328,729 baht from the previous year, or 17.03 percent, due to a decrease in promissory notes from the payment of promissory notes during the period. As of 30<sup>th</sup> September 2023, the company had total liabilities of 756.45 million baht, decreased from

## Shareholders' equity

As of December 31, 2023, the company had total shareholders' equity of 820,313,470 baht, a decrease from the previous year of 189,973,523 baht, or 18.80 percent, due to a decrease in the equity of non-controlling stakeholders of subsidiaries. and setting a legal reserve of 10% as a reserve for treasury shares.

Best regards



(Mr. Peeraphon Suwannaphasri)

Managing Director