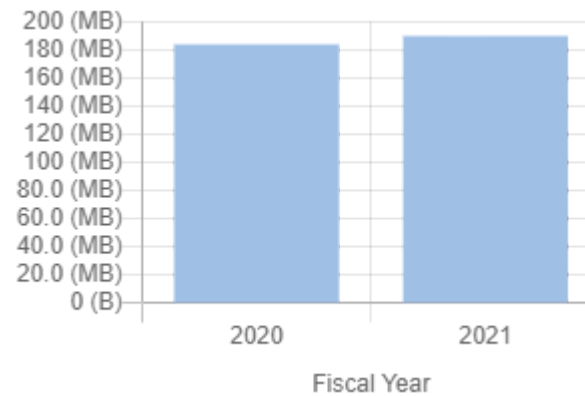
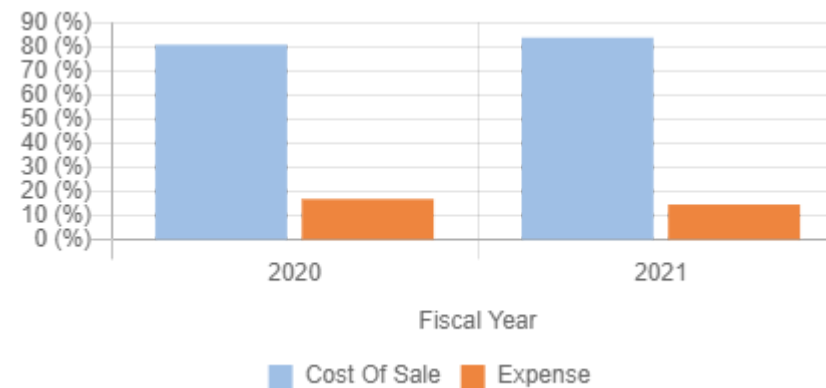


Net Sales



Notice from the financial statements of year ended 31 December 2021 and 31 December 2020, we found that SC experienced an annual sales growth of 3.23%. Turnover increased from THB183,657,720.36 in 2020 to THB189,590,208.97 in 2021.

Cost of Sales and Selling and Administrative expenses



When compared with sales, SC's cost of sales increased from 80.74% in 2020 to 83.69% in 2021. While, the selling and administrative expenses decreased to 14.47 % in 2021 from 16.76% in 2020.

Net Profit

As a result of increasing in sales but increasing in cost of sales and operating expenses with more proportionate amount, SC's net profit margin for the year decreased to 0.75% in 2021 from 1.05% in 2020. It represented net profit after tax THB1,424,357.88.

บริษัท พริ้งวงษ์ (1988) จำกัด

พริ้งวงษ์ (1988) บจก.

The Current Ratio is computed by dividing current assets by current liabilities. It provides the indicator of the extent to which a company's liquidity assets can cover its short-term debts. Consequently, it is the most commonly used measure of short-term solvency.

For SC, the current Ratio was 0.89 at the end of 2021 and 0.90 at the end of 2020. This indicated a negative trend considering liquidity.

Due to inventories are typically the least liquid of a firm's current assets. Therefore, Quick ratio which calculated by deducting inventories from current assets and dividing the remainder by current liabilities measure of the firm's ability to pay off short-term obligations without relying on the sale of inventories is important.

For SC, the quick ratio was 0.42 at the end of 2021 and 0.54 at the end of 2020. This indicated a negative trend considering quick assets liquidity.

However, for the year 2002, subject was not successful in staying above their current obligations. It represented that SC had insufficient both liquid and quick assets to be converted to cash in a period roughly corresponding to the maturity of the claims.

Account Receivable Ratio

The company's Account Receivable Ratio was calculated as 5.61 and 5.25 in 2021 and 2020 respectively. This ratio measures the efficiency of SC in managing its trade debtors to generate revenue. A low ratio may indicate over extension and collection problems. Conversely, a high ratio may indicate an overly stringent policy. In the case of the company, the ratio increased from 2020 to 2021. This would suggest that SC had improved in the management of its debt collections.

Furthermore, we can consider from Collection period or Account Receivable Turnover in Days which shows how many days on the average company takes to collect the receivable. In this case, it decreased from 70 days in year 2020 to 66 days in year 2021 that indicates the improvement in the control of receivables. Typically, an internal analyst compare collection period with the company's credit terms. If collection period are more than the credit term, the company has a collection problem.

Days' Sales in Inventory and Inventory Turnover Ratio

Days' Sales in Inventory Ratio indicates the liquidity of inventory. It estimates the number of days that it will take to sell the current inventory. Inventory is particularly sensitive to change in

Financial Commentary

Printed Date: 1 August 2022

business activities. Failure to do so leads to excessive cost (such as storage cost), production disruption, and employee layoffs.

Days' Sales in Inventory increased from 81 days at the end of 2020 to 99 days at the end of 2021. It represented a negative trend. Notice from the decline of Inventory turnover from 4.56 year 2021 to 3.72 year 2021.

If sales are approximately constant, then the higher the numbers of inventory turnover in days, the deterioration of the inventory controls. An inventory buildup can be burdensome if business volume decreases. However, it can be good if business volume expands, since the increased inventory would be available for customers.

Debt ratio

From our analysis, we found that SC's Capital Structure comprises of 0.67 debt and 0.33 equity. This implies that a larger amount of debt is supporting its present asset level. Therefore, it means that creditors have a higher stake in the company than investors do. In general, SC can be considered above average in leverage.

Debt-to-Equity

The Debt-to-Equity ratio was calculated to be 2.08. This ratio expresses the direct proportion between debt and owners' equity. It indicates the balance that management has attained between the resources provided by creditors and shareholders. Therefore, this capital structure clearly implies that the company is supported by more debt than equity.

Interest Coverage Ratio

Interest Coverage Ratio measures the company's long term debt-paying ability. It is determined by dividing interest expense into operating income. If the company has good coverage of the interest obligation, it should also be able to refinance the principal when the loan comes due. The higher ratio, the lower of the firm engaged in financial risk. The ratio must maintain minimum at 1 time in order to indicate adequate long-term debt paying ability.

For SC, Interest Coverage Ratio was less than 1 time in 2021 which indicates inadequate long-term debt paying ability. The ratio was 1.49 times in 2021 as compared to 1.65 times in 2020, indicating the negative trend

Profitability Ratios

Profitability

Profitability is the ability of the company to generate earnings. It also gives final answers about how effectively the company is being managed.

Notice from the financial statements of year ended 31 December 2021 and 31 December 2020, we found that Net Profit Margin decreased to 0.75% in 2021 as compared to 1.05% in 2020. It indicates the negative trend that SC had deteriorated in its performance.

Return on Assets

Return on assets measures the company's ability to utilize its assets to create profits by comparing profits with the assets that generate the profits. It's desirable for this ratio to be high.

Return on assets for SC in 2020 and 2021, we found that it decreased from 1.16% in 2020 to 0.85% in 2021. It implies a falling in profitability.

Return on Equity

Return on Equity is determined by dividing the total equity into net income and measures the rate of return earned on the common stockholder's investment.

SC's return on equity was calculated as 3.65% and 2.63% in 2020 and 2021 respectively. In the case of company, the ratio decreased from year 2020 to 2021. This would suggest that SC has declined in its profitability.