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THIP-SET/025/2021

May 14, 2021

Subject : Filing of Reviewed Financial Statements for the 1<sup>st</sup>  
Quarter of 2021 and 2020 and Management  
Discussion and Analysis

Attention : The President  
The Stock Exchange of Thailand

Enclosures : 1. Reviewed Financial Statements and the Auditor's  
Review Report for the 1<sup>st</sup> Quarter of 2021 and 2020  
2. Management Discussion and Analysis

The Board of Directors Meeting No. 4/2021 of Thantawan Industry Public Company Limited which was held on May 14, 2021 had approved the Reviewed Financial Statements for three-month period ended March 31<sup>st</sup>, 2021. The Management Discussion and Analysis for the 1<sup>st</sup> Quarter of this year can be clarified as attached.

Please be informed accordingly.

Very truly yours,

(Mr.Detbordin Riensubdee)(Mrs.Pojanard Prinyapatpakorn)

Authorized Director



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## Management Discussion and Analysis for Q1 2021

### A) Results of Operations

The net profit after tax of Q1 2021 was THB 81.8 million which increased by THB 10.6 million or 14.8% compared to Q1 2020. Earnings per share was THB 1.02, higher than Q1 2020 by THB 0.13 mainly because of the below factors:

- Overall product sales increased by 8.9% compared to Q1 2020 summarized as below.

Sales Revenue	Bags		Drinking Straw		Other Products		Total Sales Revenue	
	1/2021	1/2020	1/2021	1/2020	1/2021	1/2020	1/2021	1/2020
International sales	664.8	590.8	15.2	16.4	32.1	29.4	712.1	636.6
Domestic sales	60.6	63.8	29.5	32.3	14.1	16.6	104.2	112.7
Total sales	725.4	654.6	44.7	48.7	46.2	46.0	816.3	749.3
<b>Inc.(Dec)</b>								
International sales		12.5%		-7.3%		9.2%		11.9%
Domestic sales		-5.0%		-8.7%		-15.1%		-7.5%
<b>Total sales Inc.(Dec)</b>		<b>10.8%</b>		<b>-8.2%</b>		<b>0.4%</b>		<b>8.9%</b>

- Overall sales increased 8.9% compares to Q1 2020 due to the changing consumer behavior which resulted in the continued increase in demand for bags. Especially the bag products in the international market that grew by 12.5%.
- Sales from other products consist of body puff, food wrap, recycle resin, plastic scraps and other products. This group's revenue grew from food wrap, which the company is currently marketing.
- Branding is still a key strategy for the company. The company was preparing for new products launched in Q2 making revenue slightly slow down.
- Gross Profit
  - Gross profit margin in Q1 2021 at 21.8 slightly decreased by 0.9% from Q1 2020. It was mainly due to sharply increase in resin price since last quarter of 2020 until Q1 2021 leading to increase in cost of goods sold of 59.4 million or 10.2%, despite sales grew only 8.9%
  - However, the company has a plan to develop production efficiency as a part of sustainable cost reduction. The results have been clearly seen since year 2020 and continued in 2021. As a result, the cost of sales did not increase much in line with the increase of resin price



Mr. Deibordin Riensubdee

Director



Mrs. Pojanard Prinyapatpakorn

Director



- Selling and Administrative expenses
  - Selling and distribution expenses increased by THB 3.1 million or 14.0% compare to Q1 2020 mainly increased from delivery cost both of export and domestic.
  - Administrative expenses decreased by THB 5.7 million or 8.5% due to the company recorded loss on exchange rate amount of THB 5.2 million in Q1 2020, while in Q1 2021 the company recorded gain on exchange rate amount of THB 1.4 million in other income group.

## B) Financial position

### Assets

As of March 31, 2021, Company's total assets were THB 2,606.7 million, increased from December 31, 2020 by THB 95.2 million or 3.8%. Significant changes in assets were followings;

- 1.) Total current assets were THB 1,611.4 million, increased by THB 51.7 million or 3.3% mainly due to
  - 1.1) Inventory increased by THB 155.1 million or 35.4% mainly from finished goods to be delivered in April because of long holiday in the month. Another reason was raw material which increased in both market price and quantity to serve production in Q2.
  - 1.2) Trade account receivable increased by THB 64.8 million or 19.9% compare to 31 December 2020 mainly due to increase in customer order and not yet in due. However, the quality of customer credit is still good.
- 2.) Total non-current assets were THB 995.4 million, increased when compared to 31 December 2020 by THB 43.6 million or 4.6%. This is because the company purchase nearby land and building in amount of THB 15 million for future expansion and invested in machinery and equipment about THB 34.1 million in accordance with the 2021 expansion plan.

### Liabilities and Shareholders' Equity

As of March 31, 2021, company's total liabilities were THB 510.8 million, increased from December 31, 2020 amount of THB 13.4 million or 2.7% mainly due to trade and other payables increased by THB 43.6 million or 16.9% mainly due to trade account payable increased from raw material order higher.

Shareholders' equity as of March 31, 2021 was THB 2,095.9 million, increased by THB 81.8 million or 4.1% compared to December 31, 2020 totally added up from the comprehensive income for Q1 2021

  
Mr. Detbordin Riensubdee  
Director

  
Mrs. Pojanard Prinyapatpakorn  
Director



C) Key Financial Ratios

Description	Unit	Q1 2021	Q1 2020
Gross profit margin	%	21.82%	22.75%
Net profit margin	%	9.97%	9.46%
Return on shareholders' equity	%	3.98%	3.86%
Return on total assets	%	3.20%	3.11%
Liquidity ratio	Times	3.86	3.56
Cash cycle	Days	77	58
Debt to Equity ratio	Times	0.24	0.26
Book value per share	THB/share	26.20	23.49
Basic earnings per share	THB/share	1.02	0.89

- The Cash cycle is much higher due to longer inventory turns, as a result of the reserve of finished goods for April's order during the factory's long holiday.

  
 Mr. Detbordin Riensubdee  
 Director

  
 Mrs. Pojanard Prinyapatpakorn  
 Director

