



Ocean[®]
Life's pleasure



OCEAN GLASS PUBLIC COMPANY LIMITED

**Management Discussion and Analysis
Consolidated Financial Results
for the year ended December 31, 2024**

Summary Performance for the Year 2024

Ocean Glass Public Company Limited and its subsidiaries (“the Company”) reported total revenue of Baht 1,782.10 million decrease 10.40% compare to last year. Due to the fact that, in the first half of the year, the Company had a shutdown plan for Soda Lime furnace for scheduled maintenance. Whereas in the second half of the year there was an impact from the rapidly weaken US dollar (which is the main currency of export sales) against Thai Baht. In additions retail sales through department stores in the country and online channels, and the Asia region have slowed down demand for products, as well as, an ongoing container shortage and rising in shipping costs from Q2/24 onwards. During that time, the company sold off the remaining products which impacted the product mix compare to the previous year. However, energy costs decreased significantly in Q4/24, when the soda-lime furnace (Furnace A) started a production, resulting in the company being able to maintain a gross profit margin close to the previous year at 32.24%.

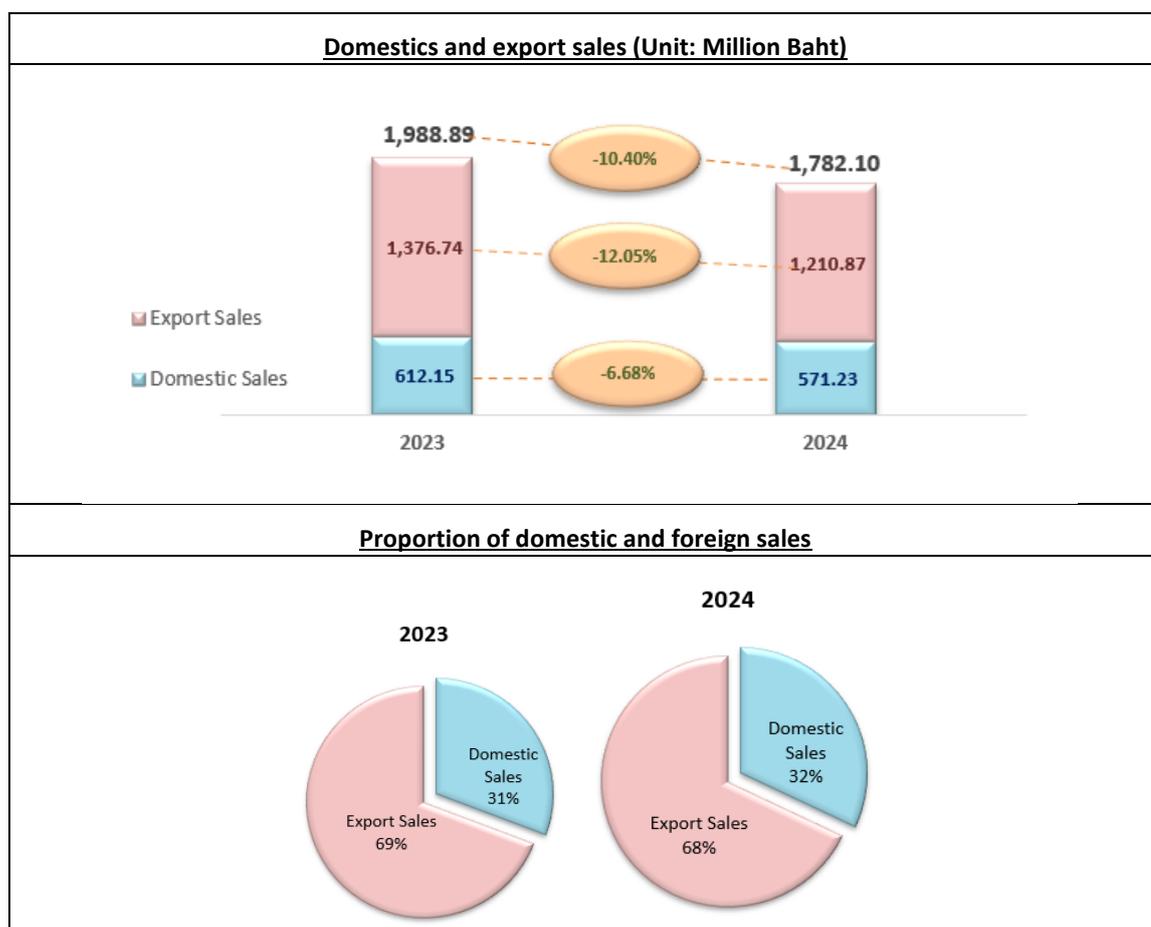
Moreover, the Company had to do a maintenance of two Soda Lime furnaces during the year, resulting in higher costs of temporary shutdown expenses. The Company recorded a net realizable value loss of Baht 34.05 million for Crystalline products, led to a total net loss of Baht 96.40 million, equivalent to a net loss per share of 4.52 Baht.

Operating Results for the Year 2024

	(Million Baht)		
Statement and Comprehensive Income	2567	2566	Change (%)
Revenue from sales	1,782.10	1,988.89	(10.40)
<u>Domestic Sales</u>	571.23	612.15	(6.68)
- Domestic Sales- Traditional Offline	542.58	578.25	(6.17)
- Domestic Sales- E-Commerce	28.65	33.90	(15.48)
<u>Export Sales</u>	1,210.87	1,376.74	(12.05)
Foreign exchange gain	6.88	4.44	54.88
Other income	13.91	13.55	2.66
- Freight income	4.88	3.21	52.15
- Other	9.03	10.35	(12.67)
Total revenues	1,802.89	2,006.88	(10.16)
Cost of goods sold	1,207.60	1,342.70	(10.06)
Temporary shutdown expenses	148.69	145.40	2.26
Loss on the decline in value of inventory	51.14	34.59	47.83
Distribution costs	315.73	313.49	0.71
Administrative expenses	153.35	113.75	34.81
Total expenses	1,876.51	1,949.93	(3.77)
Profit (loss) from operating activities	(73.62)	56.95	(229.27)
Finance costs	51.09	37.55	36.04
Profit (loss) before income tax	(124.71)	19.40	(743.05)
Income tax expenses (income)	(28.31)	5.37	(626.80)
Profit (loss) for the year	(96.40)	14.03	(787.61)
Other comprehensive income (loss) for the year	(10.00)	92.03	(110.87)
Total Other comprehensive income (loss) for the year	(106.40)	106.06	(200.33)
Basic earnings (loss) per share (Baht)	(4.52)	0.66	(784.85)

1. Revenues

- The Company’s total revenue of Baht 1,802.89 million, decreased by 10.16% compared to previous year which is comprised of revenue from sales of Baht 1,782.10 million (decreased by 10.40% compared to the previous year). Domestic Sales declined by 6.68%, mainly due to a slow down demand of products in retail sales through department stores in the country and distributor channels, as an impact from the private consumption have been slowed down, reflected the fragility of the household sector and the high debt issues. Additionally, sales through e-commerce sales dropped by 15.48% year-on-year. Whereas international sales decreased by 12.05% year-over-year due to a decline in demand in Asia region, as well as, an ongoing container shortage and rising shipping costs from Q2/24 onwards. Sales in Europe and America regions improved due to the positive impact of the Olympic Games in Paris, France. The Company’s domestic and international sales portion are at 32% and 68%, respectively.



- Foreign exchange gain, the Company recorded a gain on foreign exchange of Baht 6.88 million, primarily from an appropriated hedging policy on foreign exchange currency’s forward contracts.
- Other Income, the Company reported other income of Baht 13.91 million, primarily from shipping fees, the sale of depreciated machinery equipment, and the sale of scraps and materials.

2. Cost of goods sold

Costs of goods sold presented at Baht 1,207.60 million, decrease by 10.06% compared to previous year in line with the decrease in the volume of products sold and the decrease in energy prices during the year.

3. Gross profit and gross profit margin

Gross profit presented at Baht 574.50 million, decreased by 11.09%, compared to the previous year. The gross profit margin is 32.24% of sales, slightly lower than previous year at 32.49%. A decrease is due to the sale of existing inventory during the furnace maintenance as planned, altering the product mix from the previous year and the depreciation of the Baht in Q2/24, resulting to a positive effect on export sales. In addition, energy costs decreased significantly in Q4/24, resulting to the maintaining of a gross profit margin which is close to the previous year.



4. Temporary shutdown expenses

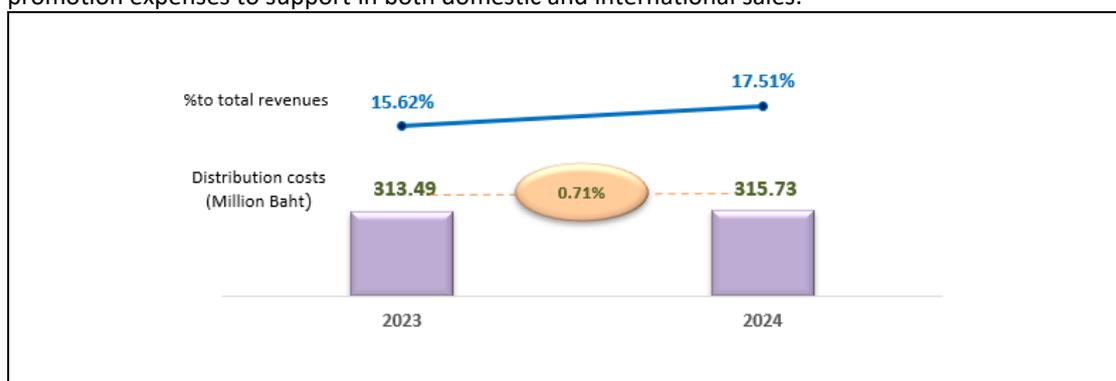
Temporary shutdown is reported at Baht 148.69 million, increased by 2.26% compared to previous year, due to temporary shutdown from cold repair Soda Lime Furnace (Furnace A and B) amounting to Baht 76.56 million and shutdown for inventory management (to maintain the inventory level to adequate to the sales) amounting to Baht 72.13 million.

5. Loss on the decline in value of inventory

Loss on the decline in value of inventory is presented at Baht 51.14 million, increased by 47.83% compared to previous year due to recognition loss of net realizable value of Crystalline products amounting to Baht 34.05 million and an obsolescence of finished products, spare parts, and raw materials of Baht 17.09 million.

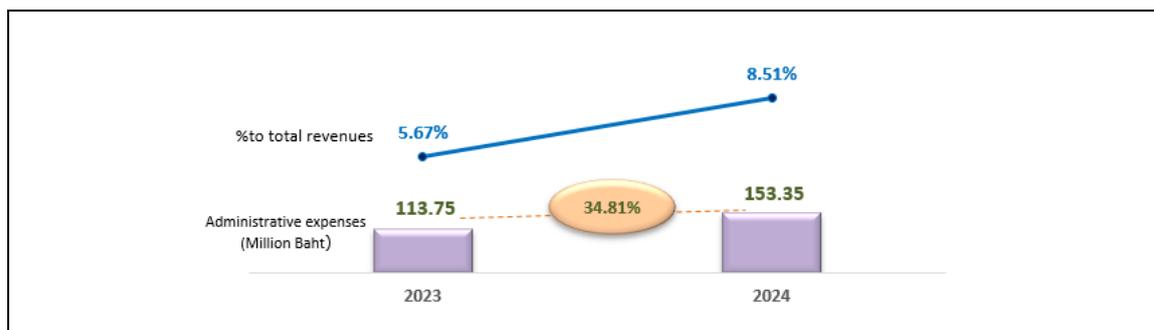
6. Distribution costs

Distribution costs is presented at Baht 315.73 million, increased by 0.71% compared to previous year, primarily due to a recruitment of more sales and marketing staffs, incremental of marketing activities and promotion expenses to support in both domestic and international sales.



7. Administrative expense

Administrative expenses are presented at Baht 153.35 million, increased by 34.81% compared to previous year, mainly from disposal of assets from the dismantling of the furnace (Furnace A and B) in the amounting to Baht 27.00 million, due to a vacancies' fulfillment in order to support an increasing in sales and marketing activities, and an acquiring of digital tools in the Company.

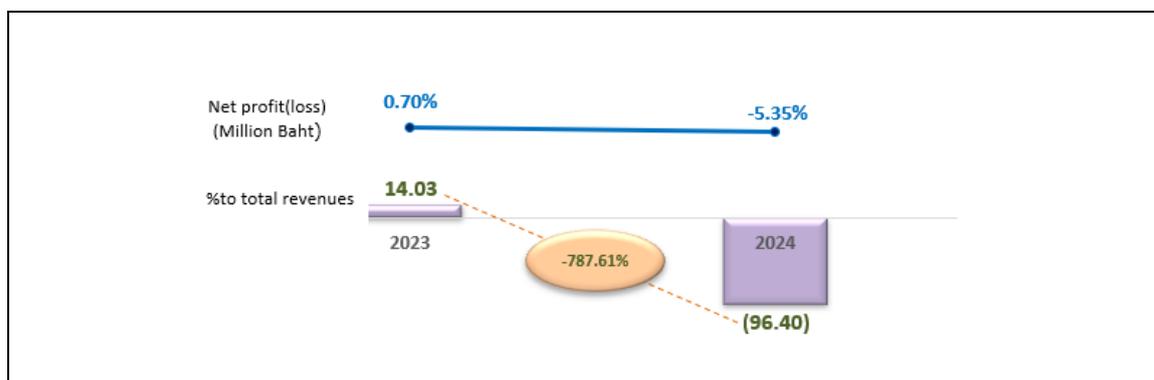


8. Finance costs

Finance costs are presented at Baht 51.09 million, increased by 36.06% compared to previous year, due to the incremental of financing to support business operating and investing activities. The Company capitalized interest expenses as cost of assets in the amount of Baht 4.17 million.

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

The Company reported a net loss of Baht 96.40 million, accounting to 5.35% of total revenue, or a net loss of 4.52 Baht per share.



10. Other comprehensive income (loss)-net of income tax

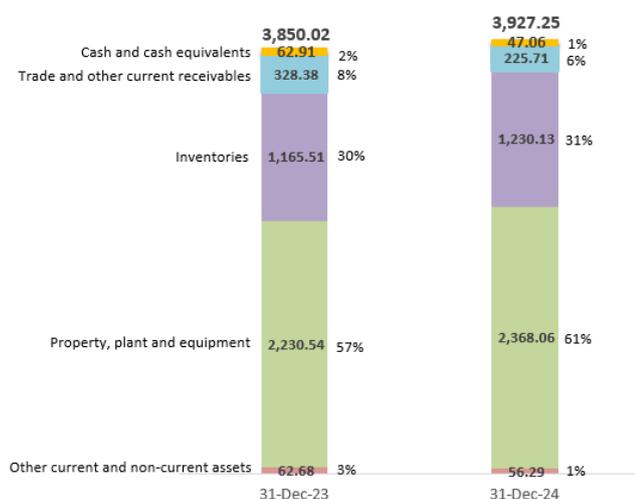
Other comprehensive loss-net of income tax is presented at Baht 10.00 million, while last year presented comprehensive net profit at Baht 92.03 million, mainly from the recognition of loss on re-measurements of defined benefit plans-net of income tax in the amount of Baht 9.57 million. While, last year, the Company has a recognition of gains on land revaluation-net of income tax in the amount of Baht 92.48 million.

Financial Position as at December 31, 2024

	(Million Baht)		
	2024	2023	Change (%)
Current Assets	1,522.09	1,568.13	(2.94)
Non-Current Assets	2,405.16	2,281.89	5.40
Total Assets	3,927.25	3,850.02	2.01
Current Liabilities	1,602.56	1,445.34	10.88
Non-Current Liabilities	476.26	437.69	8.81
Total Liabilities	2,078.82	1,883.03	10.40
Total Shareholders' Equity	1,848.43	1,966.99	(6.03)
Total Liabilities and Shareholders' Equity	3,927.25	3,850.02	2.01
Current Ratio (times)	0.95	1.08	
Debt to Equity Ratio (times)	1.12	0.96	

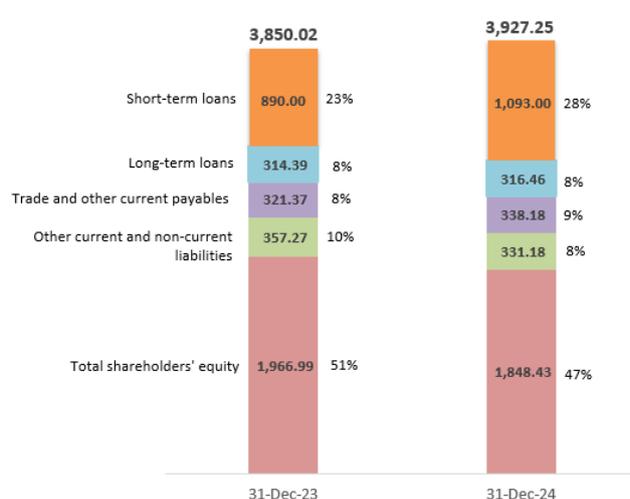
Total Assets

(Unit: Million Baht)



Total Liabilities and Shareholders' Equity

(Unit: Million Baht)



Total Assets

As of 31 December 2024, total assets are presented at Baht 3,927.25 million, increased by 2.01% as details below:

- Cash and cash equivalent decreased by 25.20% from a repayment of both short-term and long-term loans.
- Trade and other receivables decreased by 31.26%, primarily due to the decrease in advance payment on procurement of machines, equipment and furnace maintenance as the Company has no furnace maintenance plan at end of the year, and the decrease in trade receivables from the cash received at the end of the year.

- Inventories increased by 5.55%, mainly from an increase in finished goods and raw materials due to the opening of the production lines of Soda Lime furnaces (Furnace A and Furnace B) at full capacity after the furnaces were shut down for a maintenance as plan during the year
- Property, plant and equipment increased by 6.17% from the investment in machines and equipment during the year.

▪ Total Liabilities

As of 31 December 2024, total liabilities are presented at Baht 2,078.82 million, increased by 10.40% as details below:

- Trade and other payables increased by 5.23% due to the opening of the production line from the SodaLime furnace (Furnace A) in Q4/24 after shut down for maintenance as plan, resulting in an increase in payables for raw materials and for energy compared to the previous year.
- Short-term loans increased by 22.81% to be used for managing cash flow from operations, and for inventory management to the appropriate level due to the schedule shutdown furnaces for a maintenance during the year. While some of long-term loans used for investment assets project; solar power generation system, machinery, equipment and furnace maintenance, etc. are slightly increased by 0.66% from a drawdown loan offset with repayment of long-term loans under loan agreements.

▪ Total Shareholders' Equity

As of 31 December 2024, total shareholders' equity presented at Baht 1,848.43 million, decreased by 6.03% from the recognition of net losses and dividends paid for the operating results of 2023 during the year.

Financial Ratio Analysis

Profitability Ratio	Unit	Jan – Dec 2024	Jan – Dec 2023
Gross Profit Margin	(%)	32.24	32.49
Operating Profit Margin	(%)	(5.30)	1.96
Net Profit Margin	(%)	(5.35)	0.70
Return on Equity	(%)	(5.05)	0.73
Basic Earnings per Share	Baht/Share	(4.52)	0.66
Efficiency Ratio	Unit	Jan – Dec 2024	Jan – Dec 2023
Return on Assets	(%)	(1.89)	1.55
Liquidity Ratio	Unit	Jan – Dec 2024	Jan – Dec 2023
Current Ratio	Times	0.95	1.08
Quick Ratio	Times	0.17	0.27
Average Collection Period	Days	42	40
Inventory Days	Days	231	174
Accounts Payable Days	Days	55	57
Cash Cycle	Days	218	157
Leverage & Financial Policy	Unit	Jan – Dec 2024	Jan – Dec 2023
Debt to Equity Ratio	Times	1.12	0.96
Interest Coverage Ratio	Times	2.33	6.33

According to the profitability ratio, the Company's gross profit margin slightly decreased from previous year from 32.49% to 32.24%. The decreased in gross profit margin from selling the remaining products while shutdown furnaces for maintenance as planned and the energy price decreased significantly, resulting in the Company being able to maintain a gross profit margin close to the previous year. However, due to sales drop 10.40% while the Company had to do a maintenance of two Soda Lime furnaces during the year, resulting in higher costs of temporary shutdown expenses, led to net loss per share of 4.52 Baht.

The Company has a lower return on assets ratio than previous year due to a net loss for the year. While, the liquidity ratio showed a longer cash cycle than the previous year due to higher inventory balance from the full production capacity during Q4/24 and higher raw material reserves for its production.