



MBAX 001/2024

February 13, 2024

Subject: Clarification of the operating results which are deviated more than 20%

To: The Managing Director
The Stock Exchange of Thailand

- ❖ Multibax Public Company Limited would like to clarify the operating results which are deviated more than 20% from the same period last year, for year ended December 31, 2023 as follows:

1. Revenue of sales

Total revenue was accounted for 1,118.42 million Baht, decreased by 852.75 million Baht or 43.26 percent compared to the same period last year (1,971.17 million Baht).

2. Cost of sales

Total cost of sales was accounted for 1,070.63 million Baht, decreased by 609.52 million Baht or 36.28 percent compared to the same period last year (1,680.15 million Baht).

3. Selling and Administrative Expenses

Total selling and administrative expenses were accounted for 75.65 million Baht, decreased by 66.30 million Baht or 46.71 percent compared to the same period last year (141.95 million Baht).

4. Finance costs

Finance costs was accounted for 24.68 million Baht, increased by 2.78 million Baht or 12.69 percent compared to the same period last year (21.90 million Baht).

5. Other Income

Other incomes were accounted for 15.06 million Baht, decreased by 0.96 million Baht or 5.99 percent compared to the same period last year (16.02 million Baht).

6. Gain & Loss on exchange rate

Loss on exchange rate were accounted for 1.55 million Baht, decreased by 3.52 million Baht or 182.89 percent compared to the same period last year (gain on exchange rate 1.87 million Baht).

7. Tax Expenses (Income tax expenses)

Income tax expenses was accounted for 0.88 million Baht, decreased by 23.34 million Baht or 103.92 percent compared to the same period last year (tax expenses 22.46 million Baht).

8. Net (Loss) Profit

Loss was accounted for 38.16 million Baht, decreased by 160.76 million Baht or 131.13 percent compared to the same period last year (Net profit 122.60 million Baht).

Reasons for the decreased of the net profit for year ended December 31, 2023 were:

1. Revenue from sales decreased by 852.75 million baht or 43.26 percent resulting from the significant decreasing of the sales quantity. The situation of the orders in this quarter were laggard similarly to the last three quarters . As well, the deteriorating economic environment and geopolitics issues had overwhelmed many major markets including the USA, EU and the rest of the world, thus, diminishing the buying power of the consumers substantially. Therefore, customers’ inventories were very high and inevitably forced them to send less orders. As a consequence, the revenue from sales were seriously reduced when compared with the same period of 2022.
2. Cost of sales increased from 85.24 percent in 2022 to 95.73 percent in 2023 from the impact of less sales orders, less production quantities and contributed to the higher cost per production units for wages and overhead thus, increased the overall cost. As a result, the gross profit for 2023 had been recorded at 47.79 million Baht or decreased by 243.23 million baht or 83.58 percent. To manage the current situation properly, the company has implemented various measures to control the major expenses like the number of employees so to match with the current sales orders.
3. Total selling and administrative expenses were decreased by 66.30 million Baht or 46.71 percent, from the export expenses to proportionate to the lower sales quantities while the administrative expenses were decreased from the reduction of employee bonus and the reversal of the loss on impairment of the assets like some machines that can be repaired back to the normal working condition.
4. Finance costs increased by 2.78 million Baht or 12.69 percent, from the impact of higher interest rates for the loans from financial institutes.
5. Other income were decreased by 0.96 million Baht or 5.99 percent, from the completed receiving on the compensation of the trade agreements.
6. Gain on exchange rate were decreased by 3.42 million Baht or 182.89 percent, from the high volatility of Thai baht against US dollar, rather difficult to manage them effectively. However, the company has tried her best to manage this exchange rate that in 2023, the loss on exchange rate had been recorded at 1.55 million Baht while in 2022 we did some gains at 1.87 million Baht.
7. Tax expenses were decreased by 23.34 million Baht or 103.92 percent, due to the impact of net loss in 2023 where the tax shield was reverted. When compared to 2022 that we made the substantial profit and paid tax by 22.46 million Baht.
8. In summary, from the decreasing of the orders, the sales revenue was drastically decreased. The cost of sales and production cost increased, so the gross profit was recorded at 47.79 million Baht, decreased by 243.23 million Baht or 83.58 percent. Combining with all other factors including the increase of the finance costs and the decreasing of the other income and gain on exchange rate, decreasing of the selling and administrative expenses and the adding up of the tax expenses, the company recorded a net loss for year ended December 31, 2023 at 38.16 million Baht. This net profit was decreased by 160.76 million Baht or 131.13 percent when compared to the same period of 2022 where they were 122.60 million Baht. Nevertheless, should we focus on each quarter consecutively, we see the positive development from the higher gross profit margin when compared with the last three quarters . This improvement came from the better control of the labor, overhead and other costs. And even though that the situation of the orders is coming back, the company has still focused on the working capital management to smoothen the operation together with the proper cost control measurements in all aspects.

For your acknowledgement.

Yours Sincerely,

Signature _____
(Mr. Pisuth Lertvilai)
Deputy Managing Director