

15 February 2023

Subject Management Discussion and Analysis on the Financial Statements for the year 2023 (1 January - 31 December 2023)

Attention The President  
The Stock Exchange of Thailand

CPANEL Public Company Limited (“the Company”) would like to notify the operating and financial performances for the year 2023 (1 January – 31 December 2023) with details as follows;

Items	Y 2023		Y 2022		Change	
	mn THB	%	mn THB	%	mn THB	%
Net sales	425.83	100.00%	431.63	100.00%	- 5.80	- 1.34%
Cost of sales	(263.47)	(61.87%)	(263.30)	(61.00%)	+ 0.17	+ 0.06%
<b>Gross Profit</b>	<b>162.36</b>	<b>38.13%</b>	<b>168.33</b>	<b>39.00%</b>	<b>- 5.97</b>	<b>- 3.55%</b>
Other income	10.99	2.58%	2.34	0.54%	+ 8.65	+369.66%
Selling expenses	(40.43)	(9.49%)	(36.09)	(8.36%)	+ 4.34	+ 12.03%
Administrative expenses	(47.29)	(11.11%)	(41.98)	(9.73%)	+ 5.31	+ 12.65%
Financial Costs	(6.93)	(1.63%)	(7.55)	(1.75%)	- 0.62	- 8.21%
<b>Profit (Loss) before Tax</b>	<b>78.70</b>	<b>18.48%</b>	<b>85.05</b>	<b>19.70%</b>	<b>- 6.35</b>	<b>- 7.47%</b>
Income Tax Revenue (Expenses)	(15.99)	(3.76%)	(17.11)	(3.96%)	- 1.12	+ 6.55%
<b>Net Profit (Loss)</b>	<b>62.71</b>	<b>14.73%</b>	<b>67.94</b>	<b>15.74%</b>	<b>- 5.23</b>	<b>- 7.70%</b>

#### Net Sales

In Y2023, the Company had net sales of 425.83 mn bath, decreased of 5.80 mn baht or 1.34 % compared to the same period of Y2022 mainly due to slowdown in economic conditions. As a result, the sales volume decreased.

#### Other Incomes

Other Incomes comprised of revenue from sales of metal scraps from the production process, interest income, gain on foreign exchange, etc. In Y2023, the Company has other incomes of 10.99 mn baht, increase of 8.65 mn baht or 369.66% compared to Y2022 from gain on foreign exchange

#### Cost of sales and Gross Profit Margin

In Y2023, the Company has cost of sales of 263.47 mn baht decreased in line with net sales. However, the ratio of the decrease in cost of sales is less than the decrease in net sales when compared to Y2022. As a result, the company's gross profit margin decreased to 38.13% from 39.00% of the same period last year.

**Selling expenses**

The Company has selling expenses in Y2023 of 40.43 mn baht or 9.49% of net sales. The increasing 14.32 mn baht or 12.03% in selling expenses mainly due to the increase of fuel expense for the company's transportation vehicles.

**Administrative Expenses**

The Company has administrative expenses in Y2023 of 47.29 mn baht, an increase of 5.31 mn baht or 12.65 % compared to Y2022 mainly from annual salary adjustments.

**Financial Costs**

In Y2023, the Company has financial costs of 6.93mn baht, decreased 0.62 mn baht or 8.21% compared to Y2022 due to payment of bank loan within Y2023.

**Net Profit and Net Profit Margin**

The Company has net profit in Y2023 of 62.71 mn baht which represents net profit margin of 14.36%, decreased 5.23 mn baht as net sales decreased and net profit margin decrease from the increased in ratio of cost and expenses compared to Y2022.

**Assets**

The Company has total assets as of 31 December 2023 of 932.02 mn baht, an increase from 31 December 2022 of 245.31 mn baht or 35.72%. The increase was from property, plant and equipment of 268.45 mn baht from the construction of the 2<sup>nd</sup> factory to support the expansion of production capacity..

**Liabilities**

The Company has total liabilities as of 31 December 2023 of 224.51 mn baht, an increase from 31 December 2022 of 154.11 mn baht or 218.91%. From increase in borrowings from financial institutions of 161.56 mn baht for the construction of the 2<sup>nd</sup> factory

**Shareholders' Equity**

The Company has shareholders' equity as of 31 December 2023 of 505.51 mn baht, an increase from 31 December 2022 of 51.60 mn baht or 11.37 % from profit generate in year 2023.

**Statement of Cash Flows**

According to the Cash Flow Statement of Y2023, the Company has net cash used of 15.89 mn baht comprise of net cash inflows from operating activities of 136.76 mn baht from the net profit, net cash outflows from investing activities of 291.66 mn baht mainly from the construction of the 2<sup>nd</sup> factory to support the expansion of production capacity and net cash inflows from financing activities of 139.03 mn baht mainly from long-term loans from financial institution. Consequently, the Company has cash and cash equivalents as of 31 December 2023 of 45.13 mn baht.

Please be informed accordingly,

Best Regards,  
CPANEL Public Company Limited

(Mr. Chakrit Theepakornsukkasame)  
CEO