WORLD FLEX PUBLIC COMPANY LIMITED
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At WFX 011/2567

Subject Description and performance analysis for the first quarter of 2024, ending March 31, 2024.

Dear Director and Manager of the Stock Exchange of Thailand

World Flex Public Company Limited would like to clarify the Company's operating performance for the first quarter of 2024 ended March 31, 2024.

Table 1 Statement of comprehensive income

Millon Baht	1Q/23	1Q/24	4Q/23	Increase (Decrease) (%)	
				QoQ	YoY
Revenue from sales of goods	659.89	770.57	770.20	0.05	16.77
Revenue from sales of scrap	0.05	0.03	0.03	0.00	(40.00)
Total revenue from sales	**659.94**	**770.60**	**770.23**	**0.05**	**16.77**
Costs of sale of goods	667.97	779.26	780.58	(0.17)	16.66
Gross profit (loss)	**(8.03)**	**(8.66)**	**(10.35)**	**(16.33)**	**7.85**
Other income	2.41	3.17	3.90	(18.72)	31.54
Net gains on derivative instruments	1.02	-	-	0.00	(100.00)
Net gains on foreign exchange	-	11.43	17.47	(34.57)	100.00
Profit (loss) before expenses	**(4.60)**	**5.94**	**11.02**	**(46.10)**	**(229.13)**
Distribution costs	9.98	9.43	10.91	(13.57)	(5.51)
Administrative expenses	12.67	12.56	16.37	(23.27)	(0.87)
Net losses on derivative instruments	-	29.65	-	100.00	100.00
Net losses on foreign exchange	7.51	-	-	0.00	(100.00)
Total expenses	**30.16**	**51.64**	**27.28**	**89.30**	**71.22**
EBIT	**(34.76)**	**(45.70)**	**(16.26)**	**181.06**	**31.47**
Depreciation and amortization	38.05	42.06	43.19	(2.62)	10.54
EBITDA	**3.29**	**(3.64)**	**26.93**	**(113.52)**	**(210.64)**
Financial costs	4.80	5.23	4.94	5.87	8.96
Tax income (expenses)	0.00	(4.18)	3.17	(231.86)	(100.00)
Profit (loss) for the period	**(39.56)**	**(46.75)**	**(24.37)**	**91.83**	**18.18**

Profit and loss statement analysis

In the first quarter, the global economy remained vulnerable due to tightening monetary policy by major central banks, such as inflationary pressure, high interest rates, etc., slowing global trade, and slowing economic growth in Europe and China, especially China, which is the main market for Chinese Textile products, recovered less than expected. Exports are still recovering slowly in line with slowing global demand and prolonged geopolitical conflicts that have caused manufacturing production to contract. Other risks are likely to increase, particularly foreign exchange volatility, which has pressured sales prices and margins and higher rubber prices, which affect the company's revenue and cost. As a result.

It can be explained by the main factors as follows:

- The sales revenue in the first quarter of 2024 was 770.60 million baht, an increase of 16.77 percent YoY and an increase of 0.05 percent QoQ.
- The cost of sales in the first quarter of 2024 was 779.26 million baht, an increase of 16.66 percent YoY due to the increase in natural latex prices by 20.05 percent YoY and 23.03 percent QoQ.
- The Company recorded a loss of 8.66 million baht for the first quarter of 2024 percent of total revenue, an increase of 7.85 percent YoY due to a decrease in margin from the China market, which is used as a selling price.
- The cost of distribution for 1Q/2024 was 9.43 million baht, decrease of 5.51% YoY and 13.57% QoQ. This was mainly due to lower export and freight and freight management costs and lower commission fees in line with the average price.
- Administrative expenses for Q1/2024 wes 12.56 million baht, a decrease of 0.87 percent YoY and a decrease of 23.27 percent QoQ. Most of the expenses were related to personnel expenses due to operating losses.
- Net foreign exchange and derivatives loss in the first quarter of 2024 was 18.22 million baht, increased 180.75 percent YoY and 204.29 percent QoQ due mainly to foreign exchange fluctuations. Manufacturing production contraction.

Table 2 Statement of financial position

Statement of financial position	31 March 2024		31 December 2023		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Total assets	**2,657.15**	**100.00**	**2,590.31**	**100.00**	**66.84**	**2.58**
Total liabilities	817.34	30.76	703.75	27.17	113.59	16.14
Equity	1,839.81	69.24	1,886.56	72.83	(46.75)	(2.48)
Total liabilities and equity	**2,657.15**	**100.00**	**2,590.31**	**100.00**	**66.84**	**2.58**

Remark : Brief statement of financial position

Analysis of financial position

As of March 31, 2024, the Company's total assets were 2,657.15 million baht, an increase of 2.58% from December 31, 2023

• Major assets consisting of cash and cash equivalents of 24.72 million baht, trade receivables and other working receivables of 255.16 million baht, remaining assets of 406.12 million baht, land, buildings and equipment of 1,564.17 million baht, investment property of 358.36 million baht.

• The increase in total assets of 66.84 million baht was mainly due to an increase in inventories, reflecting the increase in sales. The decrease in cash and cash equivalents was mainly due to a decrease in loans from financial institutions and land, buildings and equipment, mostly from the normal depreciation of the Company.

Total liabilities were 817.34 million baht, an increase of 16.14 percent from December 31, 2023.

• The main liabilities are trade creditors and other current creditors 365.02 million baht, short-term loans from financial institutions 80 million baht, long-term loans from the Rubber Authority of Thailand 207.82 million baht*.

• Shareholders' equity was 1,839.81 million baht, a 2.48 percent decrease from December 31, 2023, due to the operating loss of the Company.

Table 3 Cash flow

Statement of cash flows	31 March 2024	31 December 2023
	Million Baht	
Cash from operating activities	(8.64)	(110.04)
Cash used in investing activities	(20.80)	(49.00)
Cash used in financing activities	21.42	9.27
Net (decrease) in cash	**(8.02)**	**(149.77)**

Analysis of financial position

For the three-month period ended March 31, 2024, the Company has net cash flow from

• Cash flow from operational activities consists of loss after adjustment of 23.73 million baht. Cash flow from trade receivables and other receivables was 38.53 million baht, trade receivables and other revolving receivables was 76.28 million baht, and cash flow from remaining inventories was 128.77 million baht, resulting in 8.64 million baht in cash spent on net operating activities.

• Cash spent on investment activities cash flow for investment activities was 20.80 million baht, due to an increase of 20.80 million baht in land, buildings and equipment assets.

• Cash used for fundraising activities cash flow from fundraising activities was 21.42 million baht, short-term borrowings from financial institutions was 52.22 million baht, and long-term borrowings from financial institutions was 25.20 million baht.

Significant financial ratio

- The Interest Coverage Ratio for the first quarter of 2024 was (0.03) times, down 0.14 times from the same period last year, mainly due to a decrease in operating cash flow and an increase in interest expenses as interest rates increased.
- The liquidity ratio as of March 31, 2024 was 1.29 times, up 0.12 times from December 31, 2023 times, mainly due to an increase in working assets due to an increase in inventories.
- The cash cycle for the first quarter of 2024 was 12.23 days, up from 5.56 days in the previous year, mainly due to a decrease in trading creditors' repayment periods and an increase in average selling period.

Future strategy

In the second quarter of 2024, the company is arranging to face macroeconomic conditions that will affect consumer spending, which will continue from 2023, not only will the global economy affect costs, but also the volatility of foreign exchange and minimum wage increases due to government policies. As a result, management will have to closely monitor the progress of these risk factors. The company focuses on improving corporate efficiency, reducing costs and reducing duplication. Liquidity is considered the first priority, focusing on strict management.

Due to the economic situation above, the company is focusing on expanding into other segments to cover customer needs, expanding online and offline marketing channels, easing product payment, and focusing on product development. Sales volume is expected to increase by 3% - 5% due to the interest rate peak in 2023. Interest rates may be cut in 2024, implement cost management measures, strategies to maintain cash flow generation, increase production efficiency with automation and reduce reliance on wastewater treatment workers to design efficient and environmentally friendly use. The wastewater treatment system project is expected to be operational in the third quarter of 2024, while reducing wastewater treatment costs.

Yours faithfully

World Flex Public Company Limited

-Nat Vongsasuttikul –

Mr. Nat Vongsasuttikul

Managing Director

Company Secretary Office

Call 02-398-7188 ext. 201