



ASEFA PUBLIC COMPANY LIMITED

บริษัท อาซีฟา จำกัด (มหาชน)

No CS67/056

February 15, 2024

Subject : Management Discussion and Analysis for the year ended December 31, 2023

Attention: The Board of directors
The Stock Exchange of Thailand

The Board of Directors' Meeting of Asefa Public Company Limited ("the Company") No.1/2024 held on February 15, 2024 approved the financial statement of year 2023 for the year ended December 31, 2023. The Company would like to clarify the changes in significant performance are as follows:

(Unit: Million Baht)

Consolidated Financial Statement	2023	2022	Change	
			Increased / (Decreased)	
			Amount	% +/-
Revenue for sale and services	3,433.34	3,090.66	342.68	11.09
Cost of sales and services	2,796.33	2,558.88	237.45	9.28
Gross profit	637.01	531.79	105.23	19.79
Gross Profit Margin (%)	18.55%	17.21%		
Other income	33.22	27.85	5.37	19.27
Profit before expenses	670.24	559.64	110.60	19.76
Distribution & Administrative expenses	453.58	426.35	27.23	6.39
Profit from operating activities	216.66	133.30	83.36	62.54
Finance costs	14.30	3.17	11.13	350.64
Share of profit (loss) from investment in associates	4.76	(0.75)	5.51	718.47
Profit before income tax	207.12	129.37	77.75	60.10
Income tax expenses	38.95	24.36	14.59	59.91
Net profit (Equity holders of the Company)	168.40	103.33	65.07	62.97
Net Profit Margin (%)	4.86%	3.31%		
Earnings per share (Baht)	0.31	0.19	0.12	63.15

Performance Analysis and Discussion

Operating results for the year 2023, the company and its subsidiaries had total revenues from sales and service of 3,433.34 million baht, increased by 342.68 million baht or by 11.09%. The net profit of 168.40 million baht, increased of 65.07 million baht or by 62.97%, with a net profit margin increased from 3.31% to 4.86%, when compared to the same period of last year.



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The company's net profit increased due to increased income and costs in the system engineering contracting services group. There are cost management and control are more efficient. This caused GP to increase by 7.51%, including a decrease in bad debt allowance of 42 million baht as a result of a tighter debt collection policy. Including the impact from the increase in raw material prices that decreased. As a result, the gross and net profit margins increased from the previous year.

Revenues for sales and service

Revenues from sales and service for the year ended December 31, 2023, amounting to 3,433.34 million baht, increased by 342.68 million baht or by 11.09%, when compared to the same period last year. The mainly change being to manufacturer and distributor by company group, increased by 157.78 million baht and supplied and distributed products group increased by 129.49 million baht. The revenue from the service group, an increased by 85.23 million baht.

Costs of sales and service

Costs of sales and service for the year ended December 31, 2023 and 2022, amounting to 2,796.33 million baht and 2,558.88 million baht respectively, increase according to sales. The gross profit increased by 105.23 million baht, when compared to the same period last year. Which increased gross profit margin from 17.21% to 18.55%. The increase in gross profit margin was mainly due to the costs of the system engineering contracting service group cost management and control are more efficient. Including the impact from the increase in raw material prices that decreased. As a result, the gross profit margin increased compared to the previous year.

Distribution & Administrative expenses

Distribution and administrative expenses for the year ended December 31, 2023 and 2022, amounting to 453.58 million baht and 426.35 million baht respectively, an increased 27.23 million baht or 6.39%. Most of the increased expenses will be employee expenses, promotional expenses and the reserve for allowance for obsolete inventory. Employee salaries of 24 million baht from increased salary adjustments Including promotional expenses of 6.32 million baht and a reserve for depreciation of obsolete products of 6.85 million baht.

Statements of Financial Position

(Unit: Million Baht)

Consolidated Financial Statement	2023	2022	Change	
			Increased / (Decreased)	
			Amount	% +/-
Current assets	2,306.89	2,094.95	211.94	10.12
Non – current assets	1,024.60	825.68	198.92	24.09
Total assets	3,331.49	2,920.63	410.86	14.07
Liabilities	1,752.86	1,336.89	415.97	31.11
Shareholders' equity	1,578.63	1,583.74	(5.11)	(0.32)
Total Liabilities and shareholders' equity	3,331.49	2,920.63	410.86	14.07



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Assets

As of December 31, 2023, the Company and its subsidiaries total assets amounted to 3,331.49 million baht, an increased of 410.86 million baht or 14.07%, when compared to the same period last year. The major changes are as follows.

Cash and cash equivalents increased by 86.99 million baht, due to the company, there was an increase in cash flow from operations from the previous year, from tighter debt collection policies. Trade and other current receivables increased by 90.54 million baht, due to increase in revenues for sales and service. Short-term and long-term loans to other parties decreased by 9.96 million baht, due to during the period the Company received some debt repayment from such loans. Inventories increased by 14.13 million baht, The increase was in the part of finished products and project work that was in the works and waiting for delivery.

Liabilities

As of December 31, 2023, the Company and its subsidiaries total liabilities amounted to 1,752.86 million baht, an increase of 415.97 million baht or 31.11%, when compared to the same period last year. The major changes are as follows.

Bank overdrafts and short-term loans increased by 420.06 million baht, due to the Company's use of credit lines for investment and build a factory to expand production capacity in the company and its subsidiaries. The Current contract liabilities increased by 17.70 million baht, an increase from deposits received in advance for new system engineering projects. The Company's debt-to-equity ratio increased from 0.84 times to 1.11 times.

Shareholders' Equity

As of December 31, 2023, Shareholders' Equity amounted to 1,578.63 million baht, a decrease of 5.11 million baht, or 0.32% during the year, there were operating profits of 155.50 million baht. The Company sold a share of the joint venture's profit of 3 million baht, a dividend payment of 97.49 million baht and reserve for treasury shares amounting to 59.86 million baht.

For your information.

Yours sincerely,

Mr.Phaiboon Ungkanakornkul

Managing Director