



THANTAWAN

Ref: THIP-SET/005/2023

February 13, 2023

Subject : Filing of Financial Statements for the years ended December 31, 2022 and 2021 and Management Discussion and Analysis Discussion and Analysis

Attention : The President
The Stock Exchange of Thailand

Enclosures : 1. Financial Statements and the Auditor's Report for the years ended December 31, 2022 and 2021
2. Management Discussion and Analysis

The Board of Directors Meeting No. 1/2023 of Thantawan Industry Public Company Limited which was held on February 13, 2023 had approved the Financial Statements for the years ended December 31, 2022 and 2021. The Management Discussion and Analysis for the years ended December 31, 2022 can be clarified as attached

Please be informed accordingly.

Very truly yours,

(Mr. Teerachai Siritunyanont)(Mrs. Pojanard Prinyapatpakorn)

Authorized Director



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Management Discussion and Analysis for the year 2022

A) Results of Operations

The net profit after tax of the year 2022 was THB 363.0 million which decreased by THB 19.8 million or 5.2% compared to 2021. Earnings per share was THB 4.03 which lower than 2021 by THB 0.22.

Key highlight of the year 2022 are described below:

Sales Revenue	Drinking Straw		Bags		Other Products		Total Sales Revenue	
	2022	2021	2022	2021	2022	2021	2022	2021
International sales	77.9	62.9	3,285.3	3,082.2	148.0	147.4	3,511.2	3,292.5
Domestic sales	174.2	120.0	327.8	276.0	59.5	72.3	561.5	468.3
Total sales	252.1	182.9	3,613.1	3,358.2	207.5	219.7	4,072.7	3,760.8
Inc.(Dec)								
International sales	15.0	23.8%	203.1	6.6%	0.6	0.4%	218.7	6.6%
Domestic sales	54.2	45.2%	51.8	18.8%	- 12.8	-17.7%	93.2	19.9%
Total sales Inc.(Dec)	69.2	37.8%	254.9	7.6%	- 12.2	-5.6%	311.9	8.3%

- Overall sales increased by THB 311.9 million or 8.3% compared to the year 2021, mainly due to customer demand increased. Overall International sales increased by THB 218.7 million or 6.6% mainly from Asia and Australia. Domestic market also recovered after relief of Covid-19 situation reflecting in sales improved by THB 93.2 million or 19.9%. Both Bags and Drinking straw were driving sales growth in this year.
- Other income of 2022 increased significantly by 19.5 million or 53.5% compared to 2021 due to unrealized gain on investment of THB 14.5 million from mark to market investment value and FX gain increase by THB 1.8 million. These two items depend heavily on macroeconomic situation which possibly impact investment value either gain or loss. However, the company has tried our best to carefully hedge FX exposure and thoroughly select investment instruments and closely monitor market situation.
- The company's overall expenses increased by THB 371.9 million or 11.2% compared to 2021, mainly due to
 - Cost of sales increased by THB 334.2 million or 11.3%, resulting in gross profit margin at 19.02% which decreased from 2021 by 2.17%. The increase in cost of sales are mainly due to higher resin cost, Baht depreciation effected on imported raw material cost, especially Resin and higher FT in

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Mr. Teerachai Siritunyanont

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Mrs. Pajanaard Prinyapatyontara

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electricity charge. Rise in minimum wage is expected to reflect in P&L in the last quarter. However, the company actively and closely monitors raw material cost against selling price to maintain reasonable profit level. Moreover, the company has continuously improved production efficiency as a part of sustainable cost reduction and use financial instrument for manage foreign currency risk.

- Selling expenses increased by THB 22.3 million mainly due to higher logistic cost for both domestic and export in accordance with increase in sales transactions and rise in oil price as well. Moreover, the company also invested in sales and marketing people to support future expansion.
- Administrative expenses increased by THB 15.4 million. During the year 2022, the company invested in R&D to improve production productivity and develop new materials. Also, the company continuously improve corporate culture to cope with current rapid change in the society and industry. This resulted the increase in human resource, consulting and R&D expense by THB 13 million compare with 2021.

B) Financial position

Assets

As of December 31, 2022, Company's total assets were THB 3,025.1 million, increased from previous year by THB 68.1 million or 2.3%. Significant changes in assets were followings;

- 1.) The company tried to maximize return on asset by investing idle cash approximately THB 218 million to mutual fund and bonds which effected in both current and non-current financial assets, making reduction in cash and increase in financial asset.
- 2.) Trade and other receivables decreased by THB 64.5 million mainly from the slightly improvement in collecting period.
- 3.) Inventory decreased by THB 108.0 million or 14.7%, mainly from reduction in finished goods of THB 67.8 million. The main reason was from the company manage to getting rid of slow-moving inventory to expand the storage capacity during the year. This also resulting the positive impact on the decrease in slow-moving provision.

Liabilities and Shareholders' Equity

As of December 31, 2022, the company's total liabilities were THB 509.8 million, decreased from previous year by THB 133.6 million or 20.8%. Major decreased in accounts payable THB 88.1 million from more




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invoice due near the end of the year. Moreover, accrued income tax decreased by THB 30.8 million or 66.5% from the tax saving benefits of the new BOI privilege. Moreover, lease liabilities decreased by THB 14.9 million mainly due to the payment during the year.

Shareholders' equity as of December 31, 2022 was THB 2,515.2 million, increased by THB 201.7 million or 8.7% compared to December 31, 2021 totally added up from the comprehensive income for the year 2022, less dividends paid.

C) Key Financial Ratios

Description	Unit	Year 2022	Year 2021
Gross profit margin	%	19.02%	21.18%
Net profit margin	%	8.79%	10.08%
Return on shareholders' equity	%	15.04%	17.69%
Return on total assets	%	12.14%	14.00%
Liquidity ratio	Times	3.21	3.86
Cash cycle	Days	75	72
Debt to Equity ratio	Times	0.20	0.24
Book value per share	THB/share	27.95	23.02
Basic earnings per share	THB/share	4.03	4.25



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