



บริษัท ยูนิออน ปิโตรเคมีคอล จำกัด (มหาชน) UNION PETROCHEMICAL PUBLIC COMPANY LIMITED

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UKEM 012/2024

10th May 2024

Subject : Management Discussion and Analysis for the period ended 31th March 2024

To : Managing Directors and Directors, The Stock Exchange of Thailand

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED and its subsidiaries according (“Company”), would like to clarify the operating results and financial status to the financial statements for the period ended 31th March 2024 as follows:

(Unit: Thousand Baht)

Consolidated	For the three month		Change	
	2024	2023	Baht	%
Revenues				
Sales and services	829,676.00	735,784.00	93,892.00	12.76
Cost of sales and services	745,520.00	662,392.00	83,128.00	12.55
Gross profit	84,156.00	73,392.00	10,764.00	14.67
Expenses				
Gain on sales of investments in subsidiaries	0.00	40,702.00	(40,702.00)	(100.00)
Other income	750.00	787.00	(37.00)	(4.70)
Selling expenses	24,878.00	22,496.00	2,382.00	10.59
Administrative expenses	44,263.00	47,786.00	(3,523.00)	(7.37)
Profit (loss) from operating activities	15,765.00	44,599.00	(28,834.00)	(64.65)
Finance Cost	5,425.00	5,148.00	277.00	5.38
Profit (loss) before income tax expenses from continuing operations	10,340.00	39,451.00	(29,111.00)	(73.79)
Income tax expenses (revenues)	1,191.00	37,834.00	(36,643.00)	(96.85)
Profit (loss) for the period from continuing operations	9,149.00	1,617.00	7,532.00	465.80
Profit (loss) for the period from discontinued operation net of income tax	0.00	4,021.00	(4,021.00)	(100.00)
Profit (loss) for the period	9,149.00	(2,404.00)	11,553.00	(480.57)
Gross profit margin (%)	10.14%	9.97%		0.17%
Net profit margin (%)	1.10%	-0.33%		1.43%

➤ Revenue from sales and administrative

For the fiscal year ending March 31, 2024, the company had revenue from sales of 829.68 million baht, an increase of 93.89 million baht from the previous year, representing a 12.78% increase. This increase was attributed to higher sales volume and higher average selling prices across all product categories compared to the previous year. The increased revenue came primarily from sales of general chemical products (Solvent) and other industrial product categories.

➤ **Gross profit**

For the fiscal year ending March 31, 2024, the company had an initial profit of 84.16 million baht, an increase of 10.76 million baht from the previous year, representing a 14.67% increase. This increase was attributed to newly sourced and sold products, with the recognition of new costs in February and March. Additionally, the increase in product costs on average was lower than the increase in average selling prices, resulting in higher initial profits compared to the previous year, especially in the general chemical products (Solvent) and plastic pellet groups, which were able to generate higher initial profits compared to the previous year.

➤ **Selling expenses**

For the fiscal year ending March 31, 2024, the company's selling expenses amounted to 24.88 million baht, an increase of 2.38 million baht from the previous year, representing a 10.59% increase. This increase was due to higher export expenses and increased costs for product analysis and testing.

➤ **Administrative expenses**

For the fiscal year ending March 31, 2024, the company's management expenses amounted to 44.28 million baht, a decrease of 3.52 million baht from the previous year, representing a decrease of 7.37%. This decrease was attributed to lower expenses for other services and losses from actual exchange rates that were lower than the previous year. Additionally, there were no unrealized losses from derivative contracts, no unrealized losses from investments, and no provisions for investment value declines compared to the previous year.

➤ **Finance expenses**

For the fiscal year ending March 31, 2024, the company's financial expenses amounted to 5.43 million baht, an increase of 0.28 million baht from the previous year, representing a 5.38% increase. This increase was due to banks adjusting interest rates upwards.

➤ **Net profit**

For the fiscal year ending March 31, 2024, the company had a net profit for the period of 9.15 million baht, an increase from the previous year's figure of 11.55 million baht, representing a percentage increase of 480.57. This increase was attributed to the introduction of new product costs, which replaced higher-cost old products, resulting in better cost of goods sold. This led to increased gross profit from product sales. Additionally, effective control and reduction of various expenses contributed to the increase in net profit.

Statement of financial position

(Unit: Thousand Baht)

(Unit : Baht)	As at	As at	Change	
	March	March	Increase (DecreaseX)	
	31 , 2024	31 , 2023	Amount	%
Total assets	1,842,438.00	1,684,406.00	158,032.00	9.38
Total liabilities	1,036,543.00	864,093.00	172,450.00	19.96
Total shareholders'equity	805,895.00	820,313.00	(14,418.00)	(1.76)

➤ **Assets**

As of March 31, 2024, the company's total assets amounted to 1,842.44 million baht, increasing by 158.03 million baht from the same period of the previous year, representing a percentage increase of 9.38. The main reasons for this increase were as follows:

1. Inventory increased by 84.24 million baht, representing 23.48 percent. This increase was due to purchasing additional general chemical products (Solvent), coupled with lower sales volume compared to the purchase volume during the period. Additionally, the average selling prices of products increased in line with market prices.
2. Trade receivables and other receivables increased by 24.41 million baht, or decreased by 3.55 percent. This was attributed to the sale of receivables from the general chemical product (Solvent) group, which correlated with the increase in sales of said group. The majority of trade receivables were classified as current and payable within three months.

➤ **Liabilities**

As of March 31, 2024, the company's total liabilities amounted to 1,036.54 million baht, increasing by 172.45 million baht from the previous year, representing a percentage increase of 19.96. This increase was primarily due to an increase in trade payables from the purchase of additional imported goods, mainly from foreign trade creditors.

Shareholders' equity

As of March 31, 2024, the company's total shareholders' equity amounted to 805.90 million baht, a decrease of 14.42 million baht from the previous year, representing a percentage decrease of 1.76. This decrease was due to a reduction resulting from the allocation of reserve funds for share buybacks.

Best regards

A handwritten signature in blue ink, appearing to read 'P.S.' with a horizontal line underneath.

(Mr. Peeraphon Suwannaphasri)

Managing Director