

Ref: THIP-SET/048/2024

November 14, 2024

Subject : Filing of Reviewed Financial Statements for the 3<sup>rd</sup>  
Quarter of 2024 and 2023 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 3<sup>rd</sup> Quarter of 2024 and 2023  
2. Management Discussion and Analysis

The Board of Directors Meeting No. 11/2024 of Thantawan Industry Public Company Limited which was held on Thursday, November 14, 2024 had approved the Reviewed Financial Statements for three-month and nine-month period ended September 30<sup>th</sup>, 2024. The Management Discussion and Analysis for the 3<sup>rd</sup> Quarter of this year 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 three-month and nine-month periods ended 30

September 2024 of Thantawan Industry Public Company Limited and its subsidiary (“the Group”).

### Establishment of a subsidiary

On 6 March 2024, the Company’s Board of Directors passed a resolution to approve the establishment of a subsidiary in Vietnam for the purpose of manufacturing and distributing plastic packaging. The registered capital of the subsidiary is 100,000,000,000 VND, or equivalent to Baht 144 million. The Company holds 100% of the total issued shares of the subsidiary. The registration process for the subsidiary was completed on 18 September 2024.

### A) Operating results

Unit : million baht

Profit or loss	9M 2024 <sup>(1)</sup>	9M 2023 <sup>(2)</sup>	Increase (Decrease)		Q3 2024 <sup>(1)</sup>	Q3 2023 <sup>(2)</sup>	Increase (Decrease)	
			Amount	%			Amount	%
<b>Revenues</b>								
Revenue from contracts with customers	3,052.4	2,494.7	557.7	22.4%	1,172.8	882.0	290.8	33.0%
Cost of sales	2,437.8	2,010.6	427.2	21.2%	957.9	695.5	262.3	37.7%
<b>Gross profit</b>	<b>614.7</b>	<b>484.1</b>	<b>130.6</b>	<b>27.0%</b>	<b>214.9</b>	<b>186.5</b>	<b>28.5</b>	<b>15.3%</b>
Other income	31.1	66.4	(35.3)	-53.1%	6.1	13.7	(7.7)	-55.9%
Gain on exchange rate	12.6	11.8	0.8	6.9%	-	9.3	(9.3)	-100.0%
<b>Expenses</b>								
Selling and distribution expenses	102.9	94.7	8.3	8.7%	36.2	31.3	4.9	15.5%
Administrative expenses	249.3	199.4	49.9	25.0%	83.3	61.3	22.0	35.8%
Loss on exchange rate	-	-	-	0.0%	23.7	-	23.7	0.0%
<b>Profit from operating activities</b>	<b>306.1</b>	<b>268.1</b>	<b>37.9</b>	<b>14.2%</b>	<b>77.9</b>	<b>116.8</b>	<b>(38.9)</b>	<b>-33.3%</b>
Finance cost	(1.9)	(2.1)	(0.3)	-12.1%	(0.6)	(0.7)	(0.1)	-12.0%
<b>Profit before income tax expenses</b>	<b>304.2</b>	<b>266.0</b>	<b>38.2</b>	<b>14.4%</b>	<b>77.2</b>	<b>116.1</b>	<b>(38.8)</b>	<b>-33.5%</b>
Income tax expenses	(60.4)	(35.0)	25.3	72.3%	(15.2)	(16.1)	(0.9)	-5.7%
<b>Profit for the period</b>	<b>243.8</b>	<b>231.0</b>	<b>12.9</b>	<b>5.6%</b>	<b>62.1</b>	<b>100.0</b>	<b>(37.9)</b>	<b>-37.9%</b>
Basic earnings per share	2.7	2.6	0.1		0.7	1.1	(0.4)	
<b>Gross Profit Margin</b>	<b>20.1%</b>	<b>19.4%</b>	<b>0.7%</b>		<b>18.3%</b>	<b>21.1%</b>	<b>-2.8%</b>	


(1) Consolidated financial statements/Separate financial statements

(2) Separate financial statements

Net profit for the three-month and nine-month periods ended 30 September 2024 was THB 62.1 million and THB 243.8 million, respectively.

For the nine-month period, net profit increased by THB 12.9 million (5.6%) compared to the same period of prior year. Such increase resulted mainly from the increase in export sales and the increase in percentage of gross profit margin.



  
Mr. Teerachai Siritunyanont  
Director

  
Mrs. Pojanard Prinyapatpakorn  
Director



For the three-month period, net profit decreased by THB 37.9 million (37.9%) compared to the same period of prior year. This was primarily due to a lower gross profit margin and losses on exchange rate, as the Group was impacted by the significant appreciation of the Thai baht, particularly in September 2024. However, these foreign exchange losses are considered temporary, as they mostly represented unrealized losses, and the baht has shown a tendency to depreciate following September 2024.

The Group's sales revenue has continued to show an upward trend for both the three-month and nine-month periods. This growth results from the Group's sustained focus on expanding its customer base in both international and domestic markets, alongside efforts to adapt with a commitment to sustainable development.

### ● Revenue from sale

Unit : million baht

Revenue from sales 3-month period	Bags		Straw		Others		Total	
	Q3 2024 <sup>(1)</sup>	Q3 2023 <sup>(2)</sup>	Q3 2024 <sup>(1)</sup>	Q3 2023 <sup>(2)</sup>	Q3 2024 <sup>(1)</sup>	Q3 2023 <sup>(2)</sup>	Q3 2024 <sup>(1)</sup>	Q3 2023 <sup>(2)</sup>
<b>Revenue from sales</b>								
Export sales	975.0	682.0	14.6	20.6	25.2	29.6	1,014.8	732.2
Domestic sales	88.2	93.7	44.9	42.6	24.9	13.5	158.0	149.8
<b>Total sales</b>	<b>1,063.2</b>	<b>775.7</b>	<b>59.5</b>	<b>63.2</b>	<b>50.1</b>	<b>43.1</b>	<b>1,172.8</b>	<b>882.0</b>
<b>Changes and %changes</b>								
Export sales	293.0	43.0%	(6.0)	-29.1%	(4.4)	-14.9%	282.6	38.6%
Domestic sales	(5.5)	-5.9%	2.3	5.4%	11.4	84.4%	8.2	5.5%
<b>Total Increase(Decrease)</b>	<b>287.5</b>	<b>37.1%</b>	<b>(3.7)</b>	<b>-5.9%</b>	<b>7.0</b>	<b>16.2%</b>	<b>290.8</b>	<b>33.0%</b>

Unit : million baht

Revenue from sales 9-month period	Bags		Straw		Others		Total	
	9M 2024 <sup>(1)</sup>	9M 2023 <sup>(2)</sup>	9M 2024 <sup>(1)</sup>	9M 2023 <sup>(2)</sup>	9M 2024 <sup>(1)</sup>	9M 2023 <sup>(2)</sup>	9M 2024 <sup>(1)</sup>	9M 2023 <sup>(2)</sup>
<b>Revenue from sales</b>								
Export sales	2,484.2	1,905.3	38.0	55.0	72.2	99.3	2,594.4	2,059.6
Domestic sales	265.5	270.4	138.0	117.6	54.6	47.1	458.1	435.1
<b>Total sales</b>	<b>2,749.7</b>	<b>2,175.7</b>	<b>176.0</b>	<b>172.6</b>	<b>126.8</b>	<b>146.4</b>	<b>3,052.5</b>	<b>2,494.7</b>
<b>Changes and %changes</b>								
Export sales	578.9	30.4%	(17.0)	-30.9%	(27.1)	-27.3%	534.8	26.0%
Domestic sales	(4.9)	-1.8%	20.4	17.3%	7.5	15.9%	23.0	5.3%
<b>Total Increase(Decrease)</b>	<b>574.0</b>	<b>26.4%</b>	<b>3.4</b>	<b>2.0%</b>	<b>(19.6)</b>	<b>-13.4%</b>	<b>557.8</b>	<b>22.4%</b>

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The above table represents the breakdown of sales by products and by domestic sales and export sales. For the three-month and nine-month periods ended 30 September 2024, revenue from sales increased by THB 290.8 million (33.0%) and THB 557.8 million (22.4%) compared to the same period of prior year, respectively.

Higher export sales for both the three-month and nine-month periods were primarily driven by increased sales in the Americas. This growth was due to the return of regular orders from a major customer who had previously delayed orders in 2023, as well as new customers placing orders this year, largely for products in the bag category.

For the growth of domestic sales, the increase in sales was primarily driven by the straw category. In addition, sales of owned branded products also increased. This growth is attributed to the Group's efforts to promote and raise awareness of owned branded, aiming to make the brand more recognizable in the market.

- **Other income**

For the three-month and nine-month periods ended 30 September 2024, other income decreased by THB 7.7 million (55.9%) and THB 35.3 million (53.1%), respectively, compared to the same periods last year. The primary reason for the decrease in other income for the three-month period was a reduction in gains from the sale of investments, as the Group sold investments last year to prepare funds for business expansion. For the nine-month period, the decrease in other income was mainly due to a one-time compensation income of THB 31.7 million from a customer recorded in the previous year.

- **Gross profit margin**

For the three-month period ended 30 September 2024, gross profit margins were 18.3% which decreased by 2.8% compared to the same period of prior year. This decline was primarily due to fluctuations in foreign exchange rates during the period, which affected both revenue from foreign currency sales and the cost of raw materials, some of which are imported from abroad.



  
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For the nine-month period ended 30 September 2024, gross profit margins were 20.1% which increased by 0.7% compared to the same period of prior year. This improvement was mainly due to a reduction in fixed cost per unit, resulting from higher production volumes in 2024 driven by increased sales.

- **Selling and distribution expenses**

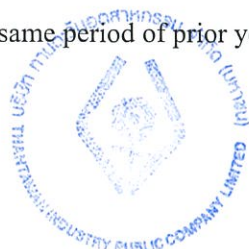
Selling and distribution expenses for the three-month and nine-month periods ended 30 September 2024 increased by THB 4.9 million (15.5%) and THB 8.3 million (8.7%), respectively, compared to the same period of prior year. Such increase resulted primarily from the export fees and delivery expense which increased in line with sales. Additionally, there were increased expenses associated with new customers and new products, such as product testing expenses.

- **Administrative expenses**

The major administrative expenses are employee expenses, depreciation expenses and research and development expenses. Administrative expenses for the three-month and nine-month periods ended 30 September 2024 increased by THB 22.0 million (35.8%) and THB 49.9 million (25.0%) compared to the same period of prior year, respectively. Such increase was mainly due to employee expenses and the expenses related to the business expansion in Vietnam e.g. consultant fee which are non-recurring items. In addition, there was an increase in expenses related to future expansion, such as research and development expenses.

- **Gain(loss) on exchange rate**

For the three-month period ended 30 September 2024, the Group recorded a foreign exchange loss of THB 23.7 million, primarily due to unrealized losses on exchange rate. These losses arose because the Group held foreign currency-denominated assets, and the Thai baht appreciated significantly, especially in September 2024. However, this loss is considered temporary, as the baht began to show a weakening trend after that period. For the nine-month period ended 30 September 2024, the Group had a gain on exchange rate amounted to THB 12.6 million, which increased by THB 0.8 million (6.9%) compared to the same period of prior year.



  
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## B) Financial position

Unit : million baht

Statement of financial position	30 September 2024 <sup>(1)</sup>	%	31 December 2023 <sup>(2)</sup>	%	Increase (Decrease)	%Increase (Decrease)
Current assets	2,342.2	70.5%	2,200.6	69.5%	141.5	6.4%
Non-current assets	981.0	29.5%	965.1	30.5%	15.9	1.7%
<b>Total assets</b>	<b>3,323.2</b>	<b>100.0%</b>	<b>3,165.7</b>	<b>100.0%</b>	<b>157.5</b>	<b>5.0%</b>
Current liabilities	574.0	17.3%	451.8	14.3%	122.2	27.1%
Non-current liabilities	69.8	2.1%	70.6	2.2%	(0.8)	-1.2%
<b>Total liabilities</b>	<b>643.8</b>	<b>19.4%</b>	<b>522.4</b>	<b>16.5%</b>	<b>121.4</b>	<b>23.2%</b>
Shareholders' equity	2,679.4	80.6%	2,643.3	83.5%	36.1	1.4%
<b>Total liabilities and shareholders' equity</b>	<b>3,323.2</b>	<b>100.0%</b>	<b>3,165.7</b>	<b>100.0%</b>	<b>157.5</b>	<b>5.0%</b>

(1) Consolidated financial statements/Separate financial statements

(2) Separate financial statements

### Assets

As of 30 September 2024, the Group's total assets amounted to THB 3,323.2 million, increasing by THB 157.5 million or 5.0% from 31 December 2023. The significant changes in assets were listed below.

1. Inventories increased by THB 308.3 million or 57.8%. The main reason for this increase was the higher volume of raw materials and finished goods, which aligned with the growth in sales and was intended to support the higher customer orders.
2. Trade and other receivables increased by THB 173.7 million or 40.7%. The main contributor to this increase was trade receivables, which grew by THB 164.2 million, aligning with the increase in sales revenue.
3. Cash and cash equivalents decreased by THB 256.7 million or 26.6%. The primary reasons for this decrease were the higher working capital requirements, driven by increased sales and the payment of dividends amounting to THB 203.3 million during the period.



  
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## Liabilities and shareholders' equity

As of 30 September 2024, the Group's total liabilities amounted to THB 643.8 million, increased by THB 121.4 million or 23.2% from 31 December 2023. Major increase was from trade and other payables which increased by THB 141.4 million due to the higher purchase volume of raw material to support the growth in sales.

Shareholders' equity as of 30 September 2024 amounted to THB 2,679.4 million, increasing by THB 36.1 million or 1.4% from 31 December 2023. Such increase was from the total comprehensive income for the period after deducting dividend payment.

## C) Key Financial Ratios

Description	Unit	9M 2024 <sup>(1)</sup>	9M 2023 <sup>(2)</sup>
Gross profit margin	%	20.1%	19.4%
Net profit margin	%	8.0%	9.3%
Return on shareholders' equity	%	12.2%	12.1%
Return on total assets	%	10.0%	10.2%
Liquidity ratio	Times	4.1	4.2
Cash cycle	Days	81	80
Debt to Equity ratio	Times	0.2	0.2
Book value per share	THB/share	29.8	28.8
Basic earnings per share	THB/share	2.7	2.6

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