

NFC 033/2024

May 14, 2024

Subject: To submit Financial Statements and clarification of the Operating Results changed more than 20% for the 1st quarter ended March 31, 2024

Attention: The President
The Stock Exchange of Thailand (“SET”)

Attachment:

1. Interim Financial Information of the Company and its subsidiaries for the 1st quarter ended March 31, 2024
2. Management Discussion and Analysis for the 1st quarter ended March 31, 2024

NFC Public Company Limited (“the Company”) would like to submit the Interim Financial Information of the Company and its subsidiaries for the 1st quarter ended March 31, 2024, which had already reviewed by Auditor to SET as per Attachment No.1, together with a summary of the operating results which had changed in Management Discussion and Analysis for the 1st quarter ended March 31, 2024 as per Attachment No.2.

Please be informed accordingly.

Yours sincerely,

(Mrs. Bongkot Rungkornpaisarn)
Chief Government Liaison Officer
NFC Public Company Limited

Management Discussion and Analysis – For Quarter 1/2024 ended 31 March 2024

Operating Performance

For the quarter 1/2024 ended 31 March 2024, the Company's net profit attributable to equity holders of the Company was 10.86 MB., Total Net Profit decreased by 8.15 MB. or 42.85% compared to quarter 1/2023.

- Gross Profit increased by 31.70 MB. or 40.29 %
- Other Income increased by 2.07 MB. or 62.71%
- Total Expenses increased by 7.00 MB. or 24.66%
- Financial Cost increased by 39.31 MB. or 112.03%
- Tax Income increased by 4.39 MB. or 908.70%

According to the following details

Revenues from sales and services

For the quarter 1/2024 ended 31 March 2024, the Company had total revenue from sales and services of 422.29 MB., increased by 0.21 MB. or 0.05% compared to quarter 1/2023 resulted from

- Revenue from sales of chemical products was 285.40 MB., decreased by 56.76 MB. or 16.59% compared to quarter 1/2023 due to
 - Revenue from Sales of Sulfuric Acid decreased by 70.01 MB. or 34.20%. due to Sales volume decreased by 15,094 tons or 19.42% and the average selling price per ton decreased by 18.35% according to the global market price.
 - Revenue from Sales of Ammonia increased by 6.41 MB. or 5.18%. because the average selling price per ton decreased by 23.81%, however sale volume slightly increased by 1,078 tons or 38.06%.
 - Revenue from Sales of Ammonium Hydroxide increased by 6.84 MB. or 50.27% due to the average selling price per ton decreased by 4.01%, however sale volume increased by 616 tons or 56.54%.
- Total service income was 136.89 MB., increased by 55.96 MB. or 71.27% compared to quarter 1/2023 due to
 - Revenue from warehouse services increased by 1.65 MB. or 17.77% due to an increased in utilization of service areas.
 - Revenue from Logistic & Liquid warehouse increased by 0.57 MB. or 3.84% due to the adjustment of service charges.
 - Revenue from Port Service decreased by 0.35 MB. or 31.91% due to the decreased of terminal traffic.
 - Revenue from an incremental revenue from Fuel Tank Farm business 49.18 MB. due to NFCT had recognized revenue since July 2023.
 - Revenue from space service area increased by 5.91 MB. or 10.80% mainly resulted from revenue increase of NFCW, meanwhile NFC revenue decreased due to under-utilization of existing space which is under development for new project.

Cost of sales and services and gross margin

For the quarter 1/2024 ended 31 March 2024, the Company's cost of sales and services of 311.90 MB., decreased by 31.49 MB. or 9.17% compared to quarter 1/2023 while the total gross margin ratio was increased to 26.14% against quarter 1/2023 at 18.64% due to

- Cost of chemical products 242.34 MB. decreased by 77.90 MB. or 24.33% compared to quarter 1/2023 due to
 - Cost of sale Sulfuric Acid decreased by 65.95 MB. or 32.51% due to the sale volume decreased.
 - Cost of sale Ammonia decreased by 11.52 MB. or 10.94%
 - Cost of sale Ammonium Hydroxide decreased by 0.43 MB. or 3.56%
- The gross profit from sale of chemical products 43.05 MB. increased by 21.14 MB. or 96.50% affecting to gross margin ratio increased to 15.09% compared to quarter 1/2023 at 6.40% resulted from the cost allocation as per proportion of revenue mixed.
- Cost of services 69.55 MB. increased by 46.41 MB. or 200.48% compared to quarter 1/2023 resulted from service cost of Fuel Tank Farm business had recognized in 2H of the year 2023.

Other income

For the quarter 1/2024 ended 31 March 2024, the Company had other income of 5.36 MB., increased by 2.07 MB. or 62.71% compared to quarter 1/2023, resulting from

- Gain from foreign exchange rate increased by 3.04 MB.
- Gain from reversal of allowance for expected credit losses by 0.58 MB.
- Revenue from interest income increased by 0.82 MB.
- Revenue from other services decreased by 2.37 MB.

Total expenses

For the quarter 1/2024 ended 31 March 2024, the Company had total expenses of 35.38 MB., increased by 7.00 MB. or 24.66% compared to quarter 1/2023 due to

- Selling expenses increased by 2.54 MB. or 34.57%, due to transportation to the customer increased according to sales volume of Ammonia and Ammonia Hydroxide increasing.
- Administrative expenses increased by 4.64 MB. or 21.21% resulting from
 - Depreciation from under-utilized assets increased by 10.79 MB.
 - Personal expenses decreased by 1.81 MB.
 - Depreciation and Repair & Maintenance expenses of equipment office decreased by 1.12 MB.
 - Other administrative expenses net decreased by 3.40 MB

Financial Costs

For the quarter 1/2024 ended 31 March 2024, the Company had Financial Costs of 74.39 MB., increased by 39.30 MB. or 112.03% when compared to quarter 1/2023 caused from interest expenses from Right of use assets increased by 17.58 MB. and the interest expenses and bank fee from Financial Institutions increased by 21.72 MB.

Tax Income (Expense)

For the quarter 1/2024 ended 31 March 2024, the Company had deferred tax income increased by 4.39 MB. or 908.70%. due to the Company has a deferred tax assets that expected to be utilized in the future for depreciation and interest expenses of Right of use assets.

Statement of Finance Position

The Company's Statement of Financial Position as at ended 31 March 2024, the Company had total assets of 7,763.31 MB., total liabilities of 6,341.07 MB., and shareholders' equity attributable to the owners of the Company of 1,422.24 MB. or book value of 1.31 Baht per share, and at the end of 2023, the Company had total assets of 7,754.53 MB., total liabilities of 6,343.15 MB., and shareholders' equity attributable to the owners of the Company of 1,411.38 MB. or book value of 1.30 Baht per share.

As at 31 March 2024, the Company has a working capital in cash of 449.28 MB., which is sufficient for current operation business. The significant changed for financial position of the Company are as follows.

- As of 31 March 2024, the Company's total assets were 7,763.31 MB., increased by 8.78 MB. or 0.11% compared to the end of year 2023 as per following details
 - Cash and cash equivalents of 449.28 MB., increased by 87.39 MB. or 24.15% from net cashflow provided from operating activities.
 - Trade accounts receivable and other current receivables 215.49 MB., a decreased of 38.49 MB. or 15.15%.
 - Inventories 111.70 MB., increased by 21.24 MB. or 23.48% from ammonia products increased by 19.68 MB., ammonium hydroxide decreased by 0.05 MB., consumables and others decreased by 4.06 MB., and goods in transit increased by 5.67 MB.
 - Current tax assets 4.56 MB., decreased by 4.85 MB. or 51.56%
 - Other current financial assets of 0.29 MB., decreased by 12.57 MB. or 97.73% due to decreasing of utilization of LC/TR credit securities, so cash collateral decreasing.
 - Other current assets 3.38 MB., decreased by 0.01 MB. or 0.27%.
 - Other non-current financial assets 191.92 MB., increased by 2.90 MB. or 1.53%
 - Investment in subsidiaries, joint ventures and associated 0.50 MB., due to investing in 2 newly established associated companies.
 - Property, plant and equipment 2,564.68 MB., decreased by 40.77 MB. or 1.56%, consisting of net depreciation during the period 26.95 MB., purchase of assets during the period 6.47 MB., disposal of assets 0.22 MB. and transferred out to right of use assets 20.07 MB.
 - Right of use assets 4,102.25 MB., decreased by 14.54 MB. or 0.35%., consisting of entered into the lease agreement 10.95 MB., transferred in from Property, plant and equipment 20.07 MB. and net depreciation during the period 45.56 MB.
 - Other intangible assets other than goodwill 54.92 MB., decreased by 0.56 MB. or 1.01%, due to amortized intangible assets during the period.

- Deferred tax assets 52.43 MB., increased by 9.37 MB., or 27.74% due to increasing of tax assets that expected to be utilized in the future for depreciation and interest expenses of right of use.
 - Other non-current assets 11.91 MB., decreased by 0.83 MB. or 6.51%, due to the amortized advance payment of a subsidiary's Fuel Tank Farm project.
- As of 31 March 2024, the company had total liabilities of 6,341.07 MB., decreased by 2.08 MB. or 0.03% compared to the end of 2023.
- Short-term loans from financial institutions 418.42 MB., decreased by 49.57 MB. or 10.59% as NFC decreased in utilization of LC/TR credit securities.
 - Trade accounts payable and other current payable 359.91 MB., decreased by 39.59 MB. or 9.91% due to decreased in net trade payables of 28.64 MB., decrease of advance income of 3.45 MB., increased of accrued interest of 11.77 MB., while other trade payables and other accrued expenses decreased net of 19.27 MB.
 - Current portion of long - term liabilities 75.91 MB., increased by 6.85 MB. or 9.92%
 - Current portion of lease liabilities 32.22 MB., increased by 4.67 MB. or 16.96%
 - Corporate income tax payables 16.43 MB., increased by 3.00 MB. or 22.37%
 - Other current liabilities 5.12 MB., from deposit received form supplier decreased by 0.21 MB. or 4.01%
 - Long-term loans from financial institutions 1,082.36 MB. increased by 33.36 MB. or 3.18% due during period received money from the institution 40 MB.
 - Liabilities under lease agreements 4,249.54 MB., increased by 54.17 MB. or 1.29%.
 - Non - current provisions for employee benefits 3.96 MB., increased by 0.15 MB. or 4.05%
 - Other non - current provisions 95.53 MB., decreased by 15.05 MB. or 13.99% mainly from decrease of provision for gypsum removal.
 - Other non - current liabilities 4.69 MB., increased by 0.14 MB or 2.99%
- As of 31 March 2024, the Company has shareholders' equity of 1,422.24 MB., increased by 10.86 MB. or 0.77% compared to the end of the year 2023 due to the company's operating results as a comprehensive net profit of 10.86 MB. At present, the company has a paid-up capital of 815.87 MB., divided into 1,087.83 million ordinary shares with a par value of 0.75 baht per share.

Cash flow Statement of the Company

For the quarter 1/2024 ended 31 March 2024, the company had a net increased in cash flow of 87.39 MB., with cash and cash equivalents at the beginning of 361.89 MB. As a result, cash and cash equivalents at the end of the period of 449.28 MB., due to.

- Net Cash flow from operating activities 130.14 MB., resulting from operating results and net change of working capital of the Company.

- Net cash flow used in investing activities was 6.87 MB., mainly resulting cash paid for acquisitions of assets.
- Net cash flow from financing activities of 35.88 MB., resulting from payment for trade credit (LC/TR) from financial institutions of 49.57 MB., and payment for financial lease agreements and interest expenses of 24.87 MB. and NFCW received money from the institution 40 MB. and received money from the institution 40 MB.