

# Pinthong Industrial Park Public Company Limited

## MANAGEMENT DISCUSSION AND ANALYSIS

Q1/2022



Operating Highlights	Q1/21	Q4/21	Q1/22	Change +/-	
				%YoY	%QoQ
Unit : Million THB					
<b>Operating Revenue</b>	<b>145.2</b>	<b>139.2</b>	<b>365.6</b>	<b>151.8%</b>	<b>162.6%</b>
Gross Profit	70.4	78.0	197.2	180.1%	152.8%
EBITDA	49.2	126.0	182.5	270.9%	44.8%
<b>Net Profit (Loss)</b>	<b>42.0</b>	<b>41.3</b>	<b>138.1</b>	<b>228.8%</b>	<b>234.4%</b>
Gross Profit Margin (%)	<b>48.5%</b>	<b>56.0%</b>	<b>53.9%</b>	<b>5.4%</b>	<b>(2.1%)</b>
EBITDA Margin (%)	<b>31.6%</b>	<b>78.1%</b>	<b>48.2%</b>	<b>16.6%</b>	<b>(29.9%)</b>
Net Profit Margin (%)	<b>27.0%</b>	<b>25.6%</b>	<b>36.5%</b>	<b>9.5%</b>	<b>10.9%</b>

## Executive Summary

### Operating Revenue

In **Q1/2022**, Pinthong Industrial Park Public Company Limited reported an operating revenue of 365.4 million Baht, increased by 220.4 million Baht or 151.8% from Q1/2021. The increase was mainly from the rise in sales of real estate due to the higher land transfer volume of overseas customers, which was supported by the relaxation of government's lockdown measures to stimulate economic activities.

### Gross Profit

**Gross Profit** was 197.2 million Baht in Q1/2022, increased by 126.8 million Baht or 180.1% from Q1/2021. This is a result of the increase in revenue generated from real estate sales, as well as the decrease in water and utilities expenses.

**Gross Profit Margin** was 53.9% in Q1/2022, increased from 48.5% in Q1/2021. This was mainly due to the increase in proportion of real estate sales, as well as the Company's ability to control costs efficiently.

### EBITDA and EBITDA Margin

**EBITDA** was 182.5 million Baht in Q1/2022 and 49.2 million Baht in Q1/2021, a substantial growth of 133.3 million Baht or 270.9%, in line with the increase of the Company's gross profit.

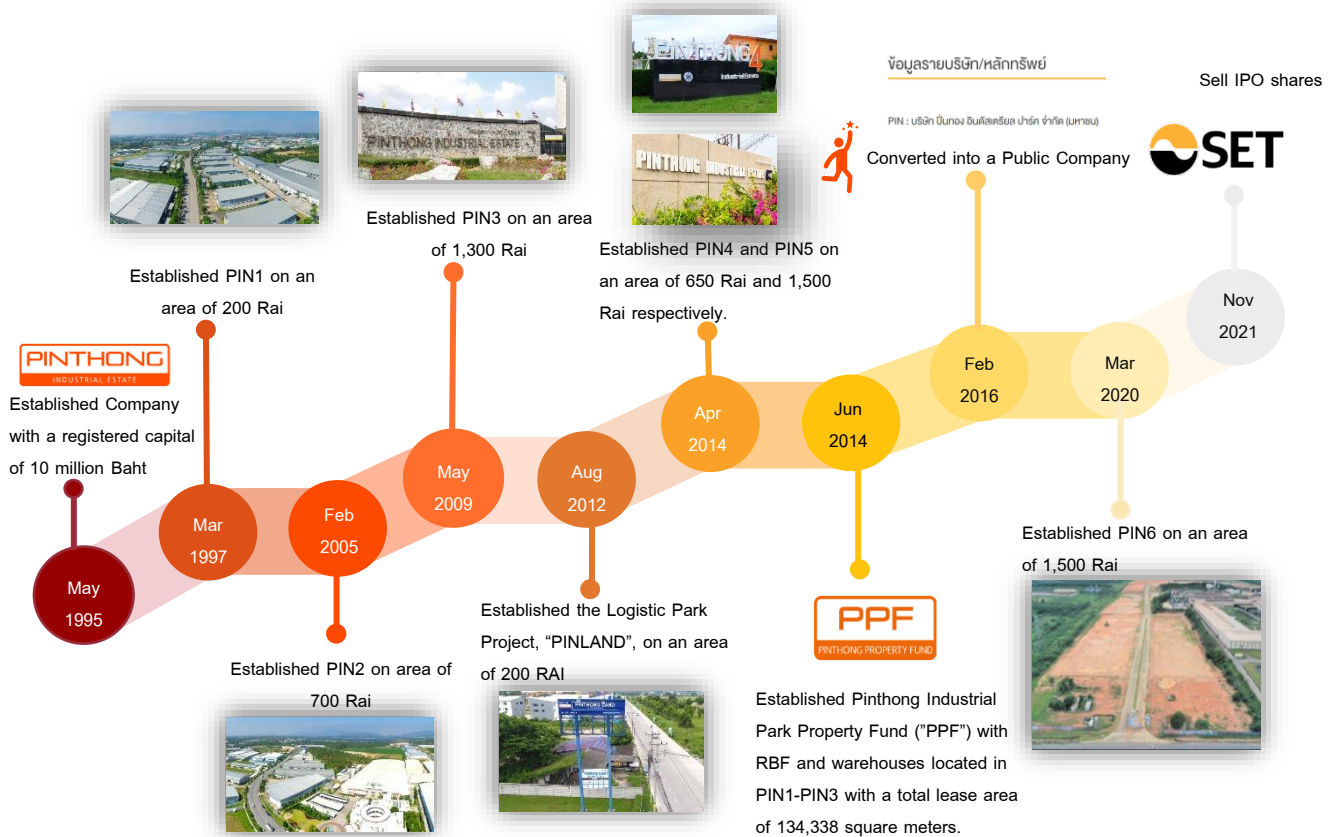
**EBITDA Margin** was 48.2% in Q1/2022, increased by 16.6% from Q1/2021

### Net Profit and Net Profit Margin

**Net Profit** was 138.1 million Baht in Q1/2022, increased by 96.1 million Baht or 228.8% from Q1/2021, mainly due to the increase in revenue from real estate sales as a result of the higher land transfer volume, as well as the Company's ability to control costs efficiently.

**Net Profit Margin** was 36.5% on Q1/2022, increased from 27.0% in Q1/2021 mainly due to the increase in revenue from real estate sales.

## Key Milestones and Significant Events



## Outlook 2022

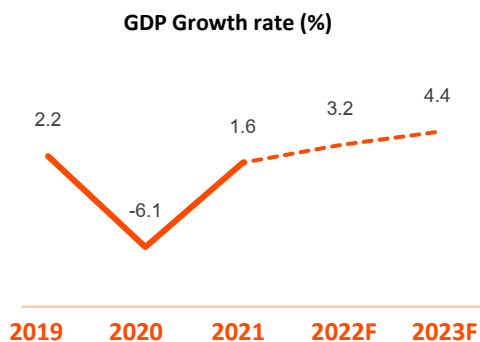


**1. Development of the Logistics Park Project** The project is situated on an area of 290 Rai adjacent to the No.7 Highway and is 10km from the Laem Chabang port. It has plans to develop the area into a Free Zone with factories, and warehouses totaling up to 200,000 square meters, which will create recurring income for the Company. Currently, Pinthong is in the process for designing the project plan and is expected to start development within the 3<sup>rd</sup> quarter of 2022.



**2. Development of Solar Power Generation Project** The Project aims to increase stability of electricity for all consumers in the industrial estate, as well as generating recurring income for the Company. In the second quarter, the Company started to establish a subsidiary to develop the project, in which the Company expects that the project will recognize revenue by the end of the year.

## Perspectives on Thailand Economic 2022



Source : Bank Of Thailand (BOT)

From the information given by the Bank of Thailand, it is expected that the economic growth rate of Thailand in the year 2022 and 2023 would increase by 3.2% and 4.4% respectively. This can be explained by the growth of the export sector and the relaxation of COVID-19 measures, which has had a positive impact on the recovery of the tourism industry. With foreign direct investment (FDI) having the tendency to rise, makes Pinthong an attractive option for foreign investors and entrepreneurs. Furthermore, Pinthong is also located in a country that has a geographical advantage for production in ASEAN, as well as being the center for trade for the region. Lastly, Pinthong is located near Laem Chabang Port, the main port for international shipping in the country. Furthermore, the support from the government's EEC program will help stimulate the industrial estate growth. For these reasons, Pinthong has the tendency for substantial growth.

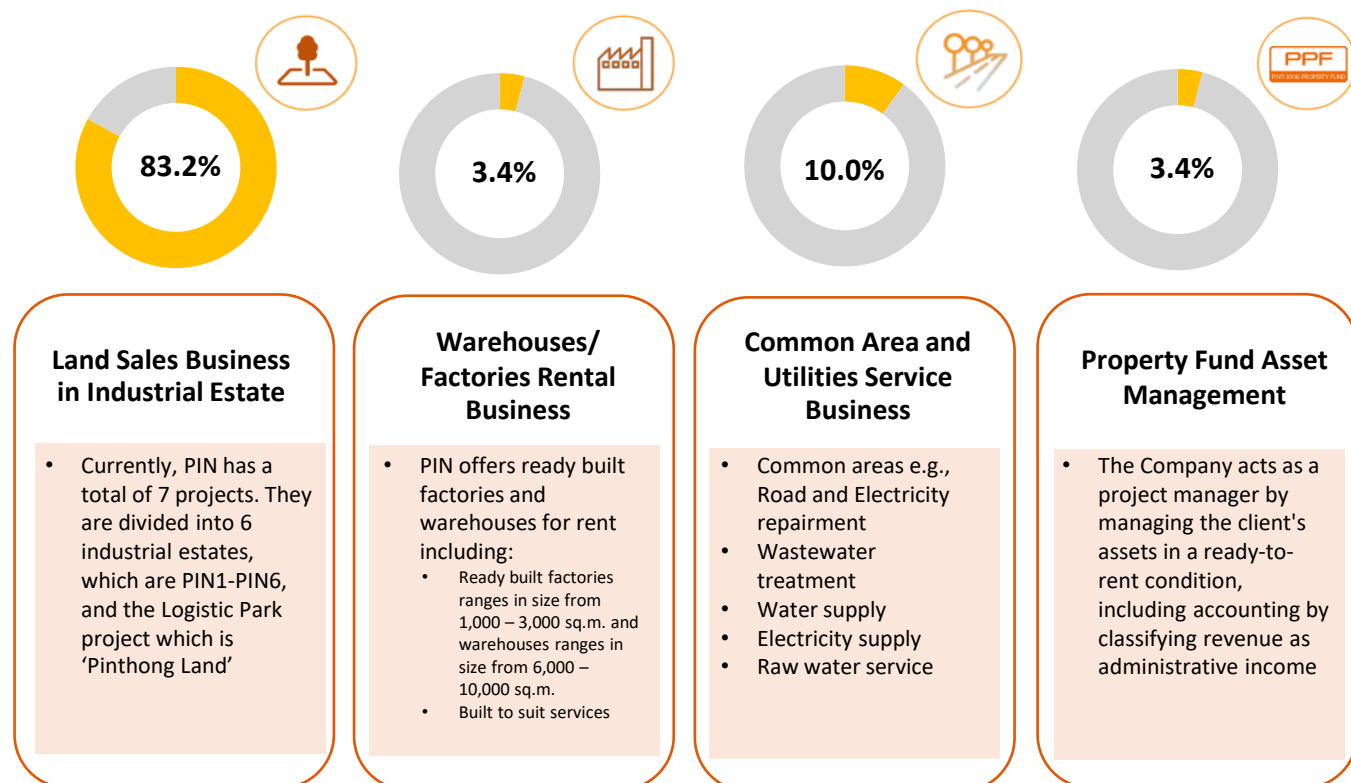
Operating Results	Q1/21	Q4/21	Q1/22	Change +/-	
				%YoY	%QoQ
Unit : Million THB					
<b>Operating Revenue</b>	<b>145.2</b>	<b>139.2</b>	<b>365.6</b>	<b>151.8%</b>	<b>162.6%</b>
Cost of Sales and Service	(74.8)	(61.2)	(168.4)	125.1%	175.2%
<b>Gross Profit</b>	<b>70.4</b>	<b>78.0</b>	<b>197.2</b>	<b>180.1%</b>	<b>152.8%</b>
Other Income	10.3	22.3	12.9	25.2%	(42.2%)
Selling and distribution expenses	(6.1)	(3.6)	(6.0)	(1.6%)	66.7%
Administrative expenses	(31.7)	(34.6)	(37.2)	17.4%	7.5%
Financial cost	(0.1)	(11.5)	(26.0)	25,900.0%	126.1%
<b>EBIT</b>	<b>42.8</b>	<b>50.5</b>	<b>140.9</b>	<b>229.2%</b>	<b>179.0%</b>
Income Tax expenses	(0.8)	(9.2)	(2.8)	250.0%	(69.6%)
<b>Net Profit</b>	<b>42.0</b>	<b>41.3</b>	<b>138.1</b>	<b>228.8%</b>	<b>234.4%</b>

Notes: Values may differ by one decimal point due to rounding

## Operating Revenue Structure

Pinthong Industrial Park Public Company Limited operates the development and management of industrial estates, utility facilities, commercial areas, and real estate development. The Company divides its business into 4 categories, which are as follows:

### Q1/2022 Operating Revenue Structure



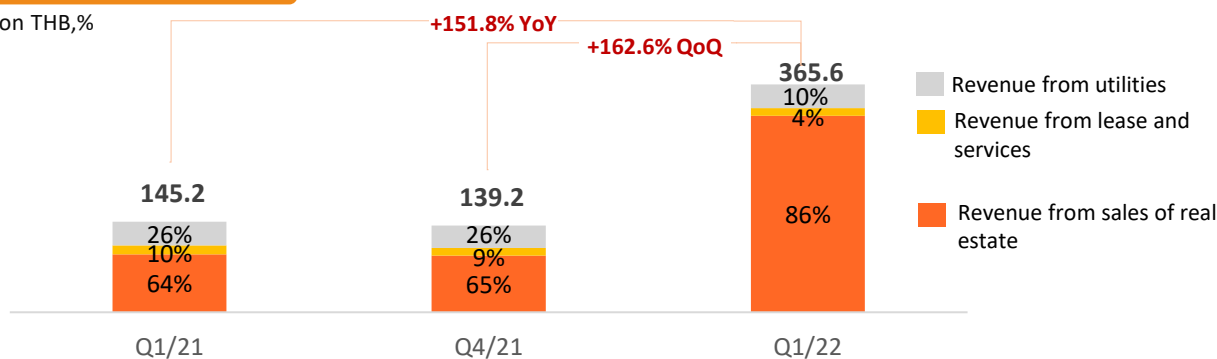


Revenue Structure	Q1/21	Q4/21	Q1/22	Change +/-	
				%YoY	%QoQ
Unit : Million THB					
<b>Operating Revenue</b>					
Revenue from Sales of Real Estate	92.9	90.8	314.9	238.9%	246.8%
Revenue from Lease and Services	14.3	12.4	12.7	(11.2%)	2.4%
Revenue from Utilities	38.0	36.0	38.0	0.1%	5.6%
<b>Total Operating Revenue</b>	<b>145.2</b>	<b>139.2</b>	<b>365.6</b>	<b>151.8%</b>	<b>162.6%</b>
Other Income	10.3	22.3	12.9	25.2%	(42.2%)
<b>Total Revenue</b>	<b>155.5</b>	<b>161.5</b>	<b>378.5</b>	<b>143.3%</b>	<b>134.4%</b>

Notes: Values may differ by one decimal point due to rounding

## 1. Operating Revenue

Unit : Million THB,%



### Summary of Land Sales

	Projects	Area (Rai)	Average Selling price (MB)
Total land Sale in Q1/2022	PINTHONG 4 and PINTHONG 5	73-3-40.20	4.26
Total Available Land for Sale	PINTHONG 3 - PINTHONG 6	1,603	-

## YoY Q1/2022 vs Q1/2021

In Q1/2022, the Group reported consolidated operating revenue of 365.6 million Baht, increased by 220.4 million Baht or 151.8% from Q1/2021, mainly due to:

- **Revenue from Real Estate Sales** was 314.9 million in Q1/2022 Baht, increased by 222.0 million Baht or 238.9% from Q1/2021, mainly due to the higher land transfer volume of overseas customers, which was supported by the relaxation of the government's lockdown measure. The total land sales increased from 21 Rai in Q1/2021 to 74 Rai in Q1/2022, an increase of 53 Rai.
- **Revenue from Lease and Services** was 12.7 million Baht in Q1/2022, decreased by 1.6 million Baht or 11.2% from Q1/2021, mainly due to the termination of the lease contract by the customer who switched to use the factory in the Pinthong's Industrial Estate, as the construction has recently finished.
- **Revenue from Utilities** was 38 million in Q1/2022, a slight decrease of 0.02 million Baht or 0.1% from Q1/2021.

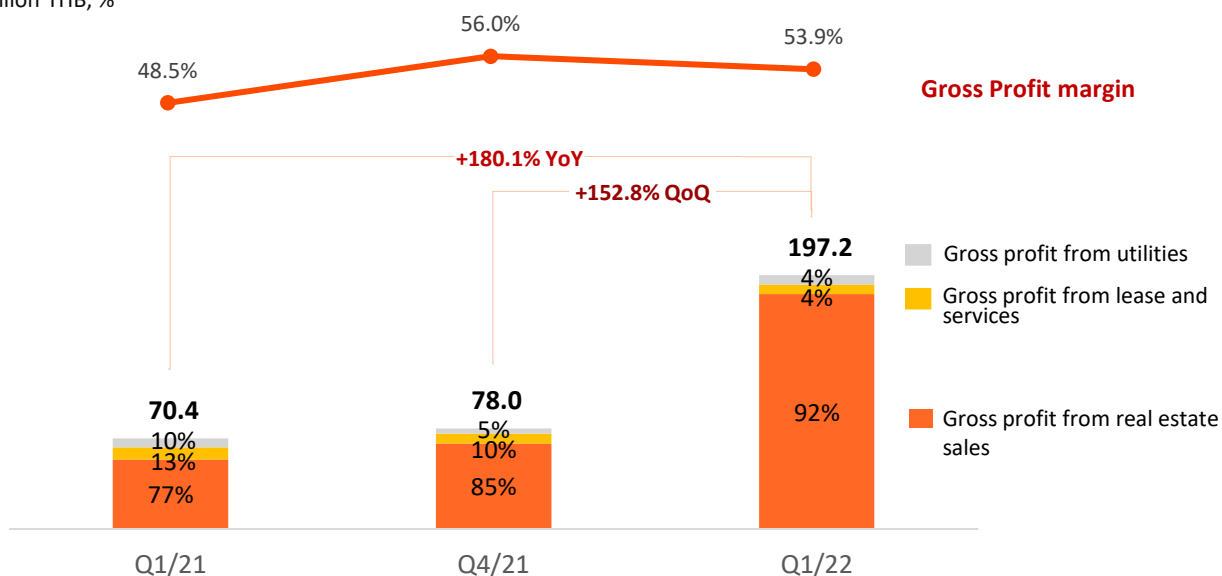
## QoQ Q1/2022 vs Q4/2021

In Q1/2022, the Group reported consolidated operating revenue of 365.6 million Baht, increased by 226.4 million Baht or 162.6% from Q4/2021, mainly due to:

- **Revenue from Real Estate Sales** was 314.9 million Baht in Q1/2022, increased by 224.1 million Baht or 246.8% from Q4/2021, mainly due to the higher land transfer volume of overseas customers. The total land sales increased from 19 Rai in Q4/2021 to 74 Rai in Q1/2022, an increase of 55 Rai.
- **Revenue from Lease and Services** was 12.7 million Baht in Q1/2022, increased by 0.3 million Baht or 2.4% from Q4/2021, mainly due to the increase in lease contract from new customers.
- **Revenue from Utilities** was 38 million in Q1/2022, increased by 2.0 million Baht or 5.6% from Q4/2021, mainly due to the increase in water and wastewater treatment sales.

2. Gross profit and Gross Profit margin

Unit : Million THB, %



YoY

Q1/2022 vs Q1/2021

In Q1/2022, the Group recorded Gross Profit of 197.2 million Baht, increased by 126.8 million Baht or 180.1% compared to Q1/2021, mainly due to:

- **Gross profit from real estate sales** was 182.5 million Baht in Q1/2022, increased by 128.5 million Baht or 237.7% from Q1/2021, corresponding to the increase in real estate sales as a result of the higher land transfer volume.
- **Gross profit from lease and service** was 7.5 million Baht in Q1/2022, decreased by 1.9 million Baht or 20.5% from Q1/2021, in accordance with the decrease in sales from the termination of the lease contract.
- **Gross profit from utilities** was 7.2 million Baht in Q1/2022, increased by 0.3 million Baht or 5.0% from Q1/2021, mainly because of the decrease in the water supply and utilities expenses due to no system repairs.

**Gross Profit Margin** was 53.9%, increased from 48.5% in Q1/2021, mainly due to the increase in the proportion of real estate sales, as well as the Company's ability to control costs efficiently.

QoQ

Q1/2022 vs Q4/2021

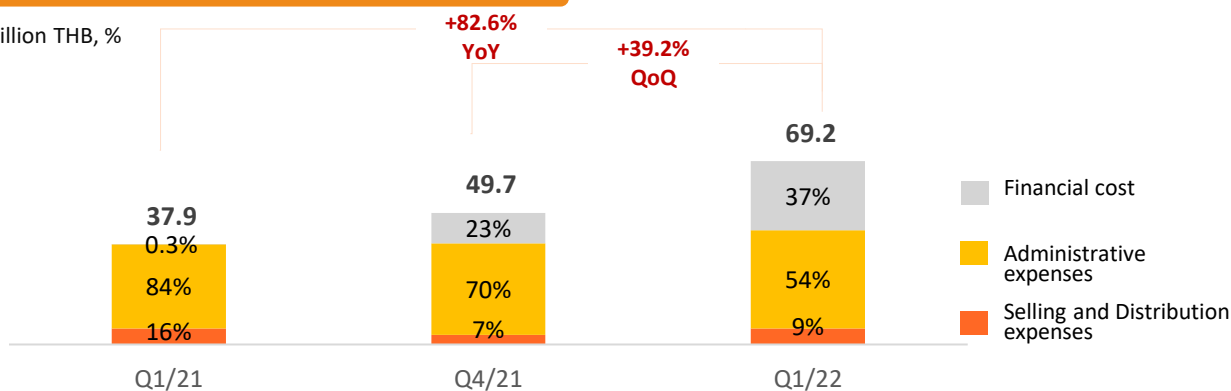
In Q1/2022, the Group recorded Gross Profit of Baht 197.2 million, increased by Baht 119.2 million or 152.8% compared to Q4/2021, mainly due to:

- **Gross profit from real estate sales** was Baht 182.5 million in Q1/2022, increased by Baht 116.2 million or 175.1% from Q4/2021, mainly due to the increase in real estate sales as a result of the higher land transfer volume.
- **Gross profit from lease and service** was Baht 7.5 million in Q1/2022, decreased by Baht 0.1 million or 1.6% from Q4/2021, mainly due to the increase in property income tax expenses from the cancellation of property income tax reduction measures from the government.
- **Gross profit from utilities** was Baht 7.2 million in Q1/2022, increased by Baht 3.2 million or 80.9% from Q4/2021, mainly due to the decrease in water supply and utilities expenses.

**Gross Profit Margin** was 53.9%, decreased from 56.0% in Q4/2021, mainly due to the increase in cost of sales in the higher proportion than total sales.

3.Selling and Distribution Expenses

Unit : million THB, %



Proportion of expenses to total revenue (%)	Q1/21	Q4/21	Q1/22
Selling and Distribution expenses to total revenue	3.9%	2.2%	1.6%
Administrative expenses to total revenue	20.4%	21.4%	9.8%
Financial cost to total revenue	0.1%	7.1%	6.9%

YoY

Q1/2022 vs Q1/2021

**Selling and Distribution expenses**

- In Q1/2022, the Group recorded selling and distribution expenses of 6 million Baht, decreased by 0.1 million Baht or 1.6% compared to Q1/2021. This is a result of the decrease in agents' commissions, as the Company's sales staff was able to close the sales contract with the customers personally.
- Selling and Distribution expenses to total revenue was 1.6% in Q1/2022, decreased from 3.9% in Q1/2021, corresponding to the increase in total sales, as well as the decrease in agents' commission.

**Administrative Expenses**

- In Q1/2022, the Group recorded administrative expenses of 37.2 million Baht, increased by 5.5 million Baht or 17.4% compared to Q1/2021. This is a result of the increase in employee related expenses, consulting expenses, other tax expenses, and service fees from the Industrial Estate Authority of Thailand which did not receive discounts from the COVID-19 situation.
- Administrative expenses to total revenue was 9.8% in Q1/2022, decreased from 20.4% in Q1/2021, mainly due to the increase in total sales in proportion to the administrative expenses.

**Financial Costs**

- In Q1/2022, the Group recorded financial costs of 26 million Baht, increased by 25.9 million Baht or 25,900.0% compared to Q1/2021. Due to the sale of Pinthong 6 in December 2021, the Company stopped recognizing interest on real estate development costs and recognized as an interest expense.
- Financial costs to total revenue was 6.9% in Q1/2022, increased from 0.1% in Q1/2021, mainly due to the increase in total sales in proportion to the financial costs.

QoQ

Q1/2022 vs Q4/2021

**Selling and Distribution expenses**

- In Q1/2022, the Group recorded selling and distribution expenses of 6 million Baht, increased by 2.4 million Baht or 66.7% compared to Q4/2021, from the increase in sale promotions and sales staff expenses.
- Selling and Distribution expenses to total revenue was 1.6% in Q1/2022, decreased from 2.2% in Q4/2021, mainly due to the increase in total sales in proportion to the selling and distribution expenses.

**Administrative Expenses**

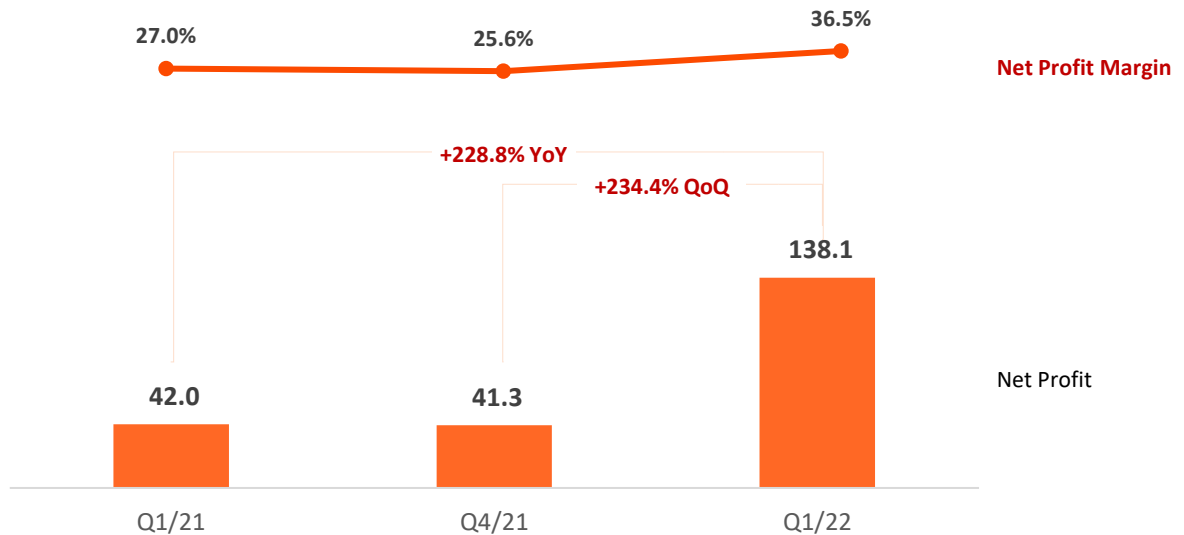
- In Q1/2022, the Group recorded administrative expenses of 37.2 million Baht, increased by 2.6 million Baht or 7.5% compared to Q4/2021. This is due to the increase in environmental management fee, as well as the service fees from the Industrial Estate Authority of Thailand which did not receive discounts from the COVID-19 situation.
- Administrative expenses to total revenue was 9.8% in Q1/2022, decreased from 21.4% in Q4/2021, mainly due to the increase in total sales in proportion to the administrative expenses.

**Financial Costs**

- In Q1/2022, the Group recorded financial costs of 26 million Baht, increased by 14.5 million Baht or 126.1% compared to Q4/2021, as a result from the recognition of loan interest from land sales in Q4/2021.
- Financial costs to total revenue was 6.9% in Q1/2022, decreased from 7.1% in Q4/2021, mainly due to the increase in total sales in proportion to the financial costs.

5. Net Profit and Net Profit Margin

Unit : Million THB, %



YoY

Q1/2022 vs Q1/2021

In Q1/2022, the Group recorded Net Profit of 138.1 million Baht, increased by 96.1 million Baht or 228.8% compared to Q1/2021, corresponding to the increase in total sales due to the higher land transfer volume, as well as the Company's ability to control costs efficiently.

Net Profit Margin was 36.5% in Q1/2022, increased from 27.0% in Q1/2021, mainly due to the increase in real estate sales.

QoQ

Q1/2022 vs Q4/2021

In Q1/2022, the Group recorded Net Profit of 138.1 million Baht, increased by 96.8 million Baht or 234.4% compared to Q4/2021, due to the growth of total sales.

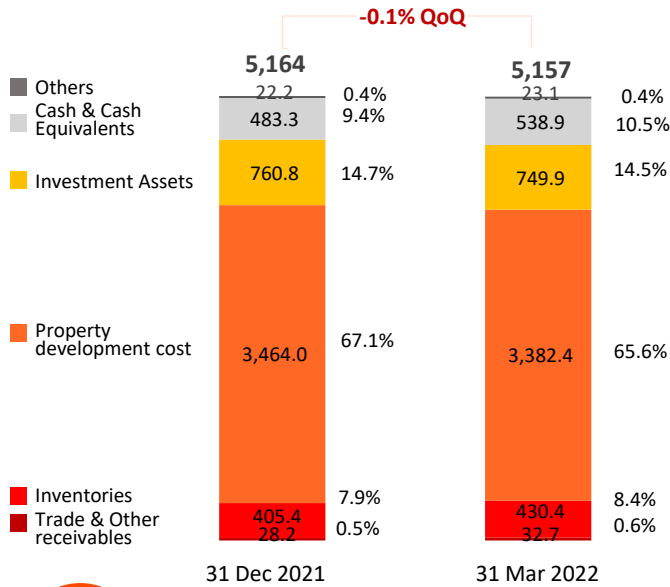
Net Profit Margin was 36.5% in Q1/2022, increased from 25.6% in Q4/2021, mainly due to the increase in real estate sales.



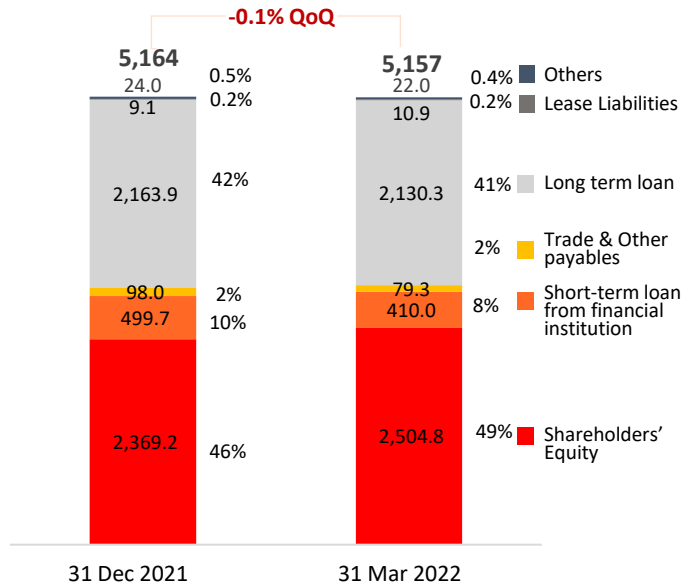
Statement Of Financial Position

Unit: Million THB, %

Assets



Liabilities and Equity



Total Assets

As of 31 March 2022, the total assets of the Group were 5,157 million Baht, decreased by 6.6 million Baht or 0.1% from 31 December 2021 mainly due to:

- **Trade & Other Receivables:** increased by 4.5 million Baht corresponding to the higher sales.
- **Property Development Cost:** decreased by 81.6 million Baht as a result of the decrease in the number of available land for development.
- **Cash & Cash Equivalents:** increased by 55.6 million Baht due to the recognition of revenue from land sales.



Total Liabilities

As of 31 March 2022, the total liabilities of the Group were Baht 2,652.6 million, decreased by Baht 142.2 million or 5.1% from 31 December 2021 mainly due to:

- **Short-term loan from financial institution:** decreased by 89.7 million Baht, mainly due to the short-term loan repayment to financial institution.
- **Trade and Other Payables:** decreased by 18.7 million Baht as a result of the repayment from normal operations.
- **Lease Liabilities:** increased by 1.8 million Baht from the additional lease contracts.



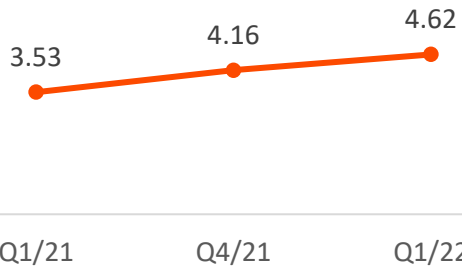
Total Shareholders' Equity

As of 31 March 2022, the total equity of the Group was Baht 2,504.8 million, increased by 135.6 million Baht or 5.7% from 31 December 2021, mainly due to the recognition of net profit, as well as the loss from the adjustment of fair value of PPF investment in Q1/2022.

## Key Financial Ratios

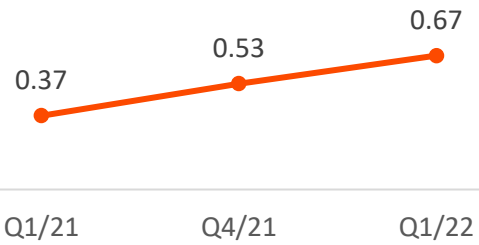
### Current Ratio

Unit : Times



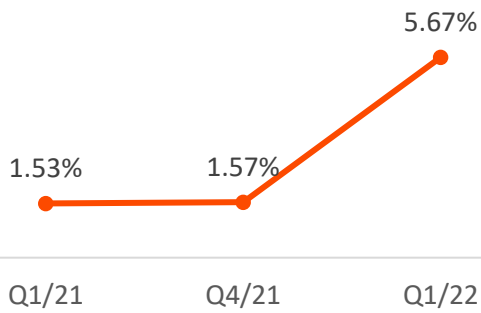
### Quick Ratio

Unit : Times



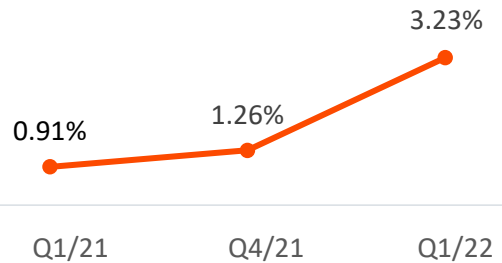
### ROE

Unit : %



### ROA

Unit : %



### D/E Ratio

Unit : Times

