



No. NER-SET 008/2024

May 09, 2024

Re: Management's discussion and analysis for the first 3 months of 2024 ending March 31, 2024

To: The President, The Stock Exchange of Thailand

Northeast Rubber Public Company Limited (the "Company") would like to submit the Company's financial statements for the 1st quarter of 2024 ending March 31, 2024 that have been reviewed by the auditor. And would like to clarify the operating results for the 1st quarter of 2024, The Company results of the operation are as follows.

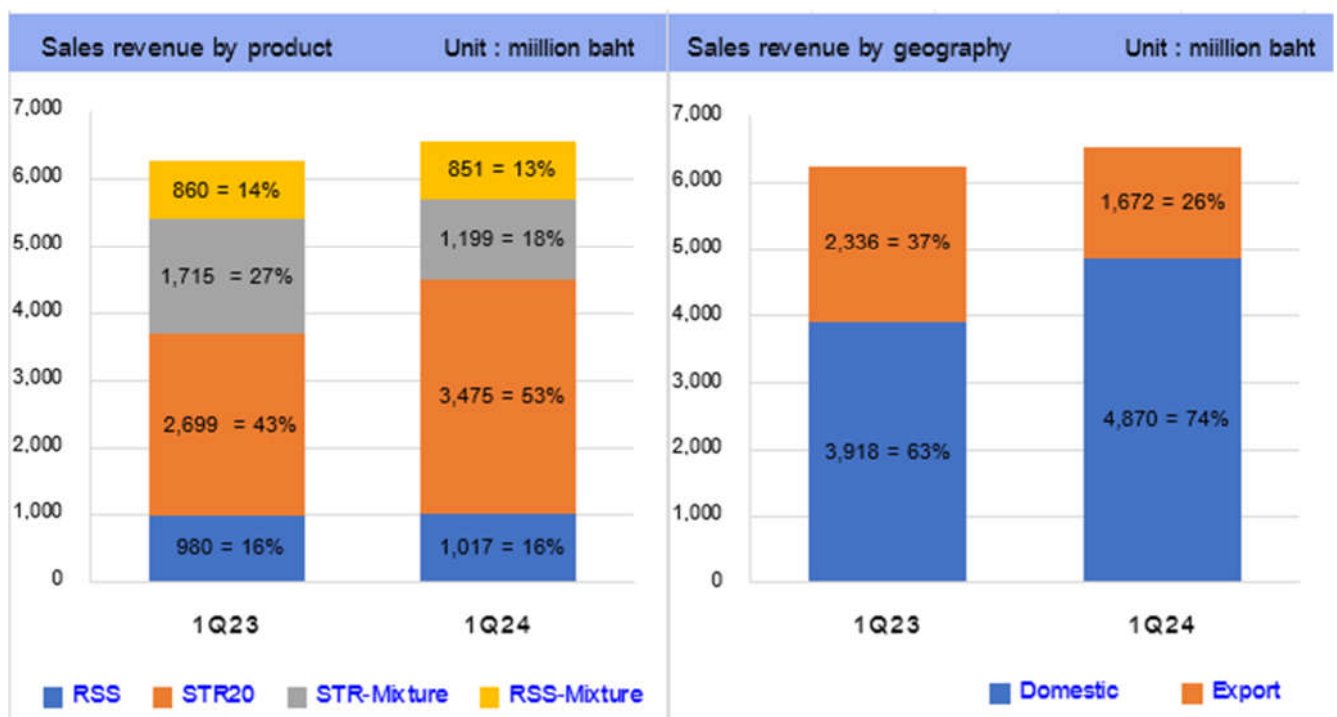
Compare operating results for the 3-month periods ending 31 March 2024 and 2023

Statement of Comprehensive Income	Q1/2024		Q1/2023		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales volume (Tons)	114,619		127,574		(12,955)	(10.15%)
Total Revenue from Local sales	4,869.56	74.44%	3,918.08	62.65%	951.48	24.28%
Total Revenue from Export sales	1,672.29	25.56%	2,336.32	37.35%	(664.03)	(28.42%)
Total Revenue from sales	6,541.85	100.00%	6,254.40	100.00%	287.45	4.60%
Cost of sales	5,780.41	88.36%	5,646.82	90.29%	133.59	2.37%
Gross profit	761.45	11.64%	607.58	9.71%	153.86	25.32%
Distribution costs	92.12	1.41%	152.87	2.44%	(60.75)	(39.74%)
Administrative expenses	60.20	0.92%	26.70	0.43%	33.50	125.49%
Loss (gain) on exchange rate	(0.57)	-0.01%	(30.37)	(0.49%)	29.81	(98.13%)
Unrealized loss (gain) on valuation of fair value of derivatives	22.79	0.35%	19.48	0.31%	3.31	17.00%
Operating profit	586.90	8.97%	438.92	7.02%	147.99	33.72%
Finance cost	114.38	1.75%	112.63	1.80%	1.76	1.56%
Profit (loss) before other income	472.52	7.22%	326.29	5.22%	146.23	44.82%
Other income	2.40	0.04%	3.71	0.06%	(1.32)	(35.48%)
Profit (loss) before income tax	474.92	7.26%	330.00	5.28%	144.91	43.91%
Tax (income)	21.30	0.33%	15.62	0.25%	5.68	36.34%
Profit (loss) for the period	453.61	6.93%	314.38	5.03%	139.24	44.29%



Operating results for the 1st quarter of 2024 for the 3-month period ending March 31, 2024, compared to the same period of the previous year, had a sales volume of 114,619 tons, a decrease of 12,955 tons or a decrease of 10.15 percent, representing a total sales income of 6,541.85 million baht, an increase of 285.45 million baht or an increase of 4.60 percent, divided into income from domestic sales of 4,869.56 million baht or 74.44 percent of total sales, an increase of 951.48 million baht or an increase of 24.28 percent, and income From foreign sales, 1,672.29 million baht, or 25.56 percent of total sales, decreased by 664.03 million baht, or 28.42 percent.

Sales revenue can be separated by products compared between 1st quarter 2024 and 1st quarter 2023 as follows.



Sales income for the 1st quarter of 2024 increased by 285.45 million baht compared to the same period of the previous year. This is due to the situation of increasing rubber prices. The average selling price of rubber products increased by 16.45 percent. The increased income was divided into an increase in price difference of 924.02 million baht and divided into a decrease in volume difference. At 634.94 million baht

In the 1st quarter of 2024, the company had cost of sales of 5,780.41 million baht or 88.36 percent of sales revenue. Divided into the cost of raw materials and consumables, they amounted to 5,596.93 million baht, accounting for 85.56 percent of sales revenue. Compared to the same period last year Costs decreased by 1.87 percent. The main factor that caused the company's raw material costs to decrease was the increase in average selling prices. Meanwhile, the average raw material cost did not increase in line with the higher purchase price. This is because the company recognizes the



value of inventories using the weighted average method. (Weighted-average Method) for the Company's average rubber purchasing price and natural rubber selling price. Can be shown according to the graph as follows:





For labor costs of 34.01 million baht, representing 0.52 percent, compared to the same period last year, costs decreased by 10.07 million baht, or 0.18 percent of sales revenue. which varies according to the decrease in production volume

For production expenses of 98.84 million baht, accounting for 1.51 percent of sales revenue. Compared to the same period last year, costs increased by 0.02 percent. This was due to the company having maintenance costs for machinery according to their useful life in the rubber block factory, which increased by 16.91 million baht compared to the same period last year.

When comparing cost of sales in the 1st quarter of 2024 with the 1st quarter of 2023 The Company's proportion of sales costs decreased from 90.29 percent to 88.36 percent, or a decrease of 1.93 percent of sales revenue. As a result, the company's gross profit increased by 153.87 million baht, or an increase in gross profit of 1.93 percent, which represents an increase in gross profit margin from 9.71 percent in 1Q/2023 to 11.64 percent in 1Q/2024.

Cost of sale	Q1/2024		Q1/2023		YoY
	Million Baht	%	Million Baht	%	Increase (Decrease)
Sales volume (Tons)	114,619		127,574		(12,955)
Total Revenue from sales	6,541.85	100.00%	6,254.40	100.00%	287.45
Cost of sales	5,780.41	88.36%	5,646.82	90.29%	(1.93%)
Raw materials and consumables used	5,596.93	85.56%	5,468.06	87.43%	(1.87%)
Salary and labor	34.01	0.52%	44.08	0.70%	(0.18%)
Manufacturing Overhead	98.84	1.51%	93.20	1.49%	0.02%
Depreciation & Amortization	50.62	0.77%	41.48	0.66%	0.11%
Gross profit	761.45	11.64%	607.58	9.71%	1.93%

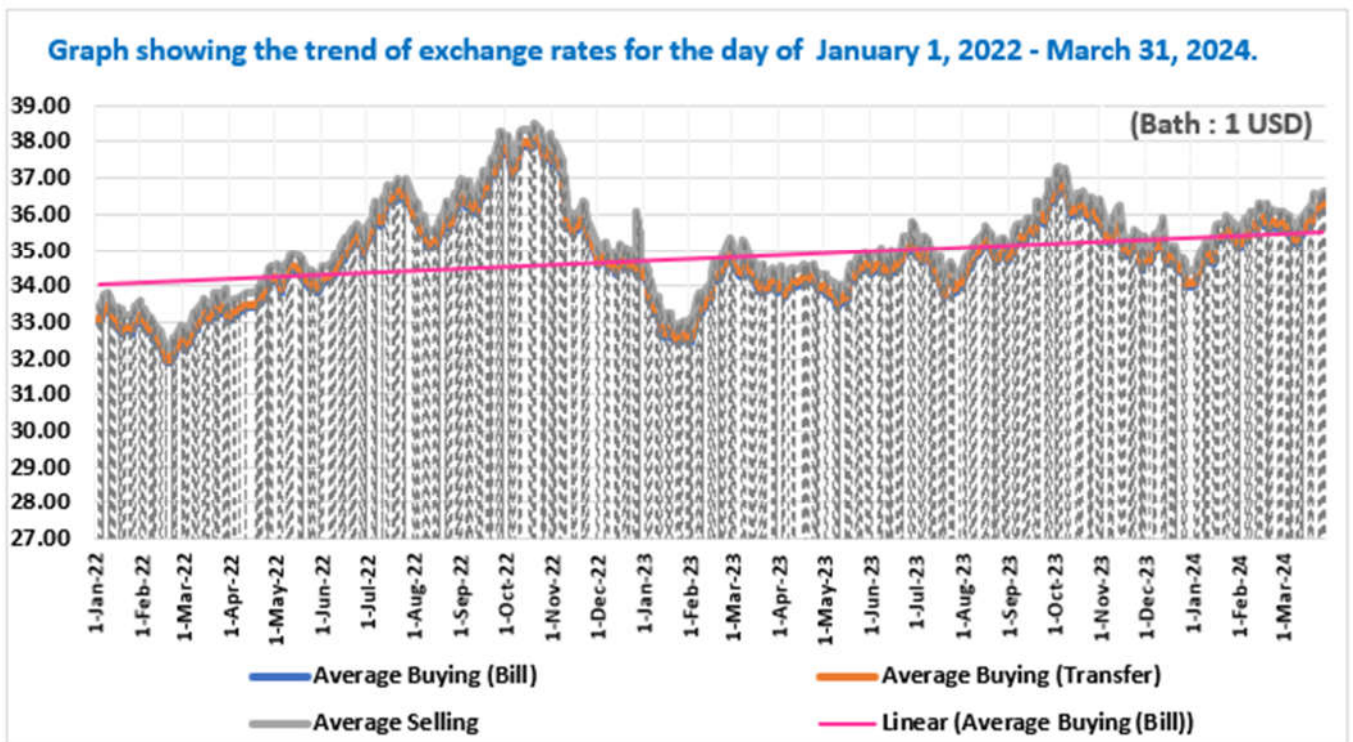
Distribution costs were 92.12 million baht or 1.41 percent of total sales compared to the same period last year. Distribution costs decreased by 60.75 million baht, or a decrease of 39.74 percent, divided into a decrease of 39.02 million baht in the rubber plantation assistance fund, a decrease in transportation costs of 20.12 million baht, and other expenses related to sales. decreased by 1.61 million baht, with this decrease in distribution costs corresponding to the decrease in foreign sales volume.

Administrative expenses were 60.20 million baht or 0.92 percent of total sales compared to the same period last year. Expenses increased by 33.50 million baht or an increase of 125.49 percent, resulting from a reversal of the recording of



loss from purchase contract obligations according to Accounting Standard No. 37, worth 16.69 million baht in the 1st quarter of 2024, and expenses. Expenses on CSR activities increased by 17.70 million baht.

In the 1st quarter of 2024, the company had a foreign exchange profit equal to 0.57 million baht or 0.01 percent of total sales revenue. Compared to the same period last year It was an amount of 30.37 million baht or 0.49 percent of total sales revenue, a decrease of 29.81 million baht or a decrease of 98.13 percent, and there was an increase in losses from valuation of derivative instruments of 3.31 million baht. This is a recording of the estimated accounting loss from forward foreign currency sales contracts with financial institutions in order to reduce risk management. The statistics on exchange rate fluctuations are as follows:



Financial costs were 114.38 million baht, an increase of 1.76 million baht or 1.56 percent from interest paid on promissory notes from financial institutions. To use as working capital.

Corporate income tax expenses were 21.30 million baht or 0.33 percent of sales revenue. Compared to the same period last year Increased by 5.68 million baht, an increase in proportion to the increase in profit before tax.

For the first 3 months of 2024, the company had a net profit of 453.61 million baht, or a net profit margin of 6.93 percent of total sales revenue. Compared to the same period last year The company had an increase in net profit of 139.24 million baht or an increase of 44.29 percent.

Financial Position



Statement of Financial Position	31-Mar-2024		31-Dec-2023		DIFF Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Current Assets	14,748.09	86.80%	14,626.88	86.86%	121.21	0.83%
Non-Current Assets	2,242.06	13.20%	2,212.24	13.14%	29.82	1.35%
Total Assets	16,990.14	100.00%	16,839.12	100.00%	151.02	0.90%
Total Liabilities	9,067.93	53.37%	9,370.52	55.65%	(302.59)	(3.23%)
Total Shareholders' Equity	7,922.21	46.63%	7,468.60	44.35%	453.61	6.07%

The company's total assets as of March 31, 2024 amounted to 16,990.14 million baht, an increase of 151.02 million baht or an increase of 0.90 percent from December 31, 2023, summarized as follows.

Current assets increased by 121.21 million baht or 0.83 percent from the following items:

- Cash and cash equivalents decreased by 20.08 million baht or 32.82 percent from repayment of short-term loans to financial institutions.
- Inventories decreased by 503.35 million baht or 3.64 percent because February-April of every year is the period when rubber farmers cover the tires, causing the amount of rubber entering the market to be less. The company therefore has a reduced amount of purchasing rubber into stock.
- Trade receivables and other current receivables increased by 650.41 million baht or 94.81 percent following increased sales revenue.

Non-current assets increased by 29.82 million baht or 1.35 percent, a change from bank deposits that were subject to collateral, which increased by 20.61 million baht or 4.86 percent, and land, buildings and equipment (net) increased by 10.08 million baht from interior decoration work in office buildings. New 13.66 million baht.

The Company's total liabilities as of March 31, 2024 amounted to 9,067.93 million baht, a decrease of 302.59 million baht or a decrease of 3.23 percent from December 31, 2023, mainly due to

Current liabilities decreased by 269.02 million baht or 6.28 percent from the following items:

- Bank overdrafts and short-term loans from financial institutions decreased by 500.98 million baht or 12.98 percent from the use of financial institution loan lines.
- Trade and other payables increased by 199.51 million baht or 86.98 percent from merchandise payables of 192.82 million baht and deposits received/advance income increased by 2.92 million baht.



บริษัท นอร์ทอีส รับบอร์ จำกัด (มหาชน)
NORTH EAST RUBBER PUBLIC COMPANY LIMITED
เลขประจำตัวผู้เสียภาษี (TAX ID) : 0107561000242

Tel : 044-666928-9
Fax : 044-666212-3
Website : www.nerubber.com
E-Mail : ner@nerubber.com



- Accrued corporate income tax increased by 23.33 million baht from corporate income tax. For operating results in the 1st quarter of 2024

Non-current liabilities decreased by 33.57 million baht or 0.66 percent from long-term loans, decreasing by 35.74 million baht or 12.76 percent from payments on loans that were due.

The Company's shareholders' equity as of March 31, 2024 amounted to 7,922.21 million baht, an increase of 453.61 million baht or 6.07 percent from December 31, 2023 from net profit in the first quarter of 2024.

Please be informed accordingly

Yours sincerely,

(Mr. Sakchai Jongstapongpun)

Chief Financial Officer

North East Rubber Public Company Limited