

Ref. SF073/2023

15 MAY 2024

 Re Management Discussion and Analysis which are deviated more than 20% for 1st Quarter 2024

Attn. The President

The Stock Exchange of Thailand (SET)

Starflex Public Company Limited would like to notify the operating results stated in financial statements which are deviated more than 20% for 1st Quarter 2024. The details will be shown as follows.

Operational reports

Unit: Million Baht

Financial Information	Consolidated		Change (YOY)	
	1Q24	1Q23	AMT	%
Total Revenues	491.7	477.5	14.2	3.0%
Gross Profits (GP)	116.6	102.5	14.1	13.8%
Gross Profit Margin	24.0%	20.5%	3.5%	17.1%
Selling Expenses	11.2	11.6	(0.4)	(3.3%)
Administration Expenses	43.6	39.4	4.2	10.7%
Share Profit from investments	2.6	-	-	-
Financial costs	8.3	1.0	7.3	746.9%
Income tax	(0.8)	9.8	(10.5)	n.a.
Total Costs and Expenses	428.2	436.8	(8.6)	(2.0%)
Net Profits	63.5	40.7	22.8	55.8%

In Q1/2024, total revenues were 491.7 million, increased by 3.0% compared to total revenues 477.5 million in Q1/2023. And company's gross profit margin were 24.0% increased by 17.1% from 20.5% margin in Q1/2023. As such, the net profit were 63.5 million (=NP margin 12.9%) and 40.7 million (=NP margin 8.5%) in Q1/2024 and Q1/2023 consecutively. The increase in both the initial profit margin and net profit margin can be attributed to proactive raw material management, gradual adjustments of selling prices to align with costs, and the company's share of profits from joint ventures and associated companies, which amounted to 2.6 million baht in Q1/2024.

In Q1/2024, the company had selling expenses of 11.2 million Baht, which decreased by 3.3% compared to 11.6 million in the same period in 2023. The mainly decreased in selling expenses were the transportation expenses. And administrative expenses amounted to 43.6 million Baht in Q1/2024 increased by 10.7% compared to 39.4 million in Q1/2023. o These expenses primarily include employee salaries and wages, as well as various costs related to raising capital for investments in joint ventures and associated companies.

In Q1/2024, financial expenses were 8.3 million, increased 746.9% compared to 1.0 million in Q1/2023. This increase is attributed to the company's uses of loans for investment purposes.

Statement of Financial Position

Balance sheet	Unit:Million Baht			
	CONSOLIDATED		CHANGE (YOY)	
	31-Mar-24	31-Dec-23	AMT	%
Total assets	2,214.1	2,036.1	178.0	8.7%
Total liabilities	1,156.3	1,035.6	120.7	11.7%
Total shareholder's equity	1,057.8	1,000.5	57.3	5.7%

Assets

At the end of Q1/2024, the company's total assets amounted to 2,214.1 million Baht, representing an 8.7% increase compared to the total assets of 2,036.1 million baht at the end of 2023. Notable contributors to this increase in assets include: 1) Investments in joint ventures and associated companies, totaling 62.3 million baht; 2) Cash and cash equivalents, amounting to 59.6 million baht; and 3) Trade receivables and other receivables, totaling 56.7 million baht.

All in all, these asset additions were primarily driven by the company's strategic investments in joint ventures and associated companies, aimed at expanding its business in the future.

Liabilities

As of Q1/2024 and the end of 2023, the company's total liabilities were 1,156.3 million baht and 1,035.6 million baht, respectively. This represents an increase of 11.7% in liabilities during Q1 2567. The significant factors contributing to the increased liabilities in Q1 2567 include: 1) Short-term and long-term borrowings used for the expansion of factory facilities; 2) Working capital requirements for business operations; and 3) Investments in joint venture company "Star Universe Packaging Co., Ltd." and the company "Star Print Vietnam."

Equities

In Q1/2024, the company had the equities of 1,057.8 million, increased 5.7% from 1,000.5 million from year ended 2023 in the amount of 57.3 million from the reserve for the share repurchase project and profits.

The company's equity held by shareholders amounted to 1,057.8 million baht at the end of Q1 2567, compared to 1,000.5 million baht at the end of 2566. This reflects a 5.7% increase, equivalent to 57.3 million baht. The entire increase in equity can be attributed to profits generated during this quarter, reserved amount of Treasury stocks, and other comprehensive incomes.

Yours Sincerely,

Somchai Wongrassamee

Chief Financial Officer

Starflex Public Company Limited