

Analysis on Financial Status & Operational Performance

T.Krungthai Industries PLC. is an original equipment manufacturer (OEM) and a designer of plastic components, as well as manufacturer and service provider for molds which are used for manufacturing of plastic components. Major Customers are leading automotive and electric appliances factories mainly based in Thailand. In 2024, the Company had total sales and service revenue 1,090.43 million baht, net loss 1.43 million baht while in 2023, total sales and service revenue was 1,265.03 million baht and net loss 27.74 million baht.

1. Operation result

Revenue

According to the main revenue of the Company is related to the production and sale volume of cars and the overall volume of car production in Thailand of 2024 were 1.47 million units decreasing from 1.84 million units in 2023 or decreasing 0.37 million units about 20% mainly due to World and Thailand economic slowdown, high household debts, high personal loan per income and car loan problem, resulting to Financial Institutions tighten regulation on car loan and decreasing demand on cars. In addition, the vehicle industry is transforming technology from Internal Combustion Engine (ICE) to Electric vehicle and most electric vehicle are imported from China and it is very strong competition. As the results of economic slowdown, high household debts and substitution effects as above mentioned, the domestic production volume of vehicle decreased a lot.

Total sales of year 2024 1,090.43 million baht decreasing 174.60 million baht or 13.80% from year 2023 at sales 1,265.03 million baht by splitting into the plastic sales 981.07 million baht or decreasing 182.02 million baht or 15.65% from 2023 sales and the mold service sales 109.35 million increasing 7.42 million baht or 7.28% from year 2023 as shown the below graph as the results of decreasing of domestic car sales from demand for car decreasing and higher competition as mentioned above.

Gross Profit

In 2024 the Company's gross profit was 170.46 million baht (gross profit margin 15.63%) which increased by 24.26 million baht when compared to the year 2023, which its gross profit was 146.19 million baht (gross profit margin 11.56%). Although the revenue from the sale of plastic parts decreased, the Company still can make more profit from improving the productivity, decreasing defect rate and cycle time, controlling various expenses e.g. labor costs, utilizing machine and manpower to optimize benefit by improving knowledge and multiple skills to staffs and replacing old machines with new technology machine in order to save production time, reduce maintenance costs, electricity expenses, etc. As the results of all aforementioned, it improved gross profit margin.

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Profit /loss before financial cost and taxes (EBIT) and Profit before depreciation (EBITDA)

For the year 2024, the Company's EBIT was 17.51 million baht (1.61% of sales) compared to -7.54 million baht (-0.60% of sales) in 2023 or increase of 25.04 million baht as a result of higher gross profit as mentioned above and selling and administrative expenses decreased by 15.03 million baht however the ratio of SG&A per sales were still higher than year 2023 due to some selling and administrative expenses not vary on sales and other income of year 2024 were 7.06 million baht decreasing from than year 2023 14.25 million baht, resulting to EBITDA of year 2024 at 75.31 million baht increasing 17.42 million baht from year 2023 with an EBITDA of 57.89 million baht.

Net Profit/Loss

In 2024, the Company had a profit before income tax of 1.52 million baht increasing 24.74 million baht when compared with a loss before income tax of 23.22 million baht in 2023. Financial expenses were higher from long term investment of new injection machines and molding machine as well as higher interest rate according to the economic situation.

For net profit in 2024, the Company had a net loss of 1.43 million baht (-0.13% of sales) higher than 2023 by 26.31 million baht, which the Company had a net loss 27.74 million baht (-2.19% of sales).

2. Financial Position

As of December 31, 2024, the Company has total assets of 1,148.92 million baht, total liabilities of 507.47 million baht and shareholders' equity of 641.46 million baht, representing a debt-to-equity ratio of 0.79 times, which has improved continuously from previous years due to the total liabilities of the Company decreased continuously especially short-term liabilities.

Total assets decreased from the year 2023 by 30.95 million baht from decrease of current assets 26.99 million baht which are related to the decrease of sales about 174.60 million baht by plastic sales decreasing 182.02 million baht while mold service sales increasing only 7.42 million baht. Net fixed asset value increased 5.25 million baht which were the purchase of three new injection molding machines and one new machine for making molds to replace old machines in order to improve productivity and save the maintenance and electricity costs while the depreciation expenses were 55.31 million baht and disposal of damaged equipment. Other non-current receivables, rights of use assets and intangible assets decreased from prior year 5.7 million baht, 1.66 million baht and 1.23 million baht respectively resulting to total non-current assets decreased only 3.96 million baht.

The total liabilities in 2024 were 507.47 million baht, an decrease of 29.52 million baht from 2023 due to (1) repayment of the short term loan from financial institutions 59.9 million baht (2) trade and other current payables 8.49 million baht in line with lower sales volume. Long term loan from

financial institution increased 35.3 million baht from investment in new machines to replace the old machines as aforementioned.

Shareholders' equity at 641.46 million baht was lower than in 2023 1.43 million baht as result of the net loss of the year. As the results of a decrease of total liabilities 29.52 million baht made the debt-to-equity ratio in year 2024 at 0.79 times better than 2023 by 0.05 times, which in 2022 the debt to equity ratio was 0.84 times.

3. Efficiency of property utilization

Overall, the efficiency in utilization of the company's assets is lower than the previous year by considering the following ratios

- Total Asset Turnover (Total Income / Total assets) in 2024 was 0.94 times compared with year 2023 at 1.03 times.

- Operating Cycle 113 days was shorter than year 2023 5 days and Cash Cycle were the same as prior year at 71 days.

4. Financial liquidity

In year 2023, the Company had Current ratio 1.17 times and Quick ratio 0.93 times better than year 2022 0.03 times and 0.05 times respectively. EBITDA / Interest Expense was 3.69 times and Cash Profit / Interest Expense was 4.69 times which are lower than previous year as result of a decrease of profit. The Company had positive cash flow from operation of 166 million baht from surplus from receivable collection higher than supplier payment. Cash outflow from investment was 37.55 million baht by investing in the purchase of fixed assets and computer software. And the Company has repaid short-term debt 57 million baht, net lease liabilities and interest totaling 31.01 million baht resulting to negative cash flow from financing amounting to 88.01 million baht.