

# **SHRINKflex**

Shrinkflex (Thailand) PCL.

## **Management Discussion & Analysis (MD&A)**

**Q4/2023**



## Executive Summary

## Significant Events

## Financial Analysis

## Executive Summary

Operating Highlights	Q4/2022	Q3/2023	Q4/2023	Change		2022	2023	Change
(Unit: Million Baht)				%YoY	%QoQ			%YoY
Operating revenue	208.35	218.50	223.76	+7.4%	+2.4%	859.34	920.00	+7.1%
Gross Profit	32.64	39.89	41.11	+25.9%	+3.1%	185.73	165.81	-10.7%
EBITDA	12.83	30.19	26.88	+109.5%	-11.0%	126.28	111.19	-12.0%
Net Profit (loss)	0.08	7.87	6.07	+7,468.4%	-22.9%	63.06	30.53	-51.6%
Gross Profit Margin (%)	15.7%	18.3%	18.4%	+2.7%	+0.1%	21.6%	18.0%	-3.6%
EBITDA Margin (%)	6.1%	13.6%	12.0%	+5.8%	-1.6%	14.6%	12.0%	-2.6%
Net Profit Margin (%)	0.04%	3.5%	2.7%	+2.7%	-0.8%	7.3%	3.3%	-4.0%

Note: There may be deviations in numbers due to decimal rounding

In 2023, Shrinkflex Thailand Public Company Limited (SFT) (“the Company”) recorded operating revenue of Baht 920.00 million, increased by Baht 60.66 million or 7.1% compared to 2022. The increase in revenue was mainly driven by orders from Gravure Printing products from customers in the beverage and food industries due to the increase in orders from customers exporting products to foreign countries and the Company having acquired new customers. In addition, amid the economic slowdown, with the Company’s effective management process, the Company was able to generate a gross profit margin of Baht 165.81 million and net profit of Baht 30.53 million. The Company continues to focus on expanding its customer base by participating in exhibitions, raising its food production safety standards by obtaining certification from the British Retail Consortium (BRC) for the new factory that had already started production. In 2024, the Company expects the new factory to operate at full capacity in order to support the expansion of the customer base in the long term, as well as to enhance the efficiency of both the machinery and manpower to maximize benefits. In addition, the Company has prepared to fully penetrate the Green Packaging market through continuously introducing innovations that meet the needs of the environment as well as becoming a strategic partner for customers to ensure sustainable growth.

#### Q4/2023 vs Q4/2022 (YoY)

- In Q4/2023, the Company recorded Operating Revenue of Baht 223.76 million, increased by Baht 15.41 million or 7.4% from Q4/2022 mainly due to the significant growth in revenue from shrink film, especially Gravure Printing, corresponding to the increase in customer orders from the beverage and food industries due to the increase in orders from customers exporting products to foreign countries and the Company having acquired new customers.
- Gross Profit Margin was 18.4%, increased from 15.7% in Q4/2022, corresponding to the increase in revenue from Gravure Printing as well as the decrease in fixed cost per unit of production due to the increase in production volume and the decrease in cost of raw materials, resulting in economies of scale.
- Net Profit was Baht 6.07 million in Q4/2023, increased by Baht 5.99 million from Q4/2022, corresponding to the increase in revenue from sales, especially from Gravure Printing. In addition, the recognition of revenue from new flexible packaging products, as well as lower production costs per unit due to increased production volume and lower raw material cost for plastic film, resulting in economies of scale. However, the Company continues to focus on expanding its customer base corresponding to the business growth plan by organizing marketing activities and developing new products in order to utilize the production capacity and to ensure human resource optimization.

#### Q4/2023 vs Q3/2023 (QoQ)

- In Q4/2023, the Company recorded Operating Revenue of Baht 223.76 million, increased by Baht 5.26 million or 2.4% from Q3/2023, corresponding to the increase in revenue from Shrink Label production, especially from Gravure Printing. Mainly due to the increase in orders from customers in the food and beverage industries, as customers have increased their exporting activities, as well as the Company having acquired new customers. In addition, revenue from flexible packaging increased due to the continuous increase in purchasing volumes from customers across all industries.
- Gross Profit Margin was 18.4%, slightly increased by 0.1% in Q3/2023, mainly due to the increase in revenue from Gravure Printing and flexible packaging.
- Net Profit was Baht 6.07 million in Q4/2023, decreased by Baht 1.80 million or 22.9% from Q3/2023 mainly from the increase in administrative expenses due to the recognition of foreign exchange losses (Mark to Market) from forward foreign exchange contracts (Forward Contract) resulting from the appreciation of the Baht at the end of the year.

#### 2023 vs 2022 (YoY)

- In 2023, the Company recorded Operating Revenue of Baht 920.00 million, increased by Baht 60.66 million or 7.1% from 2022 mainly due to an increase in revenue from Gravure Printing, which has grown mainly from the beverage industry. Meanwhile, revenue from other sales also increased, both from existing and new customers, partially obtained from customers expanding their businesses to new markets, as well as the Company’s participation in exhibition.
- Gross Profit Margin was 18.0% in 2023, decreased from 21.6% in 2022. Although the sales revenue increased, the rate of growth was lower than the rate of cost of goods sold due to the increase in fixed costs from business expansion to support business growth, including the expenses related to production employee compensation and the depreciation of machinery and buildings from the new factory. However, if the Company is able to manage machinery and manpower to operate at full efficiency, the gross profit margin will display an increasing trend.
- Net Profit was Baht 30.53 million in 2023, decreased by Baht 32.53 million or 51.6% from 2022 mainly due to the increase in fixed costs from business expansion to support business growth, including the expenses related to production employee compensation from the increase in the number of employees to support the new factory and the depreciation of machinery and buildings from the new factory, as well as the costs related to the application for obtaining the BRC Global Standard Packaging Materials Issue 6 to guarantee the safety and standardization of the packaging for food certification. However, the Company continues to focus on the importance and awareness of cost management and continues to focus on expanding its customer base corresponding to the business growth plan by organizing marketing initiatives and developing new innovative products such as joining exhibitions, contacting and proposing products and services to customers directly, and introducing green packaging options to enhance the efficiency of the machineries at the new factory, and to ensure human resources optimization.

## Significant Events

### Exhibit at COSMEX 2023

The Company participated in the COSMEX 2023 exhibition during November 7<sup>th</sup>–9<sup>th</sup> 2023, which is the largest cosmetics, body care products, and dietary supplements event in Asia Pacific. The exhibition enhances opportunities for business collaboration between countries and between regions. In addition, the exhibition allows players to be exposed to new customers in the cosmetics and body care industry. The event also showcased a new product zone focusing on environmentally friendly products and materials to support the sustainability factor of business growth.

By participating in the exhibition, the Company has utilized this opportunity to reach new customer groups as well as to display new product innovations. As a result, the Company has successfully obtained new customers from the exhibition. In addition, this exhibition allowed customers to gain more knowledge about the Company's new product innovations, especially environmentally friendly packaging, which the Company is currently developing and preparing to fully enter the market.



### Prepare to Participate in Anti-Corruption Scheme Under CAC

The Company has declared its intention to participate in the Collective Action Against Corruption (CAC) project, which is a leading private-sector anti-corruption project, to encourage participating companies to formulate policies, assess risks, and establish guidelines to prevent corruption.

After the declaration of the intentions, the Company is committed to conducting business with honesty, transparency, and fairness to the public in order to strengthen trusts among all relevant stakeholder groups. In addition, participating in such project will help raise operational standards, enhance the Company's branding, and develop the organization for sustainable growth.



### Reinforcing our leadership in digital printing in Southeast Asia

In 2023, the Company achieved its growth target in Digital Printing. In addition to Shrink Sleeve Printing, the Company also produced flexible packaging using this printing system. With over 10 years of experience in Digital Printing and the team of experts, the Company quickly became a leader in Digital Printing for flexible packaging. This is a key strength of the Company, which can offer printing that meets the needs of businesses that need to produce small quantities of labels or bags. The prints are of high quality, with bright colors and the ability to print unique designs. This makes them ideal for new marketing campaigns.

In addition, the Company developed environmentally friendly flexible packaging bags (Mono Material Pouch) which are 100% recyclable. This reinforces the Company's position as a leader in printing that emphasizes environmental impact and differentiates itself from other packaging manufacturers.



### Obtained the Food Safety System Certification (The British Retail Consortium: BRC)

In 2023, the Company successfully obtained the BRC Global Standard Packaging Materials Issue 6 certification for safe and food-grade packaging. Initially, the Company's first factory was only certified for secondary packaging, which is packaging that encloses the primary packaging and does not come into direct contact with food. The new factory, or current headquarters, has been certified to also cover the physical contact of food packaging. This will help to improve the food safety standards of the packaging and the Company's operations to an international level. It will also promote the Company's competitive advantage in terms of packaging reliability and allow the factory to certify new customer groups, such as food supplement bags, protein powder bags, jelly bags, dried fruit bags, and others.

In the past year, the Company began to produce the aforementioned types of food-contact packaging. This confirms the Company's commitment to being a leader in safe and internationally certified packaging. In addition, the Company has prepared its production capacity, both in terms of machinery and manpower, to support the expected increase in new orders after receiving the BRC Global Standard Packaging Materials Issue 6 certification.

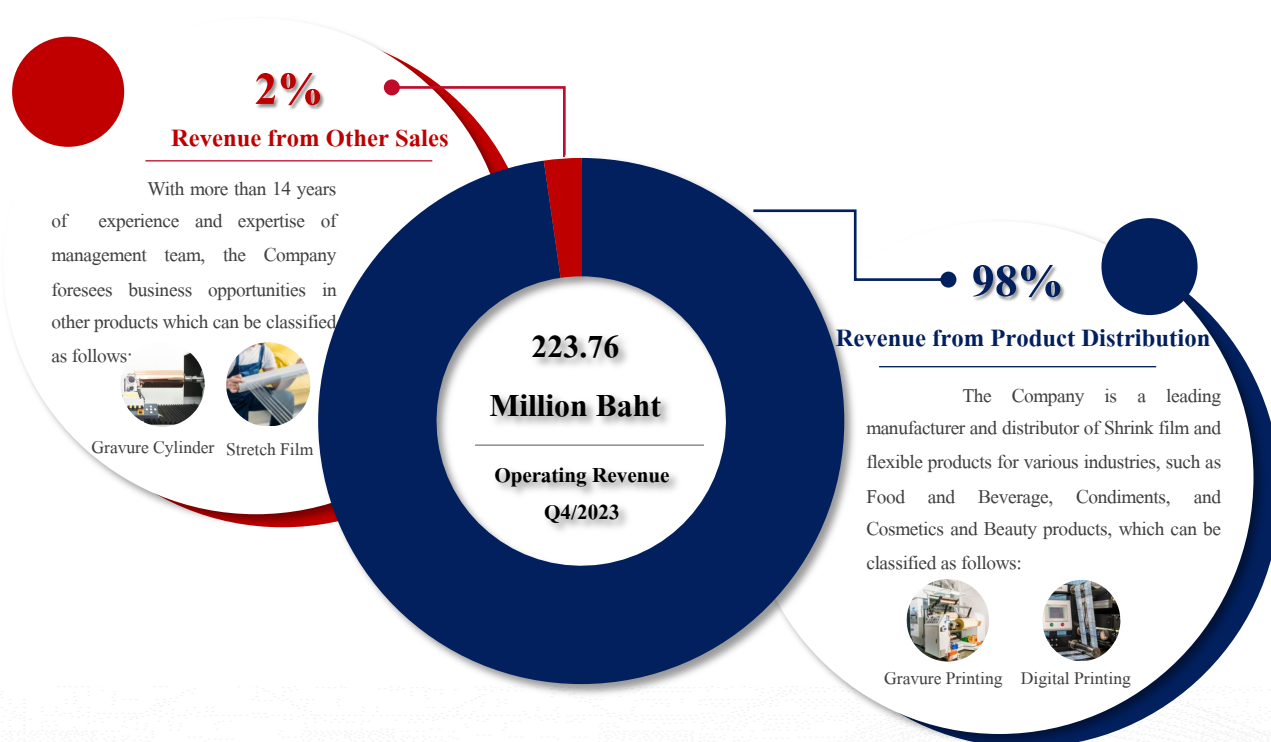


## Overall Operating Results

Overall Operating Results	Q4/2022	Q3/2023	Q4/2023	Change		2022	2023	Change
(Unit: Million Baht)				%YoY	%QoQ			%YoY
Revenue from product distribution	203.91	212.32	218.67	+7.2%	+3.0%	837.41	895.01	+6.9%
Revenue from other sales	4.44	6.18	5.09	+14.6%	-17.6%	21.93	24.99	+14.0%
<b>Operating Revenue</b>	<b>208.35</b>	<b>218.50</b>	<b>223.76</b>	<b>+7.4%</b>	<b>+2.4%</b>	<b>859.34</b>	<b>920.00</b>	<b>+7.1%</b>
Cost of sale of goods	175.71	178.61	182.65	+3.9%	+2.3%	673.61	754.19	+12.0%
<b>Gross profit</b>	<b>32.64</b>	<b>39.89</b>	<b>41.11</b>	<b>+25.9%</b>	<b>+3.1%</b>	<b>185.73</b>	<b>165.81</b>	<b>-10.7%</b>
Other income	0.50	3.90	0.60	+20.0%	-84.6%	3.91	5.76	+47.3%
Selling and distribution expenses	10.02	9.80	9.41	-6.1%	-4.0%	38.12	39.38	+3.3%
Administrative expenses	21.71	20.97	22.84	+5.2%	+8.9%	67.82	85.04	+25.4%
Gain (losses) on exchange rate	1.37	2.37	2.28	+66.4%	-3.8%	5.02	8.63	+71.9%
Finance costs	0.04	10.65	7.18	+17,760.0%	-32.6%	78.68	38.52	-51.0%
Profit before income tax expenses	- 0.04	2.78	1.41	+3,625.0%	-49.3%	15.62	8.29	-46.9%
Other expenses (reversal)	<b>0.08</b>	<b>7.87</b>	<b>6.07</b>	<b>+7,468.4%</b>	<b>-22.9%</b>	<b>63.06</b>	<b>30.53</b>	<b>-51.6%</b>

Note: There may be deviations in numbers due to decimal rounding

## Operating Revenue Structure





## Executive Summary

## Significant Events

## Financial Analysis

## Business Overview By Category

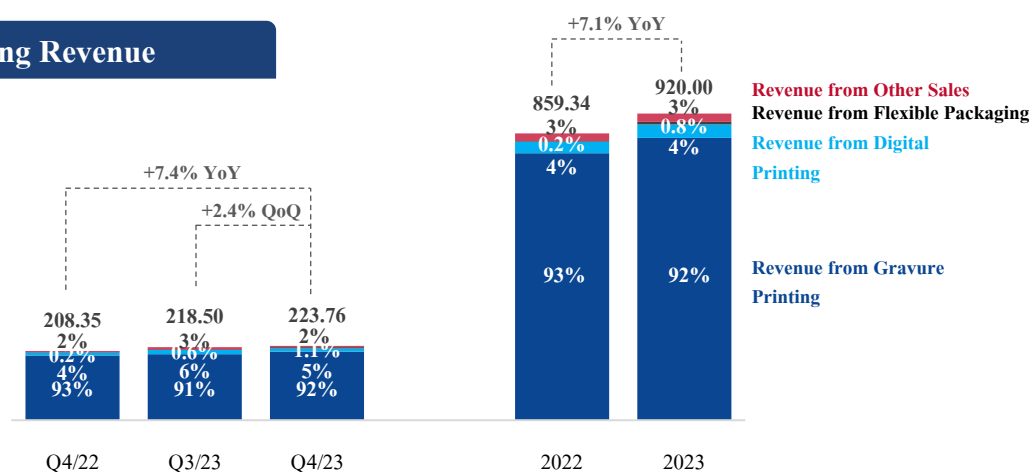
Revenue Structure	Q4/2022	Q3/2023	Q4/2023	Change		2022	2023	Change
(Unit: Million Baht)				%YoY	%QoQ			%YoY
Revenue from Product Distribution								
Revenue from Gravure Printing	194.80	198.97	204.82	+5.1%	+2.9%	801.14	847.12	+5.7%
Revenue from Digital Printing	8.75	12.05	11.29	+29.1%	-6.3%	34.53	40.91	+18.5%
Revenue from Flexible Packaging	0.36	1.30	2.56	+611.1%	+96.9%	1.74	6.98	+301.1%
<b>Total Revenue from Product Distribution</b>	<b>203.91</b>	<b>212.32</b>	<b>218.67</b>	<b>+7.2%</b>	<b>+3.0%</b>	<b>837.41</b>	<b>895.01</b>	<b>+6.9%</b>
Revenue from Other Sales								
Revenue from selling Printing								
Cylinders	3.56	5.68	4.40	+23.6%	-22.5%	18.24	21.81	+19.6%
Revenue from selling Stretch Film	0.88	0.50	0.69	-21.6%	+38.0%	3.69	3.18	-13.8%
<b>Total Revenue from Other Sales</b>	<b>4.44</b>	<b>6.18</b>	<b>5.09</b>	<b>+14.6%</b>	<b>-17.6%</b>	<b>21.93</b>	<b>24.99</b>	<b>+14.0%</b>
<b>Total Operating Revenue</b>	<b>208.35</b>	<b>218.50</b>	<b>223.76</b>	<b>+7.4%</b>	<b>+2.4%</b>	<b>859.34</b>	<b>920.00</b>	<b>+7.1%</b>
Other Income	0.50	3.90	0.60	+20.0%	-84.6%	3.91	5.76	+47.3%
Gain on exchange rate	208.85	222.40	224.36	+7.4%	+0.9%	863.25	925.76	+7.2%

Note: There may be deviations in numbers due to decimal rounding

01

## Operating Revenue

Unit: Million Baht, %



## Q4/2023 vs Q4/2022 (YoY)

In Q4/2023, the Company recorded Operating Revenue of Baht 223.76 million, increased by Baht 15.41 million or 7.4% from Q4/2022 mainly due to:

- Revenue from Gravure Printing:** increased by Baht 10.02 million or 5.1% from the higher sales orders compared to the same period last year. This was due to the growth of existing customers in the food and beverage industry as the result of increase in orders from customers exporting products to foreign countries. In addition, the Company have acquired new customers.
- Revenue from Digital Printing:** increased by Baht 2.54 million or 29.1%. The increase in revenue was mainly due to the growth in the food and household appliance industries as customers have expanded their business into new markets.
- Revenue from Flexible Packaging:** increased by Baht 2.20 million due to the continuous growth of the new products that launched during Q2/2022, corresponding to the increasing order volume of customers across all industry segments.
- Revenue from Other Sales:** increased by Baht 0.65 million or 14.6%. The revenue from sales of Gravure Cylinders increased by 23.6%, corresponding to the increase in orders and the growth of Gravure Printing. Meanwhile, revenue from Stretch Film sales decreased by 21.6% due to an increase in costs compared to the same period last year, resulting in customers delaying orders.

**Q4/2023 vs Q3/2023 (QoQ)**

In Q4/2023, the Company recorded Operating Revenue of Baht 223.76 million, increased by Baht 5.26 million or 2.4% from Q3/2023 mainly due to:

- **Revenue from Gravure Printing:** increased by Baht 5.85 million or 2.9% mainly from the increase in orders compared to the same period last year. This was due to the growth of existing customers in the food and beverage industries as a result of the increase in orders from customers exporting products to foreign countries. In addition, the Company have acquired new customers.
- **Revenue from Digital Printing:** slightly decreased by Baht 0.76 million or 6.3%. The decrease in revenue was mainly from customers in the household appliance industry.
- **Revenue from Flexible Packaging:** increased by Baht 1.26 million or 96.9%. The continuous increase in purchasing volumes was from customers across all industries.
- **Revenue from Other Sales:** decreased by Baht 1.09 million, or 17.6%. The revenue from sales of Gravure Cylinders decreased by 22.5%. Although Gravure Printing revenue increased due to repeat and new orders, the production of Gravure Cylinders decreased due to the increased volume per cylinder, resulting in a decrease in new Gravure Cylinders sales compared to the previous quarter. Meanwhile, the revenue from Stretch Film sales increased by 38.0% mainly due to the orders from new customers from the exhibition.

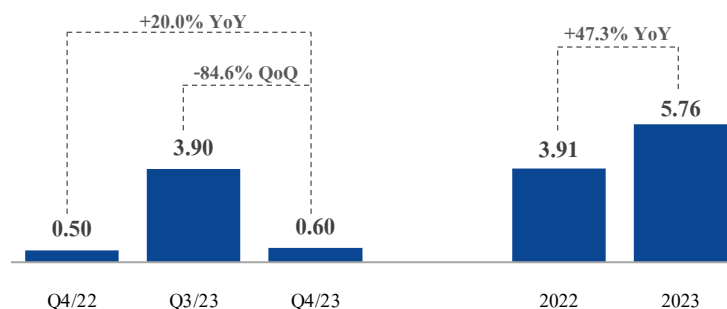
**2023 vs 2022 (YoY)**

In 2023, the Company recorded Operating Revenue of Baht 920.00 million, increased by Baht 60.66 million or 7.1% from 2022 mainly due to:

- **Revenue from Gravure Printing:** increased by Baht 45.98 million or 5.7% due to the increase in orders compared to the same period last year. This was mainly from the growth of customers in the beverage industry.
- **Revenue from Digital Printing:** increased by Baht 6.38 million or 18.5%. The increase in revenue was mainly from customers in the food and the household appliance industries as customers have expanded their business into new markets.
- **Revenue from Flexible Packaging:** increased by Baht 5.24 million, or 301.1%, due to the continuous growth of the new products that was launched in Q2/2022, corresponding to the increasing order volume of customers across all industries, from organizing marketing initiatives, developing new innovative products such as joining exhibitions, contacting and proposing products and services to customers directly, and introducing innovations in Green Packaging.
- **Revenue from Other Sales:** increased by Baht 3.06 million, or 14.0%. The revenue from sales of Gravure Cylinders increased by 19.6%, corresponding to the increase in orders and the growth of Gravure Printing. Meanwhile, revenue from Stretch Film sales declined by 13.8% due to an increase in costs compared to the same period last year, resulting in customers delaying orders.

**02 Other Income**

Unit: Million Baht

**Q4/2023 vs Q4/2022 (YoY)**

In Q4/2023, the Company recorded other income of Baht 0.60 million, slightly increased by Baht 0.10 million or 20.0% from Q4/2022 mainly due to the revenue from the sale of scrap from production.

**Q4/2023 vs Q3/2023 (QoQ)**

In Q4/2023, the Company recorded other income of Baht 0.60 million, decreased by Baht 3.30 million, or 84.6% from Q3/2023 due to the recognition of foreign exchange losses (Mark to Market) from forward foreign exchange contracts that the Company had entered into to hedge against the risk of the Baht appreciating at the end of the year.

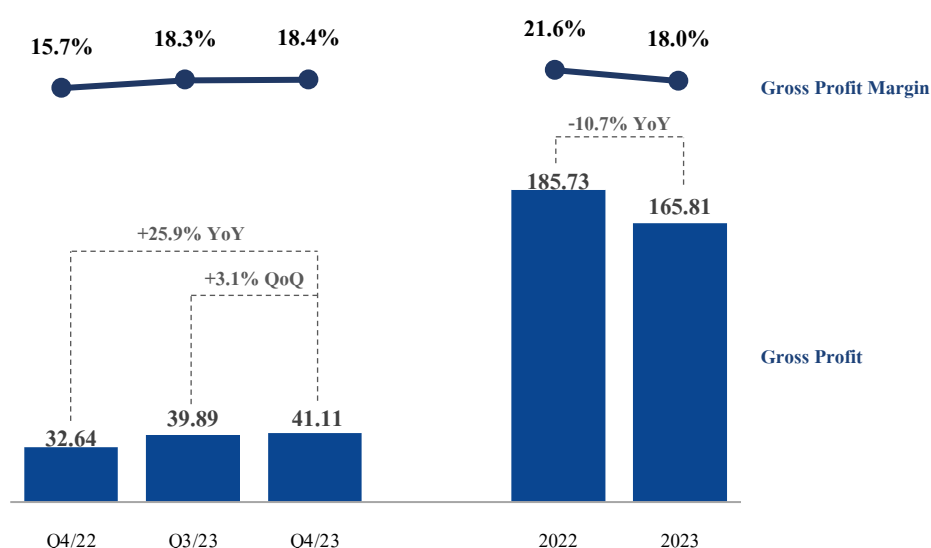
**2023 vs 2022 (YoY)**

In 2023, the Company recorded other income of Baht 5.76 million, increased by Baht 1.85 million, or 47.3% from 2022. This was due to the sale of outdated assets to be replaced with more modern assets.

03

**Gross Profit and Gross Profit Margin**

Unit: Million Baht, %

**Q4/2023 vs Q4/2022 (YoY)**

**Gross Profit:** In Q4/2023, the Company recorded gross profit of Baht 41.11 million, increased by Baht 8.47 million or 25.9% from Q4/2022 corresponding to the increase in revenue from sales, especially from Gravure Printing. In addition, the increase in revenue came from the revenue recognition of new product lines from flexible packaging, the lower production costs per unit due to increased production volumes and lower costs of raw materials resulting in economies of scale.

**Gross Profit Margin:** Gross Profit Margin was 18.4%, increased from 15.7% in Q4/2022 corresponding to the increase in revenue from sales, as well as the lower production costs per unit due to increased production volumes and lower costs of raw materials resulting in economies of scale.

**Q4/2023 vs Q3/2023 (QoQ)**

**Gross Profit:** In Q4/2023, the Company recorded gross profit of Baht 41.11 million, increased by Baht 1.22 million, or 3.1% from Q3/2023, corresponding to the increase in revenue from Gravure Printing as well as the increase in revenue from flexible packaging, both from existing and new customers.

**Gross Profit Margin:** Gross Profit Margin was 18.4%, slightly increased from 18.3% in Q3/2023 mainly due to the increase in revenue from Gravure Printing as well as the increase in revenue from flexible packaging.

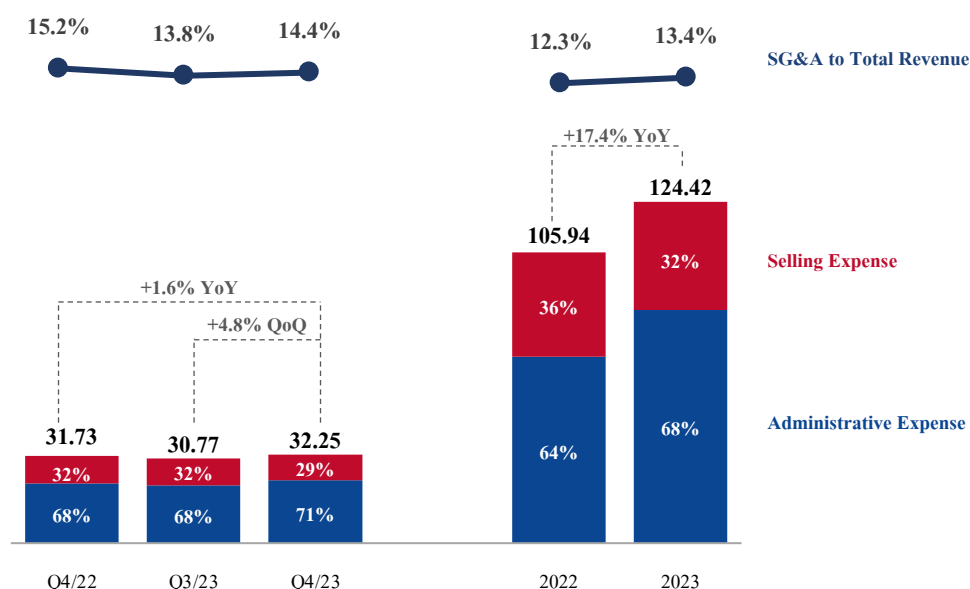
**2023 vs 2022 (YoY)**

**Gross Profit:** In 2023, the Company recorded a Gross Profit of Baht 165.81 million, decreased by Baht 19.92 million or 10.7% from 2022 due to the increase in fixed costs from business expansion to support business growth, including employee compensation from an increase in the number of production workers and depreciation of machinery and buildings from the new factory, as well as the costs related to the application to obtain the BRC Global Standard Packaging Materials Issue 6 to guarantee the safety and standardization of the packaging for food certification to increase the credibility of food-related product manufacturing. However, the Company continues to focus on the importance and awareness of cost management, including the implementation of solar rooftop to generate electricity for the new factory and the decrease depreciation cost per unit through maximizing utilization of machineries. The Company also focuses on expanding its customer base in line with its business growth plan by organizing marketing activities and developing new products, such as joining exhibitions, contacting and proposing products and services to customers directly, and introducing green packaging options to enhance the efficiency of the machineries at the new factory, and to ensure human resources optimization.

**Gross Profit Margin:** Gross Profit Margin was 18.0% decreased from 21.6% in 2022. Although the sales revenue ratio increase, the rate of increase is lower than the rate of cost of sales. This was due to the increase in fixed costs from business expansion to support growth, including employee compensation, depreciation of machinery and buildings at the new factory. However, if the Company can manage its machinery and workforce to operate at full efficiency, the gross profit margin is likely to increase.

**04 Selling, General and Administrative Expenses**

Unit: Million Baht, %

**Q4/2023 vs Q4/2022 (YoY)**

**SG&A:** In Q4/2023, the Company recorded Selling, General, and Administrative Expenses of Baht 32.25 million, increased by Baht 0.52 million or 1.6% from Q4/2022 mainly due to the increase in administrative expenses to support the business expansion. Most of these expenses are fixed costs, especially the depreciation of the buildings of the new factory. Meanwhile, selling expenses decreased due to lower costs from exhibitions.

**SG&A to Total Revenue:** The percentage of Selling, General, and Administrative Expenses to total revenue was 14.4% improved from 15.2% in Q4/2022 due to the increase in revenue growth.



**Q4/2023 vs Q3/2023 (QoQ)**

**SG&A:** In Q4/2023, the Company recorded Selling, General, and Administrative Expenses of Baht 32.25 million, increased by Baht 1.48 million or 4.8% from Q3/2023 mainly due to the increase in administrative expenses from the recognition of foreign exchange losses (Mark to Market) from forward foreign exchange contracts due to the appreciation of the Baht.

**SG&A to Total Revenue:** The percentage of Selling, General, and Administrative Expenses to total revenue was 14.4% slightly increased from 13.8% in Q3/2023 due to the recognition of foreign exchange losses (Mark to Market) from forward foreign exchange contracts due to the appreciation of the Baht.

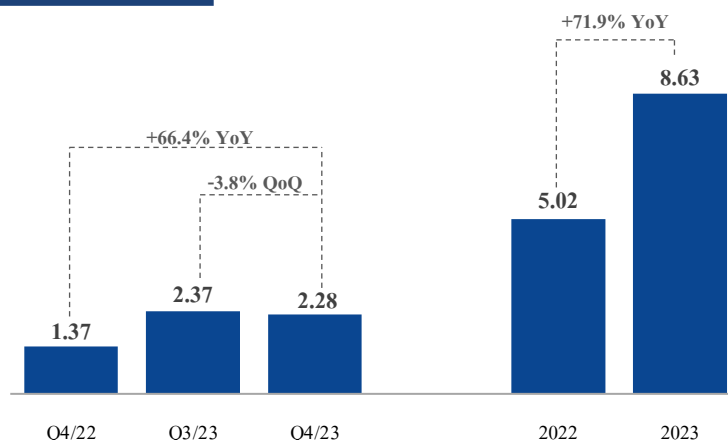
**2023 vs 2022 (YoY)**

**SG&A:** In 2023, the Company recorded Selling, General, and Administrative Expenses of Baht 124.42 million, increased by Baht 18.48 million or 17.4% from 2022 due to the increase in selling expenses, including employee compensation expenses that varies with increased sales, as well as administrative expenses that have increased due to depreciation of the new factory and expenses related to the implementation of the BRC Global Standard Packaging Materials Issue 6, which requires safe and food-grade packaging materials such as employee uniforms.

**SG&A to Total Revenue:** The percentage of Selling, General, and Administrative Expenses to total revenue was 13.4% increased from 12.3% in 2022 due to the increase in selling expenses, including employee compensation expenses that varies with increased sales and the depreciation of buildings from the new factory, as well as expenses related to the implementation of the BRC Global Standard Packaging Materials Issue 6, which is a safe and standard packaging for food.

**05****Financial Expense**

Unit: Million Baht

**Q4/2023 vs Q4/2022 (YoY)**

In Q4/2023, the Company recorded Financial Expenses of Baht 2.28 million, increased by Baht 0.91 million or 66.4% from Q4/2022 due to interest expenses on promissory notes (P/N) and import loans for plastic film raw materials (Trust Receipt: T/R).

**Q4/2023 vs Q3/2023 (QoQ)**

In Q4/2023, the Company recorded Financial Expenses of Baht 2.28 million, decreased by Baht 0.09 million or 3.8% from Q3/2023 mainly due to the decrease in interest expenses on import raw material plastic film loans (Trust Receipt: T/R).

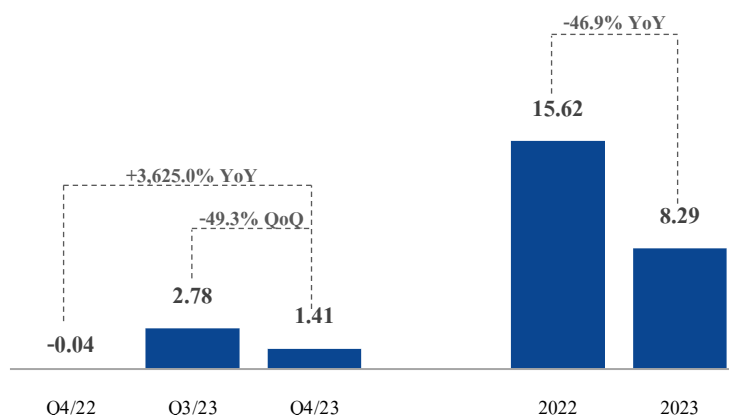
**12M/2023 vs 12M/2022 (YoY)**

In 2023, the Company recorded Financial Expenses of Baht 8.63 million, increased by Baht 3.61 million or 71.9% from 2022 due to interest expenses on promissory notes (P/N) and import loans for plastic film raw materials (Trust Receipt: T/R).

06

## Tax Expense (Income)

Unit: Million Baht

Q4/2023 vs Q4/2022 (YoY)

In Q4/2023, the Company recorded an Income Tax Expense of Baht 1.41 million, increased by Baht 1.45 million or 3,625.0% from Q4/2022. This was due to the increase in net profit, resulting in tax expenses to increased in the same direction.

Q4/2023 vs Q3/2023 (QoQ)

In Q4/2023, the Company recorded an Income Tax Expense of Baht 1.41 million, decreased by Baht 1.37 million or 49.3% from Q3/2023. This was due to the decrease in net profit, resulting in tax expenses to decreased in the same direction.

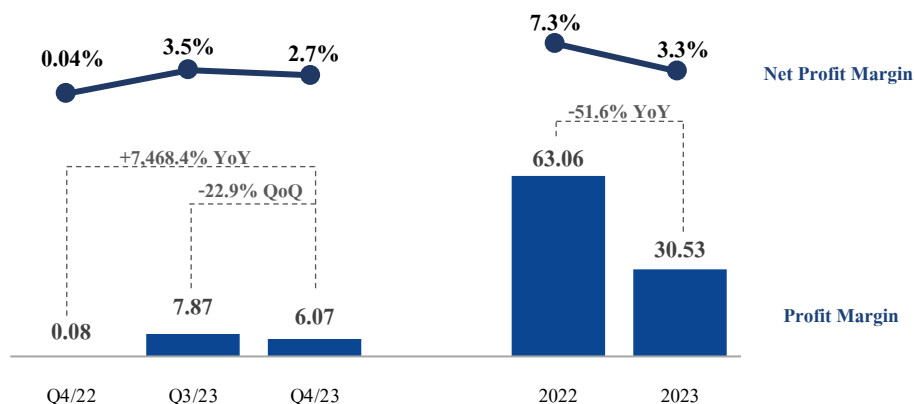
2023 vs 2022 (YoY)

In 2023, the Company recorded an Income Tax Expense of Baht 8.29 million, decreased by Baht 7.33 million or 46.9% from 2022. This was due to the decrease in net profit, resulting in tax expenses to decreased in the same direction.

07

## Net Profit and Net Profit Margin

Unit: Million Baht, %



**Q4/2023 vs Q4/2022 (YoY)**

**Net Profit:** In Q4/2023, the Company recorded Net Profit of Baht 6.07 million, increased by Baht 5.99 million from Q4/2022 in line with the growth in sales revenue, particularly from the Gravure Printing, as well as the recognition of revenue from new flexible packaging products. In addition, the cost of production per unit decreased due to increased production volume and lower raw material costs for plastic film, resulting in economies of scale. The Company also focused on expanding its customer base in line with its business growth plan by organizing marketing activities and developing new products to utilize the production capacity of the new factory machinery and manage the workforce rate for maximum efficiency.

**Net Profit Margin:** Net profit margin was 2.7%, increased from 0.04% in Q4/2022 in line with the growth in sales revenue, as well as a decrease in unit production costs due to increased production volume and lower raw material costs for plastic film, resulting in economies of scale.

**Q4/2023 vs Q3/2023 (QoQ)**

**Net Profit:** In Q4/2023, the Company recorded Net Profit of Baht 6.07 million, decreased by Baht 1.80 million or 22.9% from Q3/2023 mainly due to the increase in administrative expenses from the recognition of foreign exchange losses (Mark to Market) from forward foreign exchange contracts due to the appreciation of the Baht.

**Net Profit Margin:** Net profit margin was 2.7%, decreased from 3.5% in Q3/2023 mainly due to the increase in administrative expenses from the recognition of foreign exchange losses (Mark to Market) from forward foreign exchange contracts due to the appreciation of the Baht.

**2023 vs 2022 (YoY)**

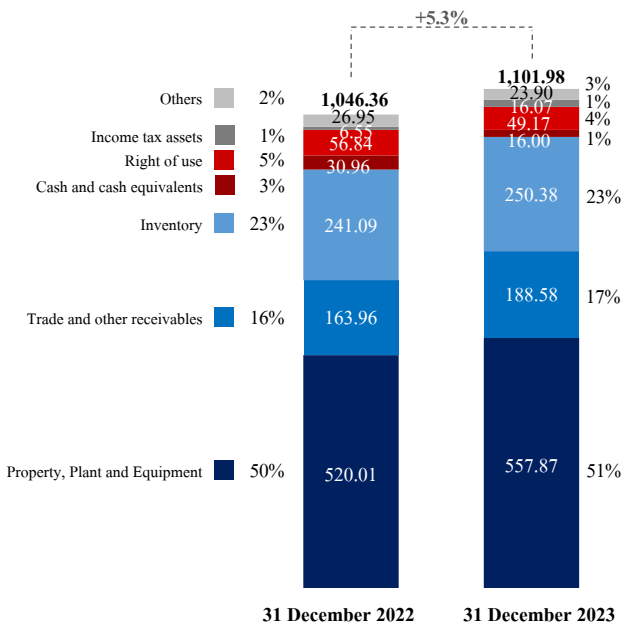
**Net Profit:** In 2023, the Company recorded a Net Profit of Baht 30.53 million, decreased by Baht 32.53 million or 51.6% from 2022 due to the increase in fixed costs from business expansion to support business growth, including employee compensation from an increase in the number of production workers and depreciation of machinery and buildings from the new factory, as well as the costs related to the application for obtaining the BRC Global Standard Packaging Materials Issue 6 to guarantee the safety and standardization of the packaging for food certification to increase the credibility of food-related product manufacturing. However, the Company continues to focus on the importance and awareness of cost management, including the implementation of solar rooftop to generate electricity to use in the new factory and the decrease depreciation cost per unit through maximizing utilization of machineries. The Company also focus on expanding its customer base in line with its business growth plan by organizing marketing activities and developing new products, such as joining exhibitions, contacting and proposing products and services to customers directly, and introducing green packaging options to enhance the efficiency of the machineries at the new factory, and to ensure human resources optimization.

**Net Profit Margin:** Net profit margin was 3.3%, decreased from 7.3% in 2022 due to the increase in fixed costs related to the business expansion to support growth and the increase in depreciation of machinery and buildings from the new factory, as well as the costs related to the application for obtaining the BRC Global Standard Packaging Materials Issue 6 to guarantee the safety and standardization of the packaging for food. However, the Company continues to focus on the importance and awareness of cost management, as well as focusing on expanding its customer base in order to utilize production capacity and manpower at maximum efficiency.

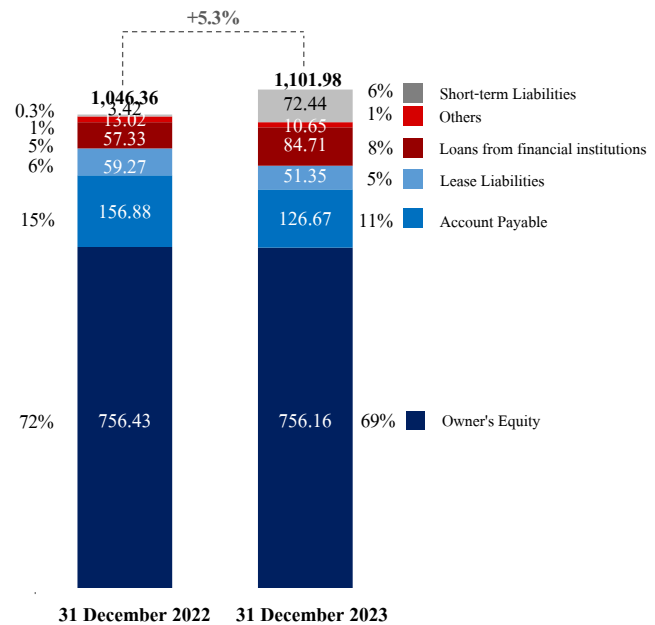
## Statement of Financial Position

Unit: Million Baht, %

### Assets



### Liabilities and Equity



### Total Assets

As of 31 December 2023, The Total Assets of the Company was Baht 1,101.98 million, increased by Baht 55.62 million or 5.32% from 31 December 2022. The significant changes are as follows:

- **Property, Plant and Equipment:** increased by Baht 37.86 million from the investment in new machineries and the construction of the new factory.
- **Inventory:** increased by Baht 9.29 million mainly due to finished goods waiting for delivery.
- **Trade and other receivables:** increased by Baht 24.62 million, corresponding to the increased sales and normal payments according to the credit terms given to customers.
- **Taxable assets:** increased by Baht 9.52 million, mainly due to corporate income tax refunds receivable from the Revenue Department.
- **Cash and Cash Equivalents :** decreased by Baht 14.95 million from the investment in new machineries and the construction of the new factory to support business growth.
- **Other Financial Current Asset:** decreased by Baht 5.87 million due to the refund of corporate income tax for 2022 from the Revenue Department debtors.

### Total Liabilities

As of 31 December 2023, the total Liabilities of the Company was Baht 345.82 million, increased by Baht 55.89 million or 19.28% from 31 December 2022. The significant changes are as follows:

- **Short-term Liabilities:** Increased by Baht 69.02 million due to the increase in Trust Receipt: T/R from the import of plastic film raw materials and short-term loans (Promissory Note: P/N) to support the business expansion.
- **Account Payable:** decreased by Baht 30.21 million due to the repayment of construction costs for the new factory.
- **Loans from financial institutions:** increased by Baht 27.38 million due to investments in additional machinery.
- **Lease Liabilities:** decreased by Baht 7.92 million due to the payment of lease payments on schedule.
- **Derivative liabilities:** decreased by Baht 3.31 million due to the recognition of foreign exchange losses (Mark to Market) from forward foreign exchange contracts due to the appreciation of the Baht.

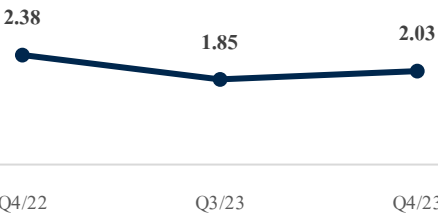
### Total Shareholders' Equity

As of 31 December 2023, the total Shareholder's Equity of the Company was Baht 756.16 million, slightly decreased by Baht 0.27 million or 0.04% from 31 December 2022. This was due to the Company's payment of annual dividends.

### Key Financial Ratios

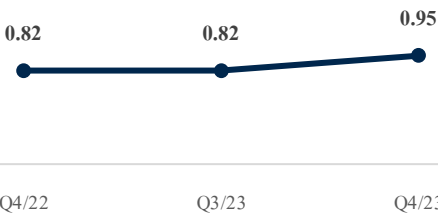
#### Current Ratio

Unit: Times



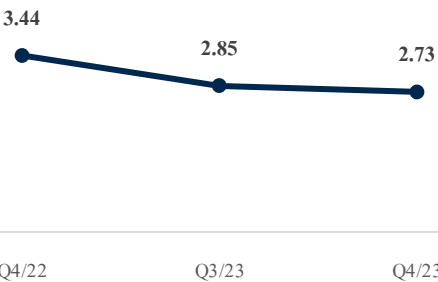
#### Quick Ratio

Unit: Times



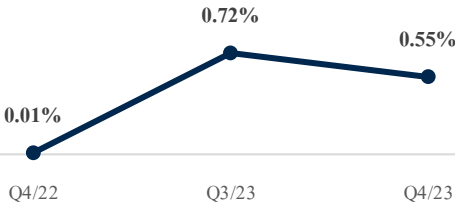
#### Inventory Turnover (FG)

Unit: Times



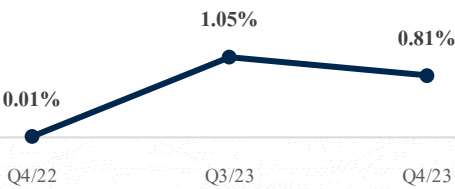
#### ROA

Unit: %



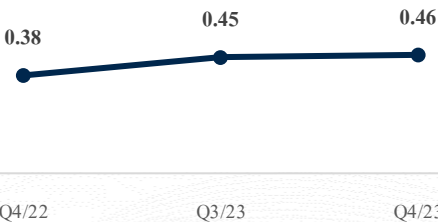
#### ROE

Unit: %



#### D/E Ratio

Unit: Times





**Authorized Information Agent**

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**IR Contact:**

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**Disclaimer:**

*The information contained herein is intended to represent the Company's operating and financial position at a given point in time and may also contain forward looking information which only reflects expectations based on the prevailing geo-political, economic and non-controllable factors. Such information has been obtained from sources believed to be most reliable and the means in analyzing and preparation of such information for disclosure are based on approve practices and principles in the investment industry. The views are based on assumption subject to various risks and uncertainties and no assurance is made as to whether such future events will occur. No assurance is made as to the accuracy or completeness of information presented in this document.*