



27 February 2024

Subject: Management Discussion and Analysis of Financial Position and Operating Performance for the year ended 31 December 2023

To: President of Stock Exchange of Thailand

Thai Nippon Rubber Industry Public Company Limited and its subsidiaries (“the Group”) reported performance for the year ended 31 December 2023 as follows:

Consolidated Statement of Comprehensive Income

For the year ended 31 December

Unit : Million Baht

Statement of Comprehensive Income	Consolidated financial information						Comparative information	
	For the year ended 31 December							
	Condoms and lubricating gels		Paper boxes		Total		Increased / Decreased	%
2023	2022	2023	2022	2023	2022			
Revenue from sales and services	1,850.3	1,855.7	106.9	128.6	1,957.2	1,984.3	(27.1)	-1.4%
Cost of sales and services	(1,317.7)	(1,281.6)	(84.0)	(129.4)	(1,401.7)	(1,411.0)	9.3	0.7%
Depreciation charge in excess from plant and equipment recognised under fair value	-	-	-	-	-	-	-	0.0%
Segment results	532.6	574.1	22.9	(0.8)	543.8	561.6	(17.8)	-3.2%
Other income					8.1	6.3	1.8	28.6%
Selling expenses					(78.4)	(60.8)	(17.6)	-28.9%
Administrative expenses					(214.8)	(179.8)	(35.0)	-19.5%
Reversal of (losses) allowance for expected credit losses					3.6	(13.7)	17.3	126.3%
Other gains (losses) (net)					(19.4)	(4.7)	(14.7)	-312.8%
Finance costs					(18.4)	(14.0)	(4.4)	-31.4%
Operating profit					224.5	294.9	(70.4)	-23.9%
Income tax					(22.4)	(32.6)	10.2	31.3%
Net profit for the year					202.1	262.3	(60.2)	-23.0%



Overview of the Group's operating results in 2023, The Group's revenue from sales of products and services totaled Baht 1,957.2 million (Year 2022: Baht 1,984.3 million), a decrease of Baht 27.1 million or 1.4%. The decrease in sales came from sales for the paper box businesses decreased by Baht 21.7 million and the condom and lubricant gel businesses decreased by Baht 5.4 million.

Gross profit of the Group for the Year 2023: Baht 543.8 million, or 27.8% of sales (Year 2022: gross profit and loss: Baht 561.6 million, or 28.3% of sales). The gross profit decreased by Baht 17.8 million as a result of increased prices of utilities used in production.

Selling expenses for the Year 2023: Baht 78.4 million (Year 2022: Baht 60.8 million), an increase of Baht 17.6 million as a result of increasing marketing expenses to increase sales.

Administrative expenses in 2023: Baht 214.8 million (Year 2022: Baht 179.8 million), an increase of Baht 35.0 million due to the company group has special expenses related to lawsuits in a foreign courts.

Reversals (losses) on credit that are expected to occur in 2023 amount to Baht 3.6 million (Year 2022: Baht (13.7) million). There is a difference from the reversal of losses in the amount of Baht 17.3 million, coming from the allowance for expected losses on crediting trade receivables. It is calculated from the total trade receivables that are expected to be uncollectible. Most of which are in US dollars. Therefore, as a result of the appreciation of the Thai baht relative to the US dollar, the Group's company recorded a reversal of expected (losses) on crediting trade receivables. as a result of adjusting the value of losses to expected credit profits. U.S. Dollar Currency Updates into Thai baht at the exchange rate of the Bank of Thailand at the end of the period.

Other losses in 2023 amounted to Baht 19.4 million (Year 2022: Baht 4.7 million) The main items in other losses include losses from amortization of assets in the amount of Baht 5.1 million and foreign exchange loss increasing by net gains (losses) from exchange rates. In 2023, the group of companies was a loss from foreign exchange Baht 14.3 million due to the fluctuation of the US dollar, which appreciation of the baht relative to the US dollar. Nonetheless, the Company had entered into a forward foreign currency exchange rate contracts. This can assist in mitigating the risk of exchange rate fluctuations.

Income tax in 2023 amounted to Baht 22.4 million (Year 2022: Baht 32.6 million), calculated from taxable profits and using the corporate income tax exemption privileges of the Company's investment promotion certificates at the rate of 10%, a decrease of Baht 10.2 million from the operating results of Year 2023.

**Consolidated Statement of financial position**

Unit : Million Baht

Statement of Financial Position	Consolidated		Comparative information	
	31 December 2023	31 December 2022	Increased / Decreased	%
Current assets	1,056.2	979.1	77.1	7.9%
Non-current assets	746.3	792.3	(46.0)	-5.8%
Total assets	1,802.5	1,771.4	31.1	1.8%
Current liabilities	725.5	703.5	22.0	3.1%
Non-current liabilities	116.5	133.6	(17.1)	-12.8%
Total liabilities	842.0	837.1	4.9	0.6%
Share capital Issued and fully paid-up share capital	300.0	300.0	-	0.0%
Share premium (net)	378.2	378.3	(0.1)	0.0%
Retained earnings (deficits)				
- Appropriated - legal reserve	23.5	8.1	15.4	190.1%
- Unappropriated	259.1	237.4	21.7	-9.1%
Other components of equity (net)	(0.3)	10.5	(10.8)	102.9%
Total equity	960.5	934.3	26.2	2.8%
Total liabilities and equity	1,802.5	1,771.4	31.1	1.8%

Current assets in 2023 amounted to Baht 1,056.2 million (Year 2022: Baht 979.1 million), an increase Baht 77.1 million or 7.9% from:

1. Cash and cash equivalents increased by Baht 24.6 million from normal business operations.
2. Trade and other receivables (net) increased Baht 125.4 million due to the company has been an increase in sales during the 4th quarter of 2023 and the receivable is not yet due for payment.
3. Inventories (net) decreased by Baht 62.2 million due to the group of companies is better inventory management.
4. Value added tax decreased by Baht 14.2 million from receiving tax refunds from the Revenue Department.



Non-current assets in 2023 amounted to Baht 746.3 million (Year 2022: Baht 792.3 million), a decrease of Baht 46.0 million or 5.8% from:

1. Property, plant, and equipment (net) decreased by Baht 41.4 million from disposals of equipment in the amount of Baht 18.7 million and during the period the company's had purchase of machinery and equipment in the amount of Baht 69.3 million (mostly investment in machinery and equipment to replace the old one and for new business in the subsidiary company).
2. Right of use assets (net) decreased in the amount to Baht 22.4 million from the cancellation of the factory space rental contract in the amount of Baht 15.3 million and depreciation for the period in the amount of Baht 9.5 million.
3. Intangible assets (net) increased by Baht 6.8 million from investment expenditures for new product development.
4. Deferred tax assets increased by Baht 3.2 million from calculate deferred tax assets in Year 2023.
5. Other non-current assets increased by Baht 7.7 million from prepaid income taxes. which is in the process of requesting a refund from the Revenue Department

Current liabilities in 2023 amounted to Baht 725.5 million (Year 2022: Baht 703.5 million), an increase of Baht 22.0 million or 3.1% from:

1. Trade and other payables increased by Baht 12.7 million due to the company has been an increase in the purchase of raw materials during the 4th quarter of 2023 and the purchase creditors are not yet due for payment.
2. Current portions of long-term loans from financial institution an increase of Baht 6.0 million from current liability classification.
3. Other current liabilities an increase of Baht 6.3 million from withholding taxes waiting to be remitted to the Revenue Department from the interim dividend payment in December 2023.

Non-current liabilities in 2023 amounted to Baht 116.5 million (year 2022: Baht 133.6 million), a decrease of Baht 17.1 million or 12.8% from:

1. Lease liabilities (net) decreased in the amount of Baht 16.9 million from the cancellation of the lease agreement for the former factory area that was not in operation in the amount of 15.9 million baht.
2. Long-term loans from financial institutions decreased by Baht 17.8 million from loan repayment according to the contract.
3. Employee benefit obligations increased by Baht 20.0 million from cost estimates based on actuarial calculation reports.



The Company's equity in 2023 amounted to Baht 960.5 million (year 2022: Baht 934.3 million), an increase of Baht 26.2 million or 2.8%. The company had a net profit from operating results in 2023 in the amount of Baht 202.0 million. Dividends were paid during the year, totaling 165 million baht

Please be informed accordingly.

Yours faithfully,

(Mr. Wisit Tirayuwat)

Chief Financial Officer

The authorized person to disclose information
Thai Nippon Rubber Industry Public Company Limited