

Management Discussion and Analysis

For Year ended 31 December 2023

The Company's performance

	Q4/23	Q3/23	Q4/22	Change +/-		Y/2023	Y/2022	Change +/-
Unit: Million Baht				%YoY	%QoQ			%YoY
Revenue from sales	337.0	409.6	232.9	44.7%	(17.7%)	1,407.9	1,428.2	(1.4%)
Cost of Sales	236.0	281.5	174.5	35.2%	(16.2%)	1,009.9	1,002.3	0.8%
Gross Profit	101.0	128.1	58.4	72.9%	(21.2%)	398.0	425.9	(6.6%)
Gross Profit Margin	30.0%	31.3%	25.1%	4.9%	(1.3%)	28.3%	29.8%	(1.5%)
Other income	12.5	4.9	8.8	42.0%	155.1%	28.7	29.2	(1.7%)
Total revenues	349.5	414.5	241.7	44.6%	(15.7%)	1,436.6	1,457.4	(1.4%)
Distribution costs	19.3	22.8	15.1	27.8%	(15.4%)	86.5	98.0	(11.7%)
Administrative expenses	22.4	34.0	14.3	56.6%	(34.1%)	104.9	97.0	8.1%
Profit from operation	71.8	76.2	37.8	89.9%	(5.8%)	235.3	260.1	(9.5%)
Financial cost	0.2	0.2	0.0	N/A	0.0%	0.8	1.5	(46.7%)
Income tax expenses	14.2	15.1	7.3	94.5%	(6.0%)	46.5	51.0	(8.8%)
Net Profit	57.4	60.9	30.5	88.2%	(5.7%)	188.0	207.6	(9.4%)
Net Profit Margin	16.4%	14.7%	12.6%	3.8%	1.7%	13.1%	14.2%	(1.1%)
EBITDA	88.8	92.2	50.2	76.9%	(3.7%)	296.7	307.5	(3.5%)
EBITDA Margin	25.4%	22.2%	20.8%	4.6%	3.2%	20.7%	21.1%	(0.4%)

Sales revenues

In Q4'2023, the Company had sales revenue was 337.0 million baht, an increase of 104.1 million baht or 44.7% compared to the same period of the previous year. Revenue from product sales in each region continues to grow, reflecting the Company's successful expansion of distribution channels in foreign markets in accordance with its sales strategy plan. Sales in America grew by 90.9%, Europe grew by 63.1%, Africa grew by 14.0%, Australia grew by 12.5%, and the Middle East grew by 11.5% compared to the same period of the previous year.

The Company had sales revenue in 2023 was 1,407.9 million baht, a decrease of 20.3 million baht or 1.4% compared to the same period of the previous year. As a result, the beginning of the year, sales in the Americas did not meet the sales targets due to delays in distribution expansion and an extended winter season. However, the situation has improved since Q3' 2023, resulting in a significant return of sales to customers in the Americas. As for the sales situation of the company's products in other continents such as Europe and the Middle East, there has been an increase in sales and ability to expand distribution channels according to the planned projections.

Cost of sales

In Q4' 2023, the Company had cost of sales was 236.0 million baht, an increase of 61.5 million baht or 35.2% compared to the same period of the previous year, in line with the proportionate increase in sales. Furthermore, the prices of raw materials and packaging have increased. Additionally, the cost of material wastage in production, fuel, and electricity has also risen in line with economic situation, as well as an increase in depreciation of assets. Management is aware of these issues and plans to implement mass production to achieve economies of scale in production each month efficiently, in accordance with the specified goals.

The Company had total cost of sales in 2023 was 1,009.9 million baht, an increase of 7.6 million baht or 0.8% compared to the same period of the previous year.

Gross profit

The Company had earned the gross profit in Q4' 2023 of 101.0 million baht, an increase of 42.6 million baht or 72.9% compared to the same period of the previous year. This increase is in line with the proportionate growth in income from sales and the effective control of sales and production costs.

The Company had gross profit in 2023 was 398.0 million baht, a decrease of 27.9 million baht or 6.6% compared to the same period of the previous year. This decrease was due to the rising price of raw materials and packaging as well as increased production costs. Consequently, this affected the cost of sales, leading to an increase, and ultimately resulted in a decrease in revenue from sales.

Selling and distribution expenses

The Company had sales and distribution expenses in Q4' 2023 were 19.3 million baht, an increase of 4.2 million baht or 27.8% compared to the same period in the previous year. The Company's focus on managing and controlling shipping costs and freight charges to align with actual sales. Meanwhile, there has been a notable increase in promotional activities, such as participation in exhibition booths both domestically and internationally. These efforts are aimed at enhancing marketing initiatives to increase customer awareness of PLUS' s products and attract new customers, in line with the Company's strategy.

The Company had sales and distribution expenses in 2023 were 86.5 million baht, a decrease of 11.5 million baht or 11.7% compared to the same period of the previous year. The decrease in expenses was primarily due to the reduced cost of exporting goods, which followed the sales ratio. However, the Company incurred higher sales promotion expenses in line with the marketing plan.

Administrative expenses

The Company had the administrative expenses in Q4' 2023 were 22.4 million baht, an increase of 8.1 million baht or 56.6% compared to the same period in the previous year. This increase was primarily due to expenses related to the destruction of goods, insurance premiums for risk management expenses, and other service fees for preparing information to submit to the Stock Exchange of Thailand. However, the Company effectively controls its administrative expenses despite increases in labor costs, other expenses and utilities costs.

The Company had administrative expenses in 2023 were 104.9 million baht, an increase of 7.9 million baht or 8.1% compared to the same period in the previous year. The Company has efficiently managed machinery, labor costs, and utility costs, despite the situation of rising costs.

Net profit

The Company had net profit in Q4' 2023 was 57.4 million baht, representing a net profit margin of 16.4% of total revenue. This marked an increase of 26.9 million baht or 88.2% compared to the same period in the previous year.

The Company had net profit for the twelve-month period of 2023 was 188.0 million baht, representing a net profit margin of 13.1% of total revenue. This was a decrease of 19.6 million baht or 9.4% compared to the same period in the previous year.

The Company's statement of financial position

(Unit : million Baht)	31 December 2023	31 December 2022	% Change
Total current assets	646.2	821.4	(21.3%)
Total non-current assets	1,038.4	630.8	64.6%
Total Assets	1,684.6	1,452.2	16.0%
Total current liabilities	290.4	186.7	55.5%
Total non-current liabilities	39.6	11.9	232.8%
Total Liabilities	330.0	198.6	66.2%
Capital	1,008.7	1,008.7	0.0%
Accumulated profit	345.9	244.9	41.2%
Total shareholders' equity	1,354.6	1,253.6	8.1%

Assets

As of December 31, 2023, the Company had the total assets amounted to 1,684.6 million baht, representing a 16.0% increase from the end of the year 2022. Current assets stood at 646.2 million baht, decreasing by 21.3% due to payment for the purchase of machinery, equipment, and software, which impacted the cash and cash equivalents. Inventories decreased, and trade accounts receivable increased, corresponding to the increase in income from product sales. Additionally, other current assets increased due to the value-added benefits that were to be refunded. Non-current assets amounted to 1,038.4 million baht, increasing by 64.6% due to payments for the purchase of equipment and tools in the factory improve the building area, including advance payment for machines. These investments align with the Company's production capacity expansion plan to support the expanding market, which is growing continuously.

Liabilities

As of December 31, 2023, the Company had a total liabilities amounted to 330.0 million baht, increasing by 66.2% from the end of the year 2022. Current liabilities stood at 290.4 million baht, increasing by 55.5% primarily due to trade payables for procurements of production raw materials and various packaging materials used in production. Additionally, there was an increase in retention and income received in advance for goods awaiting delivery on time, along with an increase in financial debt burden. Total non-current liabilities amounted to 39.6 million baht, increasing by 232.8% from long-term loans from financial institutions under long-term financial lease for assets and an estimation of future employees' benefits.

Shareholders' equity

As of December 31, 2023, the Company had a total shareholders' equity amounted to 1,354.6 million baht, increasing by 8.1% from the end of the year 2022, primarily due to the Company paying dividends from the performance in 2022, amounting to 87.0 million baht and having a profit from the performance of results increased by 188.0 million baht from the period.

Key financial ratios

Financial Ratios	Q4/2023	Q4/2022	Y/2023	Y2022
Gross profit ratios (%)	29.95	25.09	28.26	29.82
Net profit ratio (%)	16.42	12.64	13.09	14.25
Earnings per Share (Baht)	0.09	0.05	0.28	0.34
Return on Asset (%)	11.99	19.06	11.99	19.06
Return on Equity (%)	14.42	25.72	14.42	25.72
Liquidity ratio (time)	2.23	4.40	2.23	4.40
Debt to Equity ratio (time)	0.24	0.16	0.24	0.16
Book Value per Share (Baht)	2.02	1.87	2.02	1.87

Liquidity and capital resources

Cash Flow Statement (Million Baht)	31 December 2023	31 December 2022	% Change
Cash flows from operating activities			
Net cash flow from operating activities	303.5	172.3	76.1%
Cash flows from investing activities			
Net cash from (used in) investing activities	(440.3)	(180.6)	143.8%
Cash flows from financing activities			
Net cash from (used in) financing activities	(62.2)	548.6	(111.3%)
Cash and cash equivalents net increase	(198.9)	540.3	(136.8%)
Cash and cash equivalents at beginning of period	578.2	37.9	1,425.6%
Cash and cash equivalents at end of period	379.3	578.2	(34.4%)

As of December 31, 2023, the Company had the balance of cash and cash equivalent of 379.3 million baht with the net cash flow from operating activities of 303.5 million baht. The net cash flow spent on investment activity was 440.3 million baht, which was used for purchasing machinery, equipment, and software to accommodate the expanding capacity. Net cash flow from financing activities of 62.2 million baht from cash received from long-term loans from financial institutions of 29.5 million baht, dividend payments of 87.0 million baht and repayment of lease agreement debt and long-term loans with periodic interest of 4.6 million baht.