



Date : 09 May 2024

Subject : Management Discussion and Analysis of Financial Position and Operating Performance for the 3-month period ended 31 March 2024

To : President of Stock Exchange of Thailand

Thai Nippon Rubber Industry Public Company Limited and its subsidiaries (“the Group”) reported performance for the 3-month period ended 31 March 2024 below:

Consolidated Statement of Comprehensive Income

For the 3-month period ended 31 March

Unit : Million Baht

Statement of Comprehensive Income	Consolidated financial information (Unaudited)							
	For the three-month period ended 31 March							
	Condoms and lubricating gels		Paper boxes		Total		Comparative information	
	2024	2023	2024	2023	2024	2023	Increased / Decreased	%
Revenue from sales and services	438.0	449.1	30.9	43.3	468.9	492.4	(23.5)	-4.8%
Cost of sales and services	(295.1)	(360.1)	(18.2)	(32.1)	(313.3)	(392.2)	78.9	20.1%
Depreciation charge in excess from plant and equipment recognised under fair value	-	-	-	-	(2.9)	(2.9)	-	0.0%
Segment results	142.9	89.0	12.7	11.2	152.7	97.3	55.4	56.9%
Other income					1.0	1.5	(0.5)	-33.3%
Selling expenses					(28.9)	(16.2)	(12.7)	-78.4%
Administrative expenses					(36.5)	(49.6)	13.1	26.4%
Reversal of (losses) allowance for expected credit losses					(23.1)	4.9	(28.0)	-571.4%
Other gains (losses) (net)					33.7	(11.2)	44.9	400.9%
Finance costs					(4.2)	(4.0)	(0.2)	-5.0%
Operating profit					94.7	22.7	72.0	317.2%
Income tax					(5.4)	(3.4)	(2.0)	-58.8%
Net profit for the year					89.3	19.3	70.0	362.7%



Overview of the Group's operating results in Quarter 1/2024, The Group's revenue from sales of products and services totaled Baht 468.9 million (Quarter 1/2023: Baht 492.4 million), a decrease of Baht 23.5 million or 4.8%. The decrease in sales came from sales for the paper box businesses decreased by Baht 12.4 million and the condom and lubricant gel businesses decreased by Baht 11.1 million.

Gross profit of the Group for the Quarter 1/2024: Baht 152.7 million, or 32.6% of sales (Quarter 1/2023: gross profit Baht 97.3 million, or 19.8% of sales). The gross profit increase by Baht 55.4 million due to more efficient cost management.

Selling expenses for the Quarter 1/2024: Baht 28.9 million (Quarter 1/2023: Baht 16.2 million), an increase of Baht 12.7 million due to increasing marketing expenses in creating product brands to increase sales.

Administrative expenses for the Quarter 1/2024: Baht 36.5 million (Quarter 1/2023: Baht 49.6 million), a decrease of Baht 13.1 million due to a reduction in special expenses related to lawsuits in foreign courts.

Reversals (losses) on credit that are expected to occur in Quarter 1/2024 amounted to Baht (23.1) million (Quarter 1/2023: Baht 4.9 million). There is a difference from losses in the amount of Baht (28.0) 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 depreciation 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 gains (losses) in Quarter 1/2024 amounted to Baht 33.7 million (Quarter 1/2023: Baht (11.2) million). The main items in other losses include foreign exchange gain increasing by net gains (losses) from exchange rates. In Quarter 1/2024, the group of companies was a gain from foreign exchange Baht 33.7 million due to the fluctuation of the US dollar, which depreciation 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 Quarter 1/2024 amounted to Baht 5.4 million (Quarter 1/2023: Baht 3.4 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%, an increase of Baht 2.0 million from the operating results of Quarter 1/2024.

**Consolidated Statement of financial position**

Unit : Million Baht

Statement of Financial Position	Consolidated		Comparative information	
	(Unaudited)	(Audited)	Increased / Decreased	%
	31 March 2024	31 December 2023		
Current assets	1,050.2	1,056.3	(6.1)	-0.6%
Non-current assets	776.3	746.3	30.0	4.0%
Total assets	1,826.5	1,802.6	23.9	1.3%
Current liabilities	658.9	725.5	(66.6)	-9.2%
Non-current liabilities	119.0	116.5	2.5	2.1%
Total liabilities	777.9	842.0	(64.1)	-7.6%
Share capital Issued and fully paid-up share capital	300.0	300.0	-	0.0%
Share premium (net)	378.3	378.3	-	0.0%
Retained earnings (deficits)				
- Appropriated - legal reserve	23.5	23.5	-	0.0%
- Unappropriated	348.4	259.1	89.3	-34.5%
Other components of equity (net)	(1.6)	(0.3)	(1.3)	-433.3%
Total equity	1,048.6	960.6	88.0	9.2%
Total liabilities and equity	1,826.5	1,802.6	23.9	1.3%

Current assets in Quarter 1/2024 amounted to Baht 1,050.2 million (Year 2023: Baht 1,056.3 million), a decreased Baht 6.1 million or 0.6% from:

1. Cash and cash equivalents increased by Baht 17.4 million from normal business operations.
2. Trade and other receivables (net) decreased Baht 39.7 million due to the company has received payment from the customers.
3. Inventories (net) increased by Baht 27.5 million due to the group of companies has increased orders from customers and waiting for products to be delivered next Quarter.
4. Derivative Assets decreased by Baht 13.1 million from preventing risk from exchange rate fluctuations from preventing risk from exchange rate fluctuations.



Non-current assets in Quarter 1/2024 amounted to Baht 776.3 million (Year 2023: Baht 746.3 million), an increased of Baht 30.0 million or 4.0% from:

1. Property, plant, and equipment (net) decreased by Baht 3.6 million as a result of the purchase of machinery and equipment in the amount of Baht 19.3 million (mostly investment in machinery and equipment to increase efficiency and replace the old one) and depreciation for the period in the amount of Baht 22.8 million.
2. Intangible assets (net) increased by Baht 17.0 million from investment expenditures for new product development.
3. Deferred tax assets increased by Baht 18.6 million from calculate deferred tax assets in Quarter 1/2024.

Current liabilities in Quarter 1/2024 amounted to Baht 658.9 million (Year 2023: Baht 725.5 million), a decrease of Baht 66.6 million or 9.2% from:

1. Short term loan from financial institutions decreased by Baht 103.0 million from efficient cash flow and working capital management.
2. Trade and other payables increased by Baht 17.0 million as a result of the procurement of raw materials in the normal course of business.
3. Current portions of long-term loans from financial institution a decrease of Baht 5.9 million from non-current liability classification.
4. Accrued income tax an increase of Baht 24.5 million from the calculation of tax from operating results of Quarter 1/2024.

Non-current liabilities in Quarter 1/2024 amounted to Baht 119.0 million (Year 2023: Baht 116.5 million), a increase of Baht 2.5 million or 2.1% from:

1. Lease liabilities (net) decreased in the amount of Baht 0.7 million from paying rent according to the terms of the lease agreement.
2. Long-term loans from financial institutions increased by Baht 3 million from non-current liability classification.



The Company's equity in Quarter 1/2024 amounted to Baht 1,048.6 million (Year 2023: Baht 960.6 million), an increase of Baht 88.0 million or 9.2%. The company had a net profit from operating results in Quarter 1/2024.

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