



## Management Discuss and Analysis For the second quarter ended June 30 , 2024

### Executive summary

Sahathai Printing and Packaging Public Company Limited operates in the manufacturing of paper packaging and all type of printed materials, providing services ranging from packaging design and development, high-quality plate-making, offset printing and various post-printing services such as UV coating, gold foil stamping, silver foil stamping, die-cutting, and embossing, among others, with paper provided by the company or paper that customers provide themselves. The main customer group of the company at present is the pet food manufacturing group, accounting for 77% of revenue.

The company's revenue from sales and services in this quarter is 172.2 million Baht, increased by 11.4% compared to the previous quarter, caused by increasing orders from main customers group.

The new 12 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.

### Performance Analysis

#### Operating results of the financial statement for 3 months ended June 30, 2024

Income Statement (Million Baht)	Q2/2024		Q1/2024	Q2/2023	QoQ		YoY	
	M.Baht	%	M.Baht	M.Baht	M.Baht	%	M.Baht	%
Revenue From sales and services	172.2	100%	160.8	113.9	11.4	7.1	58.3	51.2
<b>Gross Profit</b>	<b>58.1</b>	<b>34%</b>	<b>60.9</b>	<b>35.5</b>	<b>(2.8)</b>	<b>(4.6)</b>	<b>22.6</b>	<b>63.7</b>
Other income	6.7	4%	4.9	6.7	1.8	36.7	0.0	0.0
Distribution costs	4.9	3%	5.0	4.2	(0.1)	(2.0)	0.7	16.7
Administrative expenses	13.9	8%	13.6	13.8	0.3	2.2	0.1	0.7
Finance costs	0.9	1%	0.9	1.0	0.0	0.0	(0.1)	(10.0)
<b>Profit before income tax</b>	<b>45.0</b>	<b>26%</b>	<b>46.2</b>	<b>23.1</b>	<b>(1.2)</b>	<b>(2.6)</b>	<b>21.9</b>	<b>94.8</b>
Tax expense	8.6	5%	8.6	4.5	0.0	0.0	4.1	91.1
<b>Net.Profit</b>	<b>36.3</b>	<b>21%</b>	<b>37.6</b>	<b>18.6</b>	<b>(1.2)</b>	<b>(3.2)</b>	<b>17.7</b>	<b>95.2</b>



**Operating results of the financial statement for the Q2/2024 compared to Q1/2024 showed a decrease in profit of 1.2 million Baht or decreased by 3.2% mainly due to the following reasons. –**

- Revenue from sales and services increased by 11.4 million Baht or increased by 7.1% due to an increase in orders from customers.
- Gross profit decreased by 2.8 million Baht or decreased by 4.6% due to the ratio of cost of sales and services compared to income from sales and services increased by 4.1%.
- Other income increased by 1.8 million Baht or increased by 36.7% mainly from the sale of scrap that increased by 1.6 million Baht.

**Operating results of the financial statement for Q2/2024 compared to the Q2/2023 showed an increase in profit of 17.7 million Baht or increased by 95.2%, mainly due to the following reasons. -**

- Revenue from sales and services increased by 58.3 million Baht or increased by 51.2% due to an increase in orders from customers.
- Gross profit increased by 22.6 million Baht or increased by 63.7% due to the ratio of cost of sales and services compared to income from sales and services decreased by 2.6% from economies of scale.



**Operating results of the financial statement for 6 months period ended June 30, 2024**

Income Statement (Million Baht)	6M/2024		6M/2023	Change (YoY)	
	M.Baht	%	M.Baht	M.Baht	%
Revenue from sales and services	333.0	100%	217.6	115.4	53.0
<b>Gross Profit</b>	<b>118.9</b>	<b>36%</b>	<b>65.5</b>	<b>53.4</b>	<b>81.5</b>
Other income	11.6	3%	12.3	(0.7)	(5.7)
Distribution costs	10.0	3%	8.2	1.8	22.0
Administrative expenses	27.5	8%	27.2	0.3	1.1
Finance costs	1.9	1%	2.1	(0.2)	(9.5)
<b>Profit before income tax</b>	<b>91.2</b>	<b>27%</b>	<b>40.2</b>	<b>51.0</b>	<b>126.9</b>
Tax expense	17.2	5%	7.7	9.5	123.4
<b>Net Profit</b>	<b>74.0</b>	<b>22%</b>	<b>32.5</b>	<b>41.5</b>	<b>127.7</b>

Operating results of the financial statements for 6M/2024 ending June 30, 2024 compared to the same period of the previous year showed an increase in profit of 41.5 million Baht or increased by 127.7%, mainly due to the following reasons.-

- Revenue from sales of goods and services increased by 115.4 million Baht or increased by 53.0% due to the increase in orders from major customers.
- Gross profit increased by 53.4 million Baht or increased by 81.5% due to the ratio of cost of sales and services compared to income from sales and services decreased by 5.6% from economies of scale.
- Other income decreased by 0.7 million Baht or decreased by 5.7%, mainly from the sale of scrap materials from the production that increased by 3.4 million Baht, deducted from gain on sale of assets decreased by 2.5 million Baht, and gain on foreign exchange rate decreased by 1.4 million Baht.
- Distribution cost increased by 1.8 million Baht or increased by 22.0% mainly due to the increase in transportation costs and fuel costs for goods delivery 0.9 million Baht and staff expenses 0.7 million Baht.



**Financial position**

Total Financial Position (Million Baht)	30 June 2024		31 December 2023		Change	
	M.Baht	%	M.Baht	%	M.Baht	%
Current assets	418.8	45%	370.0	42%	48.8	13.2
Non-current assets	509.2	55%	508.0	58%	1.2	0.2
<b>Total assets</b>	<b>928.0</b>	<b>100%</b>	<b>878.0</b>	<b>100%</b>	<b>50.0</b>	<b>5.7</b>
Current liabilities	71.7	8%	69.1	8%	2.6	3.8
Non-current liabilities	117.6	13%	119.2	14%	(1.6)	(1.3)
<b>Total Liabilities</b>	<b>189.4</b>	<b>20%</b>	<b>188.3</b>	<b>21%</b>	<b>1.1</b>	<b>0.6</b>
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	220.9	24%	171.9	20%	49.0	28.5
<b>Total shareholders' equity</b>	<b>738.6</b>	<b>80%</b>	<b>689.7</b>	<b>79%</b>	<b>48.9</b>	<b>7.1</b>

**Asset**

As of June 30, 2024, the company's total assets increased 50.0 million Baht or increased by 5.7% from the end of 2023 due to current assets increased by 48.8 million Baht or increased by 13.2%, and non-current assets increased by 1.2 million Baht or increased by 0.2%, mainly due to the following reasons.-

- Increase in current assets 48.8 million Baht caused by trade receivable increased by 17.5 million Baht inventories increased by 13.4 million Baht, cash at banks increased by 10.2 million Baht and the short-term investments increase by 9.4 million Baht.
- Increase in non-current assets 1.2 million Baht mainly caused by buildings and equipment-net increased by 4.9 million Baht deduct to rights of use assets-net decreased by 3.5 million Baht.

**Liabilities**

As of June 30, 2024, the company has an increase in total liabilities 1.1 million Baht or increased by 0.6% from the end of 2023, mainly due to an increase of accrued corporate income tax of 5.5 million Baht deduct to repayment of lease liabilities in due period of 4.3 million Baht.

**Shareholders' Equity**

As of June 30, 2024, the company's total shareholders' equity increased by 48.9 million Baht or increased by 7.1% from the end of 2023 from operating results 74.0 million Baht for the first 6 months period of 2024, deduct to the dividend payment from the net profit of 2023 of 25.0 million Baht in May of 2024.



**Significant financial ratios**

Financial Ratios	30 June	
	2024	2023
Gross Profit Margin (%) *	34.6	32.0
Net Profit Margin (%) *	19.8	15.8
Return on Assets (%) **	14.7	9.4
Return on Equity (%) ***	18.5	12.4
Current ratio (Times)	5.8	6.4
Debt to Equity ratio (Times)	0.3	0.3
Book value per share (THB)	7.4	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)	30 June		Change	
	2024	2023	M.Baht	%
<b>Cash flows from Operating Activities</b>				
Net cash provided by operating activities	73.2	39.0	34.2	(87.7)
<b>Cash flows from Investing Activities</b>				
Net cash provided by (used in) investing activities	(32.7)	9.9	(42.6)	(430.3)
<b>Cash flows from Financing Activities</b>				
Net cash used in financing activities	(30.3)	(43.5)	13.2	30.3
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>10.2</b>	<b>5.4</b>	<b>4.8</b>	<b>(88.9)</b>
Cash and cash equivalents at beginning of the period	19.1	18.9	0.2	1.1
<b>Cash and cash equivalents at end of the period</b>	<b>29.3</b>	<b>24.3</b>	<b>5.0</b>	<b>20.6</b>

As of June 30, 2024, the company had net cash and cash equivalents of 29.3 million Baht, with net cash flows from operating activities of 73.2 million Baht, net cash flows used in investing activities of 32.7 million Baht (mainly from purchase of machinery and equipment of 26.6 million Baht and investment in debt securities 8.9 million Baht) and net cash flow used in financing activities of 30.3 million Baht (mainly from dividends payment 24.1 million Baht, repayment of lease liabilities in due periods 4.3 million Baht and interest payment 1.9 million Baht).