



OCEAN GLASS PUBLIC COMPANY LIMITED

Management Discussion and Analysis
Consolidated Financial Results
For the period ended September 30, 2024

Summary of Q3/2024 Performance

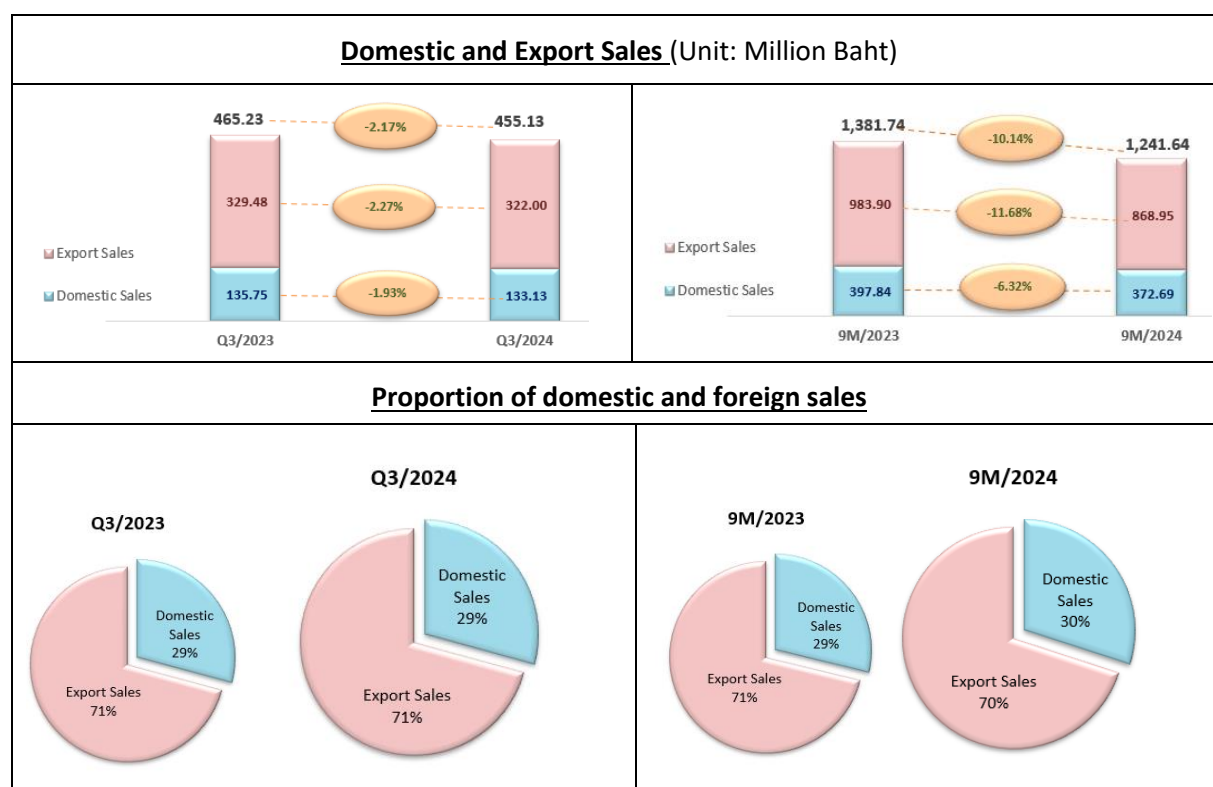
In the third quarter of 2024, Ocean Glass Public Company Limited and its subsidiaries (“the Company”) experienced growth in sales volume through the release of existing inventory, despite the temporary shutdown of its furnace for maintenance. The Company was further impacted by the rapid depreciation of the U.S. dollar against the Thai Baht (USD being the primary currency for international sales). Additionally, there was a slowdown in demand within the domestic and Asian markets, particularly in retail channels such as department stores and distributors. These challenges were compounded by ongoing container shortages and elevated shipping costs from the previous quarter. As a result, the Company reported sales revenue of Baht 455.13 million, a decrease of 2.17% compared to the same quarter of the previous year. In mid-August 2024, the Company resumed operations of the soda-lime furnace (Furnace A) to increase production capacity and meet demand in Q4/2024, following its maintenance shutdown in the previous quarter. Furthermore, the Company recorded a net realizable value loss of Baht 40.24 million for crystalline glass products that did not meet target quality standards. This led to a total net loss of Baht 66.22 million, equivalent to a net loss per share of 3.10 THB.

Quarterly Operating Results: As of 30 September 2024

Statement of Comprehensive Income	Quarterly		Change (%)	(Million Baht)		Change (%)
	3/2024	3/2023		2024	2023	
Revenue from sales	455.13	465.23	(2.17)	1,241.64	1,381.74	(10.14)
<i>Domestic Sales</i>	133.13	135.75	(1.93)	372.69	397.84	(6.32)
- Domestic Sales - Traditional Offline	126.57	127.54	(0.76)	355.01	375.95	(5.57)
- Domestic Sales - E-Commerce	6.56	8.21	(20.04)	17.68	21.89	(19.22)
<i>Export Sales</i>	322.00	329.48	(2.27)	868.95	983.90	(11.68)
Foreign exchange gain	-	0.88	(100.00)	2.66	1.67	59.69
Other income	2.78	1.73	60.84	7.35	6.32	16.23
- Freight income	1.22	0.57	114.64	3.14	2.33	34.38
- Other	1.56	1.16	34.60	4.21	3.99	5.62
Total revenues	457.91	467.84	(2.12)	1,251.65	1,389.73	(9.94)
Cost of goods sold	344.70	312.49	10.31	861.10	953.76	(9.72)
Temporary shutdown expenses	34.31	55.75	(38.45)	138.82	108.28	28.21
Loss on the decline in value of inventory	46.89	1.35	3,386.54	64.14	20.54	212.25
Distribution costs	77.58	74.85	3.64	224.87	223.72	0.52
Administrative expenses	25.08	27.61	(9.18)	117.41	88.50	32.67
Foreign exchange loss	2.60	-	N/A	-	-	N/A
Total expenses	531.16	472.05	12.52	1,406.34	1,394.80	0.83
Profit (loss) from operating activities	(73.25)	(4.21)	1,638.18	(154.69)	(5.07)	2,949.76
Finance costs	12.19	9.89	23.23	36.55	26.30	38.99
Profit (loss) before income tax	(85.44)	(14.10)	505.68	(191.24)	(31.37)	509.64
Income tax expenses (income)	(19.22)	(2.92)	557.22	(40.56)	(5.98)	578.10
Profit (loss) for the period	(66.22)	(11.18)	492.20	(150.68)	(25.39)	493.51
Other comprehensive income (loss) for the period	(2.24)	0.43	(621.68)	(0.87)	89.18	(100.98)
Total Other comprehensive income (loss) for the period	(68.46)	(10.75)	536.64	(151.55)	63.79	(337.56)
Basic earnings (loss) per share (Baht)	(3.10)	(0.52)	496.15	(7.06)	(1.19)	493.28

1. Revenues

- Ocean Glass Public Company Limited and its subsidiaries (“the Company”) reported total revenue of Baht 457.91 million for Q3/2024, a decrease of 2.12%. This includes sales revenue of Baht 455.13 million, which fell by 2.17% compared to the same quarter last year. Domestic Sales declined by 1.93%, mainly due to reduced demand in retail channels such as department stores and local distributors. This decline reflects weaker private consumption, household vulnerabilities, and high debt levels. Additionally, e-commerce sales dropped by 20.04% year-on-year. International Sales decreased by 2.27% year-over-year, impacted by the rapid depreciation of the US Dollar (the primary currency for international sales) against major currencies and the Thai Baht in Q3. Demand in the Asian region also declined, alongside ongoing container shortages and rising shipping costs from the previous quarter. European Sales, improved due to the positive impact of the Olympic Games in Paris, France. The Company’s domestic and international sales portion stood at 29% and 71%, respectively, compared to the same quarter last year.
- For the nine-month period, the Company reported total revenue of Baht 1,251.65 million, a decrease of 9.94% compared to the same period last year. Total sales revenue amounted to 1,241.64 million Baht, a decline of 10.14% year-on-year. Domestic Sales, decreased by 6.32% compared to the same period last year. International Sales, decreased by 11.68% compared to the same period last year. The proportion of domestic and international sales was 30% and 70%, respectively, whereas, in the same period last year, the proportions were 29% and 71%, respectively.

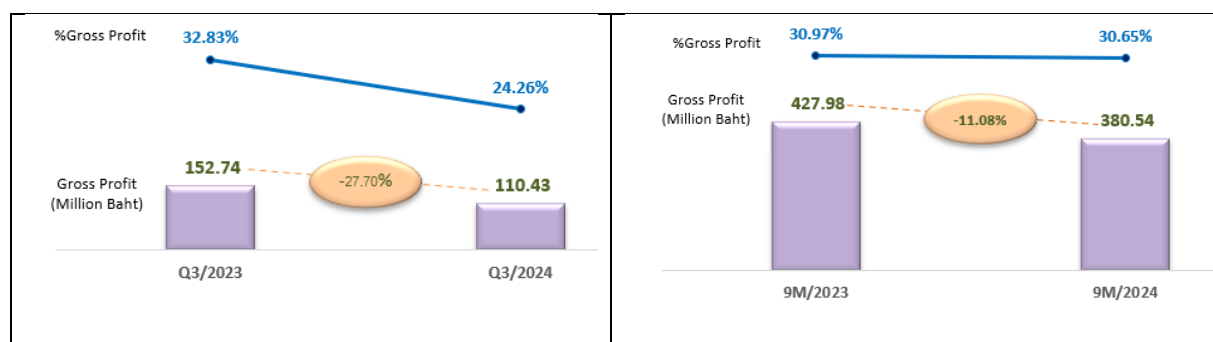


- Foreign Exchange Loss, the Company recorded a foreign exchange loss of Baht 2.60 million for Q3/2024 due to the rapid depreciation of the US Dollar against the Thai Baht. For the nine-month period, however, the Company gain from foreign exchange of Baht 2.66 million, resulting from forward foreign exchange contracts to hedge against currency fluctuations.

- Other Income, the Company reported other income of Baht 2.78 million for Q3/2024 and Baht 7.35 million for the nine-month period. This income primarily arose from shipping fees, the sale of depreciated machinery equipment, and the sale of scraps and materials.

2. Gross Profit and Gross Profit Margin

- Q3/2024 the Company reported a total cost of sales of Baht 344.70 million for, increase of 10.31% compared to the same quarter last year. This was due to the increased sales volume from releasing existing inventory during the furnace maintenance, leading to a shift in the product mix for this quarter. For the nine-month period, the total cost of sales was Baht 861.10 million, a decrease of 9.72%, reflecting the reduced sales volume and lower energy costs.
- Q3/2024 the Company recorded a gross profit of Baht 110.43 million, a decrease of 27.70% compared to the same quarter last year. The gross profit margin was 24.26% of sales, down from 32.83% in the same quarter last year. This decrease was due to the sale of existing inventory during the furnace maintenance, altering the product mix from the previous year, and the rapid depreciation of the US Dollar against the Thai Baht.
- For the nine-month period, the Company recorded a gross profit of Baht 380.54 million, a decrease of 11.08% compared to the same period last year. The gross profit margin was 30.65% of sales, slightly down from 30.97% in the same period last year. Despite the impact of the rapid depreciation of the US Dollar against the Thai Baht, the Company incurred higher costs associated with the temporary shutdown of the furnace for maintenance.



3. Temporary shutdown expenses

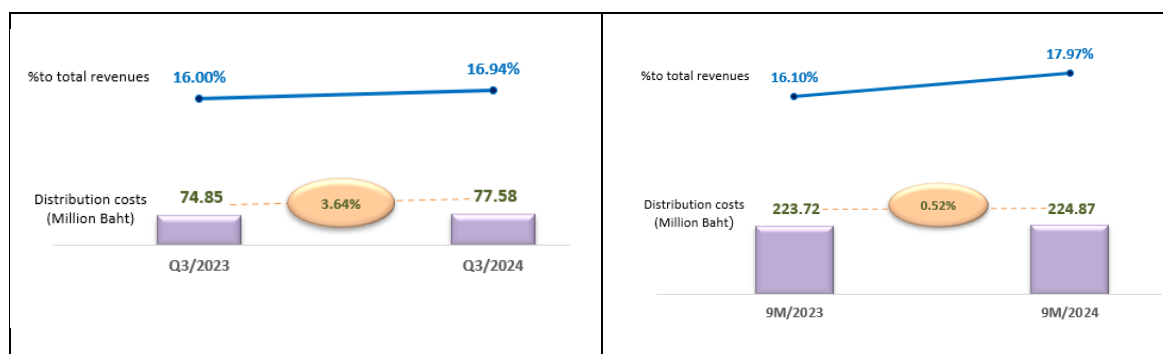
In Q3/2024, temporary shutdown was reported at Baht 34.31 million, decreased by 38.45% compared to same quarter last year, while nine-month period temporary shutdown expense was reported at Baht 138.82 million, increased by 28.21% compared to the same period of last year due to temporary shutdown from cold repair Soda Lime Furnace (Furnace A and B) amounted Baht 76.56 million and shutdown for inventory management causing expenses of Baht 62.26 million.

4. Loss on the decline in value of inventory

In Q3/2024, loss on the decline in value of inventory presented at Baht 46.89 million, increased by 3,386.54% compared to same quarter last year due to recognition loss of net realizable value of under- standard Crystalline products amounted to Baht 40.24 million, while nine-month period presented at Baht 64.14 million, increased by 212.25% compared to the same period of last year, primarily due to provision of loss of net realizable value of under – standard Crystalline, obsolete for long-aged finished products, spare parts, and raw materials.

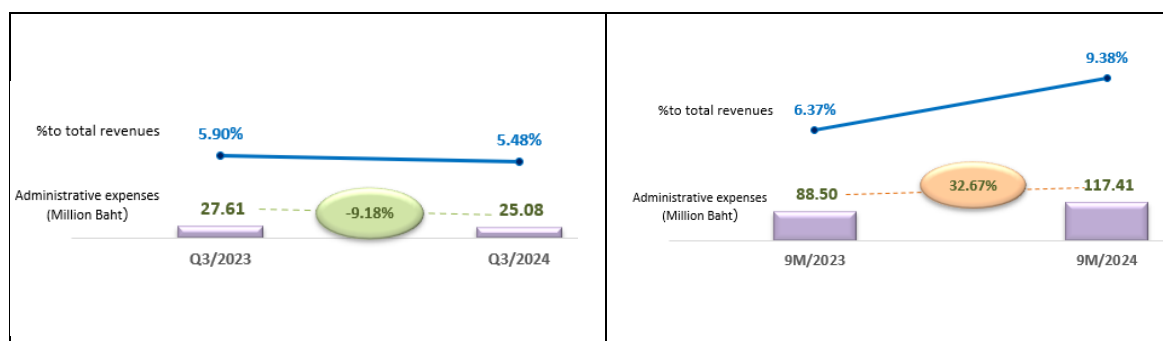
5. Distribution costs

In Q3/2024, distribution costs presented at Baht 77.58 million, increased by 3.64% compared to same quarter last year, while nine-month period presented at Baht 224.87 increased by 0.52% compared to same period of last year, primarily due to recruit more sales and marketing staff, increment of marketing activities and promotion expenses to support sales in domestically and internationally.



6. Administrative expenses

In Q3/2024, administrative expenses presented at Baht 25.08 million, decreased by 9.18% compared to same quarter last year due to the Company continuously implement measures to control expenses, while nine-month period, administrative expenses reported at Baht 117.41 million, increased by 32.67% compared to the same period last year, primarily due to obsolete assets retirement (Furnace A and B) in the amount of Baht 27.00 million.



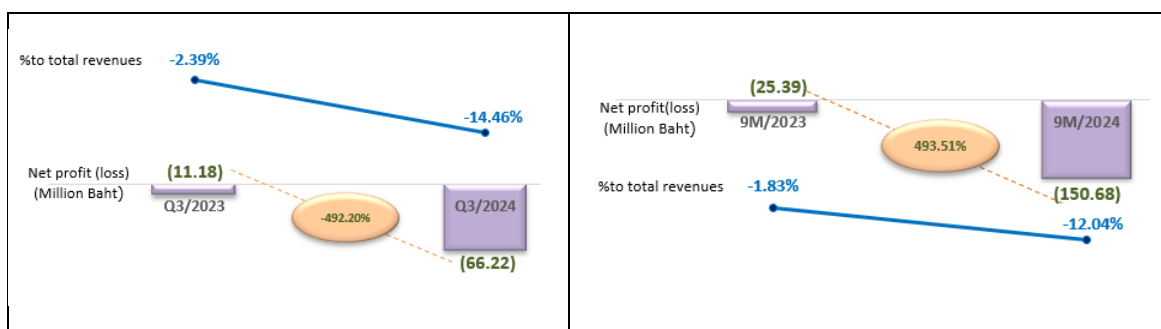
7. Finance Costs

In Q3/2024, finance costs presented at Baht 12.19 million, increased by 23.23%, while nine-month period, finance cost reported at Baht 36.55 million, increased by 38.99% compared to the same period last year, due to the increment of interest rate and more financing to support business operating and investing activities. The Company recorded interest as part of cost of assets in the amount of Baht 4.17 million.

8. Net Profit (Loss) and Net Profit (Loss) Margin

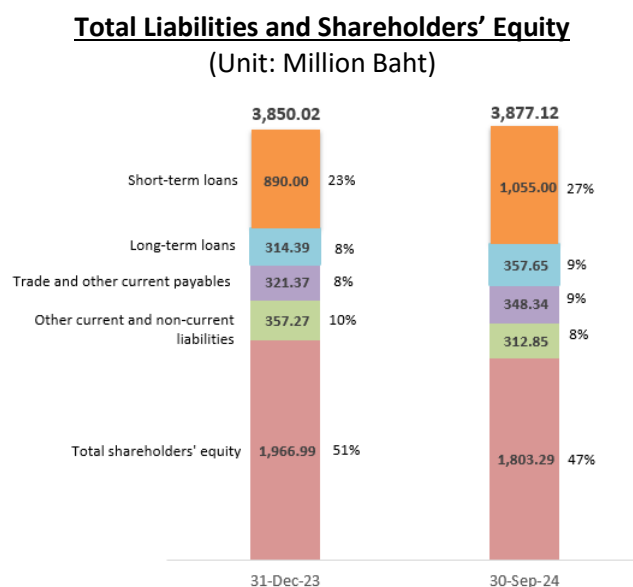
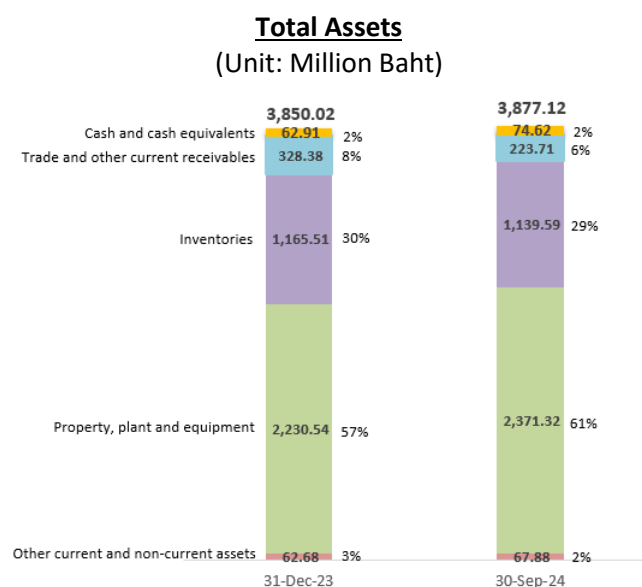
Q3/2024 the Company reported a net loss of Baht 66.22 million, compared to a net loss of Baht 11.18 million in the same quarter last year. The net loss margin was 14.46% of total revenue, or a net loss of 3.10 Baht per share.

For the nine-month period, the Company reported a net loss of Baht 150.68 million, with a net loss margin of 12.04% of total revenue, or a net loss of 7.06 Baht per share.



Financial Position as at September 30, 2024

	September 30, 2024	September 30, 2023	Change (%)
Current Assets	1,460.79	1,568.13	(6.84)
Non-Current Assets	2,416.33	2,281.89	5.89
Total Assets	3,877.12	3,850.02	0.70
Current Liabilities	1,577.86	1,445.34	9.17
Non-Current Liabilities	495.97	437.69	13.31
Total Liabilities	2,073.83	1,883.03	10.13
Total Shareholders' Equity	1,803.29	1,966.99	(8.32)
Total Liabilities and Shareholders' Equity	3,877.12	3,850.02	0.70
Current Ratio (times)	0.93	1.08	
Debt to Equity Ratio (times)	1.15	0.96	



Total Assets

As of September 30, 2024, total assets presented at Baht 3,877.12 million, decreased by 0.70% compared to as of December 31, 2023. Current assets were Baht 1,460.79 million decreased by 6.84% from trade accounts receivable and inventories. Non-current assets presented at Bath 2,416.33 million, increase by 5.89% from the depreciation net with investment in machine and equipment during the period.

Total Liabilities

Total liabilities presented at Baht 2,073.83 million, increased by 10.13% from increment of short-term and long-term loans for use in business operating and investing for machinery and equipment during the period

Total Shareholders' Equity

Total shareholders' equity presented at Baht 1,803.29 million, decreased by 8.32% from the recognition of net loss during the period.