



No. INGRS086

14 June 2022

Subject : Management Discussion & Analysis (MD&A) for the consolidated financial statements for the 1st quarter ended 30 April 2022

To : The President
The Stock Exchange of Thailand

Ingress Industrial (Thailand) Public Company Limited (“**Company**”) would like to provide an explanation on the consolidated financial statements of the Company for the 1st quarter ended 30 April 2022 (“**Q1 FY2022/23**”):

1. Sales Revenue

For Q1 FY2022/23, the Company registered sales revenue of Baht 957.5 million, an increase of Baht 154.3 million or 19.2% as compared to the same financial period last year of Baht 803.2 million.

The breakdown of the sales revenue by countries is as follows:

Countries	Q1 FY2022/23 Baht million	Q1 FY2021/22 Baht million	Variance Baht million	Variance (%)
Thailand	226.9	287.3	(60.4)	(21.0)
Malaysia	464.8	415.2	49.6	11.9
Indonesia	193.0	42.1	150.9	358.4
India	72.8	58.6	14.2	24.2
Total	957.5	803.2	154.3	19.2

Overall sales revenue increased as a results of volume improvement in every countries. Apart from that, Indonesia’s operation significantly improved because PT Ingress Industrial Indonesia (“PTIII”), the Company’s subsidiary in Indonesia, started its operation in January 2022. However, revenue of Thailand significantly dropped due to lower volume as well as delay in project development activities for the die making project from the Company’s subsidiary, Fine Components (Thailand) Co., Ltd.

Despite the lower revenue from the die making business, overall sales revenue shown positive growth in line with the Total Industry Production (“TIP”) in all countries. The growth of the TIP is as tabulated below:

Countries	Feb 22-Apr22 Thousand units	Feb 21-Apr21 Thousand units	Variance Thousand units	Variance (%)
Thailand	446.1	422.10	24.0	5.7
Malaysia	165.9	158.80	7.1	4.5
Indonesia	352.4	270.80	81.6	30.1
India	1,358.1	1,248.20	109.9	8.8
Total	2,322.5	2,099.90	222.6	10.6

2. Loss After Taxation (“LAT”)

The Company registered LAT of Baht 89.6 million for Q1 FY2022/23 as compared to LAT of Baht 2.8 million from the same period last year.

For Q1 FY2022/23, the gross margin declined to 3.5% as compared to the same period last year at 15.4% because newly Indonesia’s project just started operation in January 2020 and are not yet to achieve the breakeven sales revenue. Moreover, the subsidiaries of the the Company experienced higher direct costs especially in Malaysia, Indonesia and India, impacting the gross margin.

Selling and administrative expenses increased by Baht 48.7 million or 38.1% from the same period last year. This is because the personnel cost increased 26.4% mainly from the new subsidiary, PTIII and there is the reclassification of fixed overhead costs as administrative expenses because of subsidiaries’ production not yet running at normal capacity. The fixed operation cost was Baht 15.2 million which included depreciation expense of Baht 11.2 million or 73.5% of the total fixed cost.

Finance costs in Q1 FY2022/23 showed an increase by 40.6% or by Baht 8.4 million, as compared to the same period last year due to the term loan disbursement to finance the capital expenditures of PTIII.

3. Loss after Taxation and Minority Interests (“LATMI”)

INGRS registered LATMI of Baht 49.5 million for Q1 FY2022/23 as compared to the same period last year with LATMI of Baht 0.9 million.

The higher losses as compared to previous year was mainly due to lower gross margin as explained above.

4. Financial Position

Financial Position	30 April 2022 Baht million	31 January 2022 Baht million	Variance	
			Baht million	%
Total Assets	7,097.5	6,767.0	330.5	4.9
Total Liabilities	4,957.2	4,522.7	434.5	9.6
Total Equities	2,140.3	2,244.3	(104.0)	(4.6)

As at 30 April 2022, total assets increased by Baht 330.5 million as compared to 31 January 2021 largely attributable by cash receiving from financial institution as borrowings at the end of April 2022. This is for repayment of capital investment for projects by PTIII, PTIMV.

Total liabilities also increased by Baht 434.5 million or 9.6% as compared to 31 January 2022 from additional borrowings Baht 845.1 million. Part of the borrowings was paid for outstanding trade and payables regarding the capital investments and the operations in Indonesia and Malaysia.

Total equities decreased by Baht 104.0 million or 4.6% as compared to 31 January 2022 from LAT and loss from exchange differences on translation of financial statements in foreign currencies.

Please be informed accordingly.

Yours sincerely,



Hamidi Bin Maulod
Chief Executive Officer

