

8 May 2024

Subject Management Discussion and Analysis on the Financial Statements for the 1<sup>st</sup> Quarter of 2024  
(1 January - 31 March 2024)

Attention The President  
The Stock Exchange of Thailand

CPANEL Public Company Limited (“the Company”) would like to notify the operating performance and financial information for the 1<sup>st</sup> quarter of 2024 (1 January - 31 March 2024) with details as follows;

Items	1st Quarter Y2024		1st Quarter Y2023		Change	
	mn THB	%	mn THB	%	mn THB	%
Net sales	91.40	100.00%	115.58	100.00%	-24.18	-20.92%
Cost of sales	(57.95)	(63.40%)	(68.61)	(59.36%)	-10.66	-15.54%
<b>Gross Profit</b>	<b>33.45</b>	<b>36.60%</b>	<b>46.97</b>	<b>40.64%</b>	<b>-13.52</b>	<b>-28.78%</b>
Other income	1.99	2.18%	3.00	2.59%	-1.01	-33.67%
Selling expenses	(10.17)	(11.13%)	(10.18)	(8.81%)	-0.01	-0.10%
Administrative expenses	(11.17)	(12.22%)	(13.84)	(11.97%)	-2.67	-19.29%
Financial Costs	(1.37)	(1.50%)	(1.91)	(1.65%)	-0.54	-28.27%
<b>Profit (Loss) before Tax</b>	<b>12.73</b>	<b>13.93%</b>	<b>24.04</b>	<b>20.80%</b>	<b>-11.31</b>	<b>-47.05%</b>
Income Tax Revenue (Expenses)	(2.58)	(2.82%)	(4.94)	(4.28%)	-2.36	-47.77%
<b>Net Profit (Loss)</b>	<b>10.15</b>	<b>10.87%<sup>/1</sup></b>	<b>19.10</b>	<b>16.11%<sup>/1</sup></b>	<b>-8.95</b>	<b>-46.86%</b>

*Note /1 Net profit calculated from Net Profit divided by total revenue*

#### Net Sales

In 1st Quarter Y2024, the Company had net sales of 91.40 mn bath, decreased of 24.18 mn baht or 20.92% compared to the same period of Y2023 mainly due to slowdown of economy and delayed of year 2024 budget from government affecting the decrease of precast concrete wall panel sales.

#### Other Incomes

Other Incomes comprised of metal scraps from the production process sales, interest income, foreign exchange gain, and etc. In 1st Quarter Y2024, the Company has other incomes of 1.99 mn baht, decreased of 1.01 mn baht or 33.67% compared to the same period of Y2023 due to a decrease of foreign exchange gain.

**Cost of sales and Gross Profit Margin**

In 1st Quarter Y2024, the Company has cost of sales of 57.95 mn baht decreased in line with net sales. However, the ratio of the decrease in cost of sales is less than the decrease in net sales when compared to 1st Quarter Y2023. As a result, the company's gross profit margin decreased to 36.60% from 40.64% of the same period last year.

**Selling expenses**

The Company has selling expenses in 1st Quarter Y2024 of 10.17 mn baht or 11.13% of net sales. The value is similar to the same period of Y2023, whereas ratio of selling expense to net sales increase. Due to an increase of salespersons in line with an increase of marketing efforts to support production capacity that will increase in the 2<sup>nd</sup> quarter of 2024.

**Administrative Expenses**

The Company has administrative expenses in 1st Quarter Y2024 of 11.17 mn baht or 12.22% of net sales, an decrease of 2.67 mn baht or decrease 19.29% compared to same period of Y2023 and ratio of administrative expense to net sales decreased due to revenue decreased whereas expenses are mostly fixed.

**Financial Costs**

In 1st Quarter Y2024, the Company has financial costs of 1.37 mn baht or 1.50% of net sales, decreased 0.54 mn baht or 28.27% compared to same period of Y2023 due to debt financial institution repayment.

**Net Profit and Net Profit Margin**

The Company has net profit in 1st Quarter Y2024 of 10.15 mn baht which represents net profit margin of 10.87%, decreased compare to same period of Y2023 equal 16.11% due to decreased of gross profit margin and increased of expense to net sales ratio.

**Assets**

The Company has total assets as of 31 March 2024 of 1,026.45 mn baht, an increase from 31 December 2023 by 94.43 mn baht or 10.13%. The increase was mainly from Land, buildings and equipment - net increased by 92.79 mn baht from investing in machinery and construction of a second production line.

**Liabilities**

The Company has total liabilities as of 31 March 2024 of 510.73 mn baht, an increase from 31 December 2023 by 84.20 mn baht or 19.74%. The increase was mainly from long-term loans from financial institutions increased by 91.79 mn baht from loan recieved for investing in machinery and construction of a second production line.

**Shareholders' Equity**

The Company has shareholders' equity as of 31 March 2024 of 1,026.42 mn baht, an increase from 31 December 2023 by 94.43 mn baht or 10.13% from net profit in the 1<sup>st</sup> quarter of 2024.

**Statement of Cash Flows**

According to the Cash Flow Statement of the 1st Quarter Y2024, the Company has net cash inflows from operating activities of 15.76 mn baht from net profit and advance from customer ordering to produce products. The Company has net cash outflows from investing activities of 86.87 mn baht from increase in property, plant, and equipment from investing in machinery and construction of a second production line. Lastly, the Company has net cash inflows from financing activities of 72.55 mn baht from termloan received for investing in machinery and construction of a second production line. Consequently, the Company has cash and cash equivalents as of 31 March 2024 of 46.88 mn baht.

Please be informed accordingly,

Best Regards,

CPANEL Public Company Limited

(Mr. Chakrit Theepakornsukkasame)

Chief Executive Officer