



## **OCEAN GLASS PUBLIC COMPANY LIMITED**

**Management Discussion and Analysis  
Consolidated Financial Results  
For the period ended December 31, 2022**

## Executive Summary

Ocean Glass Public Company (“the Company”) Limited conducts business in accordance with sustainability development principles covering 3 perspectives which are Environmental, Social, and Governance (ESG). The Company is committed to responsible business practices as well as promoting well-being to society, employee’s development, and efficient use of resources to minimize impacts on the environment.

### Operating Results for the Year 2022

In 2022, the Company mainly focused on implementing strategies to respond to the recovery of the tourism industry in domestic and international markets by reaching out to HoReCa segment through online and offline channels specially in Thailand, China, India, Vietnam, and South Korea. Moreover, the Company has further expanded distribution of Crystalline products through branded and private label in Australia, Japan, Middle East, Africa, Europe and Americas.

On products development, the Company continued developing new functional products and designs to serve customer needs. In 2022, REGO collection was developed through the design and production process under the concept of 3Rs, which consists of Reuse, Reduce, and Recycle waste glass into production process.

In addition, the Company has implemented carbon footprint assessment project at the corporate level in order to bring carbon emission data from operational activities to determine carbon footprint management plans effectively. Additionally, the Company has been installing solar power generation system since 2020 that shall continue in 3 phases eventually reducing electricity expenses and minimizing the carbon dioxide emission.

Through the year 2022, the Company faced challenges of the increased energy and raw material prices. The Company, therefore, has adjusted sales price and took control measures for expenses to mitigate the impact of soaring input costs. As a result, the Company had profitable performance in 2022.

Statement of Comprehensive Income	Year 2022 (Million Baht)	Year 2021 (Million Baht)	Change (%)
Sales	1,951.09	1,545.30	26.26
Foreign exchange gain	1.45	-	N/A
Other income	22.00	22.09	(0.40)
<b>Total revenues</b>	<b>1,974.54</b>	<b>1,567.39</b>	<b>25.98</b>
Cost of goods sold	1,391.99	1,013.08	37.40
Temporary shutdown expenses	106.99	173.98	(38.50)
Loss (reversal) on the decline in value of inventory	18.16	(2.88)	(729.82)
Selling expenses	289.10	220.12	31.34

Statement of Comprehensive Income	Year 2022 (Million Baht)	Year 2021 (Million Baht)	Change (%)
Administrative expenses	117.33	107.50	9.14
Foreign exchange loss	-	26.56	(100.00)
<b>Total expenses</b>	<b>1,923.57</b>	<b>1,538.36</b>	<b>25.04</b>
<b>Profit from operating activities</b>	<b>50.97</b>	<b>29.03</b>	<b>75.61</b>
Finance cost	23.37	22.01	6.21
<b>Profit before income tax</b>	<b>27.60</b>	<b>7.02</b>	<b>293.12</b>
Income tax expenses	7.29	4.00	82.23
<b>Profit for the year</b>	<b>20.31</b>	<b>3.02</b>	<b>572.52</b>
Other comprehensive income for the year	13.84	2.17	536.52
<b>Total Other comprehensive income for the year</b>	<b>34.15</b>	<b>5.19</b>	<b>557.45</b>
<b>Basic earnings per share (Baht)</b>	<b>0.95</b>	<b>0.14</b>	<b>587.57</b>

### 1) Total Revenues

Revenues	Year 2022 (Million Baht)	Year 2021 (Million Baht)	Change (%)
<b>Domestic Sales</b>	<b>492.18</b>	<b>312.15</b>	<b>57.67</b>
- Domestic Sales - Traditional Offline	460.04	294.45	56.24
- Domestic Sales - E-Commerce	32.14	17.70	81.51
<b>Export Sales</b>	<b>1,458.91</b>	<b>1,233.15</b>	<b>18.31</b>
<b>Total Sales</b>	<b>1,951.09</b>	<b>1,545.30</b>	<b>26.26</b>
Other income			
- Freight income	19.01	11.93	59.43
- Other	2.99	10.16	(70.59)
<b>Total Other Income</b>	<b>22.00</b>	<b>22.09</b>	<b>(0.40)</b>
<b>Total Revenues</b>	<b>1,974.54</b>	<b>1,567.39</b>	<b>25.98</b>

The Company reported total revenues of Baht 1,974.54 million, increased by 25.98%. Sales revenues reported at Baht 1,951.09 million, increased by 26.26% compared to the last year. Domestic sales increased by 57.67% from as the demand increased due to recovery of tourism industry. Ecommerce sales channel still continues to grow. The growth stood at 81.51% over last year. While, Export sales increased by 18.31% compared to the last year, mainly from export to ASEAN, South Asia, America and Asia Pacific. Domestic and export sales proportion reported at 25:75, while last year it was reported at 20:80, respectively.

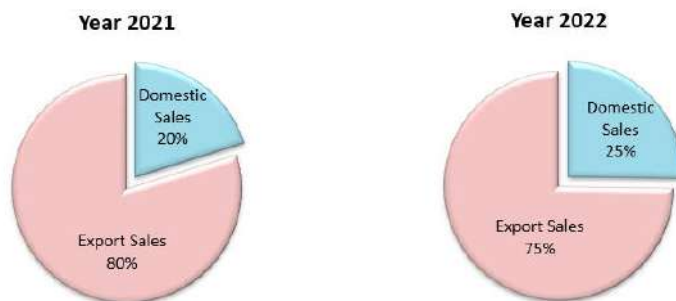
The Company reported other income Baht 22.00 million, mainly from transportation charges and sales of obsolete machine and scraps.

### Domestic and Export Sales

(Unit: Million Baht)



### Proportion of domestic and foreign sales



### 2) Cost of goods sold

Total cost of goods sold presented at Baht 1,391.99 million, increased by 37.40% comparing with last year along with the increased of sales, energy and raw material prices during the year.

### 3) Gross profit and %gross profit

Gross profit presented at Baht 559.10 million, increased by 5.05% comparing with last year. Gross profit margin decreased from 34.44 to 28.66% due to the increasing of energy and raw material prices. However, the Company adjusted the selling price to reduce the impact of the increased cost since Q3/2022 onwards.



#### 4) Temporary Shutdown Expenses

Temporary shutdown for maintenance and inventory management causing expense of Baht 106.99 million, decreased by 38.50% compared to last year due to the increase of sales volume.

#### 5) Loss (reversal) on the decline in value of inventory

Loss on the decline in value of inventory presented at Baht 18.16 million, primarily due to provision of obsolete for long-aged finished products, spare parts and raw materials.

#### 6) Selling Expenses

Selling expenses presented at Baht 289.10 million, increased by 31.34% due to the increment of transportation costs, traveling expenses, online advertising, and promotion expenses to support sales in domestically and internationally.



#### 7) Administrative Expenses

Administrative expenses presented at Baht 117.33 million, increased by 9.14% due to the recruitment to support sales expansion and hiring external consultant to improve operational efficiency. However, the Company continuously implement measures to control expenses.



#### 8) Gain (Loss) on Foreign Exchange

Gain on foreign exchange presented at Baht 1.45 million compared with last year presented loss on foreign exchange at Baht 26.56 million, mainly from forward contract hedging.

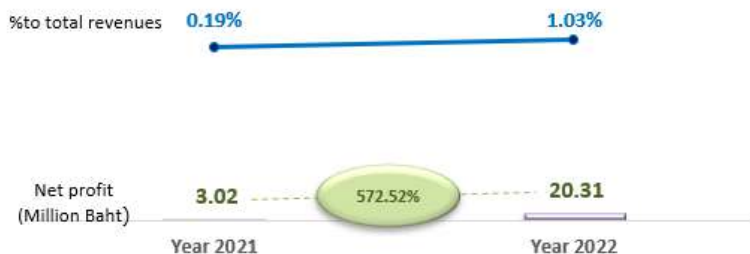
#### 9) Finance Costs

Finance costs presented at Baht 23.37 million, increased by 6.21% due to the increment of interest rate and more financing to support business operations.

### 10) Net Profit and Net Profit Margin

The Company reported net profit of Baht 20.31 million increase from the last year which present net profit of Baht 3.02 million.

Net profit margin reached 1.03% of total revenues.

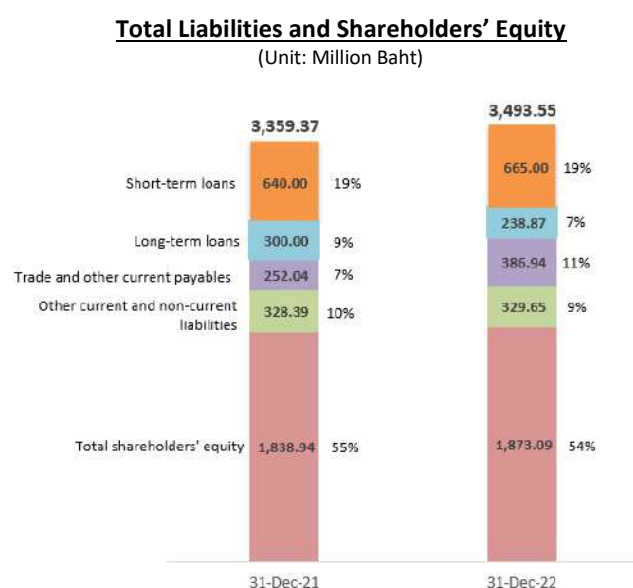
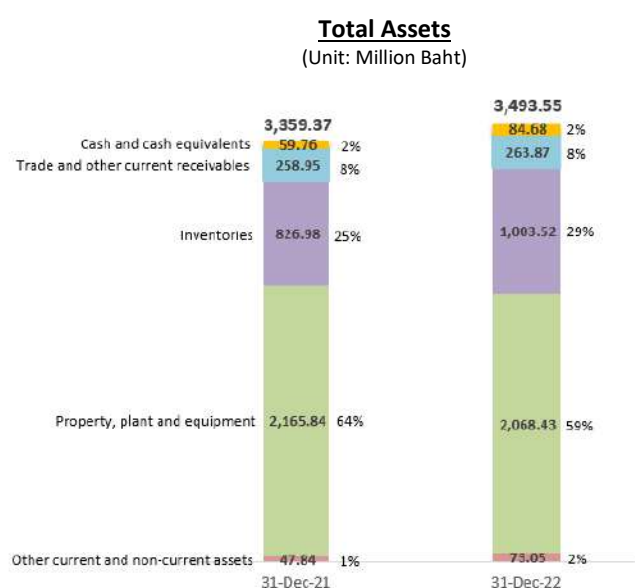


### 11) Other comprehensive income, net of income tax

Other comprehensive income presented at Baht 13.84 million, increased by 536.52% from the recognition of gains on re-measurement of defined benefit plan, net of income tax during the year.

### Statements of Financial Position as at December 31, 2022

	2022 (Million Baht)	2021 (Million Baht)	Change (%)
Current Assets	1,372.24	1,162.56	18.04
Non-Current Assets	2,121.31	2,196.81	(3.44)
<b>Total Assets</b>	<b>3,493.55</b>	<b>3,359.37</b>	<b>3.99</b>
Current Liabilities	1,142.87	993.66	15.02
Non-Current Liabilities	477.59	526.77	(9.34)
<b>Total Liabilities</b>	<b>1,620.46</b>	<b>1,520.43</b>	<b>6.58</b>
<b>Total Shareholders' Equity</b>	<b>1,873.09</b>	<b>1,838.94</b>	<b>1.86</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,493.55</b>	<b>3,359.37</b>	<b>3.99</b>



#### ▪ Total Assets

As of 31 December 2022, total assets presented at Baht 3,493.55 million, increased by 3.99% as details below:

- Cash and cash equivalent increased by 41.71% from short-term loans and drawdown of long-term loans under loan agreements in order to manage cash flow from operations and investment in assets during the year.
- Trade and other receivables increased by 1.90%, primarily due to the increase of sales and advance payment for purchasing machine and equipment.
- Inventories increased by 21.35% from increasing in sales volume during Q4 of 2022 and inventory management against production.
- Property, plant and equipment decreased by 4.50% from the depreciation net with investment in machine and equipment during the year.
- Right-of-use assets increased by 82.07% from the recognition of new lease agreements during the year according to TFRS16 - Leases.

#### ▪ Total Liabilities

As of 31 December 2022, total liabilities presented at Baht 1,620.46 million, increased by 6.58% as details below:

- Trade and other payables increased by 53.52% in line with the increase of production to serve demand of products and the increase of advance payment from customers and more accrued expenses compared to last year.
- Short-term borrowings increased by 3.91% to be used for managing cash flow from operations, while long-term borrowings decreased by 20.38% from loan repayments as scheduled in the loan agreement. Including, the recognition of liabilities under the lease according to TFRS 16 - Leases increased by Baht 18.04 million from the increase of new lease agreements.
- Employee benefit obligations decreased by 11.74% from the recognition of differences from re-measurement of current main assumptions following the actuarial estimates.

#### ▪ Total Shareholders' Equity

As of 31 December 2022, total shareholders' equity presented at Baht 1,873.09 million, increased by 1.86% from the recognition of total comprehensive income during the year and the result of re-measurement of employee benefit obligations.

### Financial Ratio Analysis

<b>Profitability Ratio</b>	<b>Unit</b>	<b>Jan – Dec 2022</b>	<b>Jan – Dec 2021</b>
Gross Profit Margin	(%)	28.66	34.44
Operating Profit Margin	(%)	1.41	2.17
Net Profit Margin	(%)	1.03	0.19
Return on Equity	(%)	1.09	0.16
Basic Earnings per Share	Baht/Share	0.95	0.14
<b>Efficiency Ratio</b>	<b>Unit</b>	<b>Jan – Dec 2022</b>	<b>Jan – Dec 2021</b>
Return on Assets	(%)	1.49	0.85
<b>Liquidity Ratio</b>	<b>Unit</b>	<b>Jan – Dec 2022</b>	<b>Jan – Dec 2021</b>
Current Ratio	Times	1.20	1.17
Quick Ratio	Times	0.30	0.32

<b>Profitability Ratio</b>	<b>Unit</b>	<b>Jan – Dec 2022</b>	<b>Jan – Dec 2021</b>
Average Collection Period	Days	43	43
Inventory Days	Days	131	172
Accounts Payable Days	Days	51	43
Cash Cycle	Days	123	172
<b>Leverage &amp; Financial Policy</b>	<b>Unit</b>	<b>Jan – Dec 2022</b>	<b>Jan – Dec 2021</b>
Debt to Equity Ratio	Times	0.87	0.83
Interest Coverage Ratio	Times	10.08	9.36
Debt Service Coverage Ratio	Times	1.50	6.19

According to the profitability ratio, it was found that although the Company's gross profit margin decreased from 34.44% to 28.66% but sales value increased by 26.26% from last year. As a result, the Company was able to make profit. Profit per share was at 0.95 Baht.

Return on assets ratio was higher than last year, while liquidity ratio and financial leverage policy was improved from better cash cycle by faster selling products. The Company has liquidity and sufficient cash for interest payment and other financial obligations. Moreover, the Company was able to maintain debt to equity ratio and debt service coverage ratio according to the restriction of long-term loans from local financial institutions.