

No. 2/2025

February 26, 2025

Subject : Management Discussion and Analysis for Q4 of FY2024

To : Director and Manager, the Stock Exchange of Thailand

Dear Sirs,

The company would like to clarify its operational results for the year 2024 compared to 2023 as follows:

Unit: Million baht

Profit and Loss	Q4-2024	Q3-2024	% QoQ	Q4-2024	Q4-2023	% YoY	2024	2023	% FY Change
Sales revenue	954.82	845.79	▲ 12.89	954.82	947.45	▲ 0.78	3,931.92	4,083.49	▼ 3.71
Cost of goods sold	(792.45)	(715.58)	▲ 10.74	(792.45)	(737.34)	▲ 7.47	(3,180.98)	(3,109.79)	▲ 2.29
Gross profit	162.37	130.21	▲ 24.70	162.37	210.11	▼ 22.72	750.94	973.70	▼ 22.88
Other income	11.22	14.67	▼ 23.52	11.22	11.68	▼ 3.94	48.61	27.80	▲ 74.86
Selling expense	(1.77)	(1.33)	▲ 33.08	(1.77)	(1.92)	▼ 7.81	(5.97)	(7.29)	▼ 18.11
Administration expense	(13.80)	(16.81)	▼ 17.91	(13.80)	(16.34)	▼ 15.54	(66.14)	(65.05)	▲ 1.68
Interest expense	(0.08)	(0.08)	-	(0.08)	(0.05)	N/A	(0.32)	(0.16)	N/A
Profit before tax	157.94	126.66	▲ 24.70	157.94	203.48	▼ 22.38	727.44	929.00	▼ 21.70
Income tax	(25.81)	(17.35)	▲ 48.56	(25.81)	(32.30)	▼ 20.09	(107.75)	(133.20)	▼ 19.11
Operating profit	132.13	109.31	▲ 20.88	132.13	171.18	▼ 22.81	619.69	795.80	▼ 22.13
Compensation from Fire accident	-	-	-	-	-	-	-	80.55	N/A
Net profit	132.13	109.31	▲ 20.88	132.13	171.18	▼ 22.81	619.69	876.35	▼ 29.29
Net profit ratio (%)	13.84	12.92	-	13.84	18.07	-	15.76	21.46	-

In the first half of the year, demand for paper rolls was strong due to seasonal factors, especially in Q2, when industry inventory levels decreased. The fruit season further boosted demand, with some buyers stocking up to mitigate potential supply fluctuations. Consequently, demand in Q3 declined, exacerbated by a stronger Thai Baht, leading some customers to import paper rolls instead. This increased competition and lowered average selling prices. However, this impact was short-term, and in Q4, sales rebounded to levels similar to previous years.

Compared to the previous year, total annual sales revenue declined by 151.57 million Baht (3.71%) due to lower average selling prices. Meanwhile, the cost of goods sold increased by 71.19 million Baht (2.29%) due to higher sales volume, although raw material costs rose only slightly.

**UNITED PAPER PUBLIC COMPANY LIMITED**

บริษัท ยูไนเต็ด เปเปอร์ จำกัด (มหาชน)

Registered No. 0107547000281

If the fire insurance compensation of 80.55 million Baht from the previous year is excluded, net profit for the year declined by 176.11 million Baht (22.13%), mainly due to significant reductions in selling prices.

Unit: Million baht

Balance sheets	Dec 31, 2024	Dec 31, 2023	%	Reason of significant movement
Cash and cash equivalents	1,184.35	1,057.45	▲ 12.00	- From operating ▲ 686.08 Mb. - Transfer from fixed deposit account ▲ 117.80 Mb. - Purchase assets ▼ 136.46 Mb. - Dividend payment ▼ 539.50 Mb.
Trade and other current receivables	968.25	974.24	▼ 0.62	N/A
Inventories	609.50	488.46	▲ 24.78	- Increasing in stock of waste paper in order to keep the optimized level.
Other current financial assets	803.57	900.00	▼ 10.71	- Fixed deposit account
Total current assets	3,565.67	3,420.15	▲ 4.25	
Property, plant and equipment	1,566.74	1,581.70	▼ 0.95	N/A
Right-of-use assets	7.82	3.69	▲ 111.92	N/A
Deferred tax assets	37.78	42.04	▼ 10.13	N/A
Other non-current assets	0.01	0.01	-	N/A
Total non-current assets	1,612.34	1,627.44	▼ 0.93	
<b>Total assets</b>	<b>5,178.01</b>	<b>5,047.58</b>	<b>▲ 2.58</b>	

Balance sheets	Dec 31, 2024	Dec 31, 2023	%	Reason of significant movement
Trade and other current payables	390.22	330.47	▲ 18.08	- Account payable from increasing of waste paper's stock.
Short term-Lease liabilities	3.59	2.39	▲ 50.21	N/A
Current income tax payable	38.42	53.89	▼ 28.71	- Increasing of company's income tax.
Total current liabilities	432.23	386.75	▲ 11.76	
Long term-Lease liabilities	4.69	1.70	▲ 175.88	N/A
Non-current provisions for employee benefit	50.35	51.16	▼ 1.58	N/A
Other non-current liabilities	1.97	2.96	▼ 33.45	N/A
Total non-current liabilities	57.01	55.82	▲ 2.13	
Paid-up share capital	650.00	650.00	-	N/A
Share premium on ordinary shares	174.46	174.46	-	N/A
Legal reserve	65.00	65.00	-	N/A
Unappropriated	3,799.31	3,715.55	▲ 2.25	N/A
Total shareholders' equity	4,688.77	4,605.01	▲ 1.82	N/A
<b>Total liabilities and shareholders' equity</b>	<b>5,178.01</b>	<b>5,047.58</b>	<b>▲ 2.58</b>	

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Key Financial Ratios for This Year:

Net profit margin = 15.89%

Return on equity = 13.29%

Current ratio = 8.25 time

Debt to equity ratio = 0.10 time

Sales Outlook: Sales are expected to improve in line with the normal seasonal sales cycle. Selling prices are expected to remain stable or slightly increase, while raw material costs (waste paper) are likely to remain steady. However, competition in the market remains high. The company has implemented new product development strategies to better meet customer demands, particularly for end consumers. Additionally, cost-reduction measures have been introduced to enhance competitiveness both in domestic and international markets.

Sustainability Initiatives: The company is currently constructing a new boiler with a budget of 200 million Baht, supported by investment promotion from the Board of Investment (BOI). This initiative aims to enhance energy efficiency. The project is expected to be completed in early 2025 and is anticipated to reduce energy costs by approximately 7-8%.

Sincerely yours,

(Mr.Wachara Chinsettawong)

Managing Director

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