



Date 8 May 2024

Subject Management Discussion and Analysis of Operating Results for Quarter 1/2024

To Director and Manager The Stock Exchange of Thailand

Kijcharoen Engineering Electric Public Company Limited (“the Company”) would like to clarify the Management Discussion and Analysis of the Company operating result for the period ended 31 March 2024, which has been reviewed by certified public accountants as follows

Operating Results of the Company

(Unit : Million Baht)

Operating Results	Quarter 1		Changed		% of Sales	
	2024	2023	Inc(Dec)	Inc(Dec)%	Q1 2024	Q1 2023
Sales of goods	284.50	239.63	44.87	18.72%	100.00%	100.00%
Cost of sales	(202.60)	(165.68)	36.92	22.28%	(71.21)%	(69.14)%
Gross profit	81.90	73.95	7.95	10.75%	28.79%	30.86%
Other income	1.06	1.11	(0.05)	(4.50)%	0.37%	0.46%
Selling expenses	(19.51)	(12.23)	7.28	59.53%	(6.86)%	(5.10)%
Administrative expenses	(23.48)	(19.08)	4.40	23.06%	(8.25)%	(7.96)%
Other gain (loss), net	-	0.03	(0.03)	(100.00)%	-%	0.01%
Finance cost	(1.56)	(2.61)	(1.05)	(40.23)%	(0.55)%	(1.09)%
Profit before income tax	38.41	41.16	(2.76)	(6.70)%	13.50%	17.18%
Income tax	(3.79)	(7.51)	(3.72)	(49.53)%	(1.33)%	(3.13)%
Net profit for the period	34.62	33.65	0.96	2.85%	12.17%	14.05%

Operating Results	Quarter 1	Quarter 4	QoQ		% of Sales	
	2024	2023	Inc(Dec)	Inc(Dec)%	Q1 2024	Q4 2023
Sales of goods	284.50	274.53	9.97	3.63%	100.00%	100.00%
Cost of sales	(202.60)	(191.99)	10.61	5.52%	(71.21)%	(69.93)%
Gross profit	81.90	82.54	(0.64)	(0.77)%	28.79%	30.07%
Other income	1.06	1.29	(0.23)	(17.83)%	0.37%	0.47%
Selling expenses	(19.51)	(25.09)	(5.58)	(22.24)%	(6.86)%	(9.14)%
Administrative expenses	(23.48)	(19.57)	3.91	19.98%	(8.25)%	(7.13)%
Other gain (loss), net	-	(0.04)	0.04	100.00%	-%	(0.02)%
Finance cost	(1.56)	(1.65)	(0.09)	(5.64)%	(0.55)%	(0.60)%
Profit before income tax	38.41	37.49	0.92	2.48%	13.50%	13.65%
Income tax	(3.79)	(6.80)	(3.01)	(44.21)%	(1.33)%	(2.48)%
Net profit for the period	34.62	30.69	3.93	12.82%	12.17%	11.18%



For the operating results for quarter 1 year 2024, total sales revenue of the Company amounted to Baht 284.5 million and net profit for the period amounted to Baht 34.62 million mainly due to the following reasons:

Sales of goods

For quarter 1 year 2024, sales of goods of the Company amounted to Baht 284.5 million increased from the same period of 2023 by Baht 44.87 million or increased by 18.72 percent and increase from the quarter 4 year 2023 by Baht 9.97 million or increased by 3.63 percent, The majority of the company's revenue still from KJL standard products which mainly consisted of standard cabinet, wireway, and pull box and from new products in 2023 which were perforated cable trays, walkway and waterproof plastic enclosures and from new product in quarter 1 year 2024 which was junction box. The Company has always placed importance on product quality and fast delivery and thus has gained the trust of major customers. Mainly the Company's revenues is still from KJL standard products with a proportion of 71.57 percent of total revenue in quarter 1 year 2024.

Cost of sales

For quarter 1 year 2024, the Company's cost of sales amounted to Baht 202.60 million, which increased from the same period of 2023 by Baht 36.92 million or increased by 22.28 percent and increase from the quarter 4 year 2023 by Baht 10.61 million or increased by 5.52 percent following the increase in revenue. Company's cost of sales slightly increased when comparing with cost of sales to sales ratio , mainly from slightly increased in raw material prices and increasing in depreciation cost from invest in buildings and machinery to expand production capacity in last year.

Selling expenses

For quarter 1 year 2024, the Company's selling expenses amounted to Baht 19.51 million, which increased from the same period of 2023 by Baht 7.28 million or increased by 59.53 percent due to company making public relations media to create brand awareness at the company's distributor stores and also organizing public relations events to launch of new products – junction box and had event to launch as an “Authorized General Distributor” for Schneider, In addition to the company also organized seminars for electricians to share knowledge about proper electrical installation to raise the safety level and enhance the capabilities of electricians, engineers or designers nationwide in quarter 1 year 2024 at Udon Thani and Songkhla Province.

Compared with quarter 4 year 2023, the Company's selling expenses decreased by Baht 5.58 million or decreased by 22.24 percent due to company organized the KJL Network Authorized Dealer event at the end of 2023 to expand dealers according to the Company's goals. However, selling expenses decreased when compared with expenses to sales ratio.



Administrative expenses

For quarter 1 year 2024, the Company's administrative expenses amounted to Baht 23.48 million, which increased from the same period of 2023 by Baht 4.4 million or increased by 23.06 percent and increase from the quarter 4 year 2023 by Baht 3.91 million or increased by 19.98 percent due to increase in staff expenses and human resource development expenses.

Finance cost

For quarter 1 year 2024, finance cost of the Company amounted to Baht 1.56million decreased from the same period of 2023 by Baht 1.05 million or decreased by 40.23 percent and decrease from the quarter 4 year 2023 by Baht 0.09 million or decreased by 5.64 percent due to repayments of loans from financial institution on schedule

Net profit

For quarter 1 year 2024, net profit of the Company amounted to Baht 34.62 million, which increased from the same period of 2023 by Baht 0.96 million or increased by 2.85 percent. Net profit margin was 12.17 percent, and net profit of the Company increased by Baht 3.93 million or increased by 12.82 percent compared with quarter 4 year 2023 mainly from The Company always places importance on product quality and fast delivery and thus has continuously gained the trust of major customers. In addition, The Company maintained machine utilization rate at 70-80 percent from promotional activities during in each period. Including, the Company has implemented the industrial technology 4.0 production control systems by invest automatic machines to increase production efficiency and well-cost controlled . Moreover, The Company has receive promotional privileges for exemption from income tax for profits derived from The Board of Investment of Thailand (BOI) promoted activities.

Statement of Financial Position

(Unit : Million Baht)

Financial Position	At 31 Mar 2024	At 31 Dec 2023	Inc(Dec)	Inc(Dec)%
Total current assets	404.32	378.67	25.65	6.77%
Total non-current assets	702.38	679.10	23.28	3.43%
Total assets	1,106.70	1,057.77	48.93	4.63%
Total current liabilities	384.39	356.58	27.81	7.80%
Total non-current liabilities	71.02	84.52	(13.50)	-15.97%
Total liabilities	455.41	441.10	14.31	3.24%
Issued and fully paid-up share capital	116.00	116.00	-	-%
Share premium	379.97	379.97	-	-%
Retained earnings-Appropriated	11.60	11.60	-	-%
Retained earnings-Unappropriated	143.72	109.10	34.62	31.73%
Total equity	651.29	616.67	34.62	5.61%
Total liabilities and equity	1,106.70	1,057.77	48.93	4.63%

Assets

As at 31 March 2024, total assets of the Company increased by Baht 48.93 million or increased by 4.63 percent from the year ended 2023, mainly due to an increased in trade receivables from sales in the first quarter of 2024 in line with increased in revenue. Including The Company invested in the KJL Innovation Campus (KiN) established to increase capabilities of new technology and innovation development to accessed new industries by creating Metal Design Lab and Metal Total Solution as well as creating brand experiences and opportunities to gain competitive advantage. The buildings are expected to be completed in Quarter 4 2025.

Liabilities

As at 31 March 2024, total liabilities of the Company amounted to Baht 455.41 million, which increased by Baht 14.31 million or increased by 3.24 percent from the year ended 2023 due to an increased in trade payables in line with increasing in customer orders and the price slightly increased of raw materials.

Equity

As at 31 March 2024, the equity of the Company increased by Baht 34.62 million or increased by 5.61 percent from the year ended 2023 due to the net profit of the Company amounted to Baht 34.62 million.

Liquidity and capital adequacy

(Unit : Million Baht)

Cashflow	Quarter 1			
	2024	2023	Inc(Dec)	Inc(Dec)%
Net cash generated from (used in) operating activities	25.55	54.34	(28.79)	(52.98)%
Net cash generated from (used in) investing activities	(31.92)	(55.83)	23.91	42.83%
Net cash generated from (used in) financing activities	4.91	(64.46)	69.37	107.62%
Net increase (decrease) in cash and cash equivalents	(1.46)	(65.95)	(64.49)	(97.79)%
Cash and cash equivalents at the beginning of the period	52.59	349.79	(297.20)	(84.97)%
Cash and cash equivalents at the end of the period	51.13	283.84	(232.71)	(81.99)%

As at 31 March 2024, cash and cash equivalents of the Company amounted to Baht 51.13 million, which slightly decreased from beginning period due to company invest in the KJL Innovation Campus (KiN) and decreased by Baht 232.71 million from the same period of 2023, mainly due to company received cash and cash equivalents from issuance of ordinary shares in quarter 4 year 2022 and utilized of capital increase from Initial Public Offering (IPO) plan.

Key Financial Ratios

Key Financial Ratios	Unit	For the period ended 31 March 2024	For the year ended 31 December 2023	Inc(Dec)
Current Ratio (times)	(time)	1.05	1.06	(0.01)
Cash Cycle (days)	(day)	41.03	40.01	1.02
Debt to Equity ratio (times)	(time)	0.70	0.72	(0.02)

Current Ratio

For quarter 1 year 2024, current ratio of the Company was 1.05 times, which decreased from the year 2023 to 0.01 times

Cash Cycle

For quarter 1 year 2024, the Company had a cash cycle of 41.03 days, which increased from the year 2023 by 1.02 days because the Company had a slightly higher average inventory days due to the company more product from the new products in 2024. However, The company's average collection days and average payment days is not significant change when compare with year 2023 .

Debt to Equity ratio

For quarter 1 year 2024, the total debt to equity ratio of the Company was 0.70 times, which slightly decreased from 2022 to 0.02 times.