



Management Discuss and Analysis For the first quarter ended March 31 , 2024

Executive summary

The company's revenue from sales and services in this quarter is 160.8 million Baht, increase by 2.2% compared to the previous quarter, caused by increasing orders from customers in the pet food industry.

As of the end of this quarter, the installation of machines in the new plant is 100% of the plan. There are 4 new machines and 7 old machines were installed and have been used for production.

The new 11 machines have already been acquired according to the production capacity expansion plan from the money received from the increase in registered capital, as of the end of this quarter. The solar cell project is already installed. It is in the process of requesting permission to connect the electricity production system to the electricity network system of the Provincial Electricity Authority. It is expected that power will be available in the Q4/2024. This project has got investment promotion from BOI on September 29, 2023.

Performance Analysis

Operating results of the financial statement for 3 months ended March 31, 2024

Income Statement (Million Baht)	Q1/2024		Q4/2023	Q1/2023	QoQ		YoY	
	M.Baht	%	M.Baht	M.Baht	M.Baht	%	M.Baht	%
Revenue From sales and services	160.8	100%	157.4	103.7	3.4	2.2	57.1	55.1
Gross Profit	60.9	38%	52.0	30.0	8.9	17.1	30.9	103.0
Other income	4.9	3%	5.7	5.6	(0.8)	(14.0)	(0.7)	(12.5)
Distribution costs	5.0	3%	4.6	4.0	0.4	8.7	1.0	25.0
Administrative expenses	13.6	8%	13.5	13.3	0.1	0.7	0.3	2.3
Finance costs	0.9	1%	1.0	1.1	(0.1)	(10.0)	(0.2)	(18.2)
Profit before income tax	46.2	29%	38.7	17.2	7.5	19.4	29.0	168.6
Tax expense	8.6	5%	7.9	3.2	0.7	8.9	5.4	168.8
Net.Profit	37.6	23%	30.8	14.0	6.8	22.1	23.6	168.6



Operating results of the financial statement for the Q1/2024 compared to Q4/2023 showed an increase in profit of 6.8 million Baht or increased by 22.1% mainly due to the following reasons. -

- Revenue from sales and services increased by 3.4 million Baht or increased by 2.2% due to an increase in orders from customers in the pet food industry.
- The ratio of cost of sales and services compared to income from sales and services decreased by 5%.
- Other income decreased by 0.8 million Baht or decreased by 14.0% mainly from the sale of scrap that decreased by 1.0 million Baht.
- Administrative expenses increased by 0.1 million Baht or increased by 0.7% mainly due to the increase in staff expenses, net a decrease in relocation of machinery cost from the old factory to the new one.

Operating results of the financial statement for Q1/2024 compared to the Q1/2023 showed an increase in profit of 23.6 million Baht or increased by 168.6%, mainly due to the following reasons. -

- Revenue from sales and services increased by 57.1 million Baht or increased by 55.1% due to an increase in orders from customers in the pet food industry.
- The ratio of cost of sales and services compared to income from sales and services decreased by 9% from economies of scale.



Financial position

Total Financial Position (Million Baht)	31 March 2024		31 December 2023		Change	
	M.Baht	%	M.Baht	%	M.Baht	%
Current assets	415.1	45%	370.0	42%	45.1	12.2
Non-current assets	504.9	55%	508.0	58%	(3.1)	(0.6)
Total assets	920.1	100%	878.0	100%	42.1	4.8
Current liabilities	76.5	8%	69.1	8%	7.4	10.7
Non-current liabilities	116.3	13%	119.2	14%	(2.9)	(2.4)
Total Liabilities	192.8	21%	188.3	21%	4.5	2.4
Share capital	100.0	11%	100.0	11%	0.0	0.0
Premium on share capital	417.7	45%	417.7	48%	0.0	0.0
Retained earnings	209.5	23%	171.9	20%	37.6	21.9
Total shareholders' equity	727.3	79%	689.7	79%	37.6	5.5

Asset

As of March 31, 2024, the company's total assets increased 42.1 million Baht or increased by 4.8% from the end of 2023 due to current assets increased by 45.1 million Baht or increased by 12.2%, deducted non-current assets decreased by 3.1 million Baht or decreased by 0.6%, mainly due to the following reasons.-

- Increase in current assets 45.1 million Baht cause by bank account deposits increased by 9.3 million Baht, the short-term investments increase by 11.5 million Baht, inventories increased by 6.2 million Baht and deposits for the purchase of machinery and equipment increased by 10.0 million Baht.
- Non-current assets decreased by 3.1 million Baht caused by depreciation of buildings and equipment. and rights of use assets.

**Liabilities**

As of March 31, 2024, the company has a increase in total liabilities 4.5 million Baht or increased by 2.4% from the end of 2023. This was mainly due to a increase by accrued corporate income tax of 7.4 million Baht deduct to repayment of lease liabilities in due period of 3.3 million Baht.

Shareholders' Equity

As of March 31, 2024, the company's total shareholders' equity increased by 37.6 million Baht or increased by 5.5.% from the end of 2023 from the operating results of Q1/2024 amounting to 37.6 million Baht.

Significant financial ratios

Financial Ratios	31 March	
	2024	2023
Gross Profit Margin (%) *	34.2	33.2
Net Profit Margin (%) *	18.7	17.4
Return on Assets (%) **	12.6	13.4
Return on Equity (%) ***	16.0	23.0
Current ratio (Times)	5.4	6.9
Debt to Equity ratio (Times)	0.3	0.3
Book value per share (THB)	7.3	6.5

* Calculated using data from the past 4 quarters.

** Calculated by divide 4 quarters period backward net profit by average total asset.

*** Calculated by divide 4 quarters period backward net profit by average shareholders' equity.



Liquidity and Capital Resources

Statement of Cash Flows (Million Baht)	31 March		Change	
	2024	2023	M.Baht	%
Cash flows from Operating Activities				
Net cash provided by operating activities	33.2	(1.3)	34.5	2,653.8
Cash flows from Investing Activities				
Net cash provided by (used in) investing activities	(18.8)	9.6	(28.4)	(295.8)
Cash flows from Financing Activities				
Net cash used in financing activities	(5.1)	(14.3)	9.2	64.3
Net increase (decrease) in cash and cash equivalents	9.3	(6.0)	15.3	255.0
Cash and cash equivalents at beginning of the period	19.1	18.9	0.2	1.1
Cash and cash equivalents at end of the period	28.4	12.9	15.5	120.2

As of March 31, 2024, the company had net cash and cash equivalents of 28.4 million Baht, with net cash flows from operating activities of 33.2 million Baht, net cash flows used in investing activities of 18.8 million Baht (mainly from investment in debt securities 11.2 million Baht and purchase of machinery and equipment of 8.6 million Baht) and net cash flow used in financing activities of 5.1 million Baht (mainly from repayment of lease liabilities in due periods 4.1 million Baht and interest 0.9 million Baht).