



Ref. Thor Hor 017/2565

August 10, 2022

To: The President
The Stock Exchange of Thailand

Re: Report on the operating result of the reviewed consolidated financial statements for the second quarter ended June 30, 2022

Dear Sirs,

TPI Polene Public Company Limited (“the Company”) would like to report the operating result of the reviewed consolidated financial statements for the second quarter ended June 30, 2022 as follows:-

Total consolidated revenue from sales of goods in Q2/2022 were Baht 12,476 million compared with the same of Baht 10,319 million in Q2/2021, an increase of 20.90% whereas total income in Q2/2022 was Baht 13,567 million compared with the same of Baht 10,939 million in Q2/2021, an increase of 24.03%.

In Q2/2022, the Company and its subsidiaries registered profit for the period of Baht 2,680 million (Profit attributable to owners of the parent of Baht 2,426 million, or basic earnings per share of Baht 0.128), compared with profit for the period of Baht 2,145 million in Q2/2021 (Profit attributable to owners of the parent of Baht 1,791 million, or basic earnings per share of Baht 0.094), an increase of 24.99%.

Profit for the period of Baht 2,680 million in Q2/2022 was comprised of normal operating profit of Baht 2,321 million, net foreign exchange gain of Baht 421 million and tax expense of Baht 61 million whereas profit for the period in Q2/2021 of Baht 2,145 million was comprised of normal operating profit of Baht 2,112 million, net foreign exchange gain of Baht 90 million and tax expense of Baht 57 million.

For the first six-month period of the year 2022, the Company and its subsidiaries registered profit for the period of Baht 4,735 million (Profit attributable to owners of the parent of Baht 4,226 million or basic earnings per share of Baht 0.223) compared with profit for the period of Baht 3,625 million (Profit attributable to owners of the parent of Baht 2,955 million or basic earnings per share of Baht 0.155) in 1H/2021, an increase of 30.63%. Normal operating profit in 1H/2022 was Baht 4,354 million compared with normal operating profit of Baht 3,549 million in 1H/2021, an increase of 22.70%.

บริษัท ทีพีโอ โพลีน จำกัด (มหาชน)

TPI POLENE PUBLIC COMPANY LIMITED

As at June 30, 2022, the Company and its subsidiaries' total assets and total equity were Baht 138,974 million and Baht 60,466 million respectively. The book value per share was Baht 3.19. Details of consolidated financial statements for the second quarter ended June 30, 2022, can be summarized as follows:

Assets

The Company and its subsidiaries' total assets as at June 30, 2022 was Baht 138,974 million as compared with Baht 135,714 million as at December 31, 2021, an increase of Baht 3,260 million, or increased by 2.40%.

Unit: million Baht

	As at 30 June 2022	As at 31 Dec 2021	Increase (Decrease)	%
Cash and cash equivalents	9,790	5,669	4,121	72.70
Other current financial assets	2,346	5,995	(3,650)	(60.88)
Trade accounts receivable	6,588	5,966	622	10.43
Inventories	16,251	15,715	535	3.41
Property, plant and equipment	97,554	96,366	1,188	1.23
Total assets	138,974	135,714	3,260	2.40

Liabilities

The Company and its subsidiaries' total liabilities as at June 30, 2022 was Baht 78,508 million as compared with Baht 78,152 million as at December 31, 2021, an increase of Baht 356 million, or increased by 0.46%. Details of the major accounting changes are as follows:

Unit : million Baht

	As at 30 June 2022	As at 31 Dec 2021	Increase (Decrease)	%
Trade account payable and other payables	7,719	6,578	1,141	17.34
Income tax payable	85	73	12	16.81
Loans from financial institutions	4,869	4,392	478	10.88
Debentures	62,167	63,244	(1,077)	(1.70)
Interest Bearing Debts (IBD)	67,451	68,143	(692)	(1.02)
Net Interest Bearing Debts (Net IBD)*	55,316	56,479	(1,164)	(2.06)
Total Liabilities	78,508	78,152	356	0.46

Note : * Net Interest Bearing Debts means Interest Bearing Debts less cash and cash equivalents and other current financial assets.

Equity

The Company and its subsidiaries' total equity as at June 30, 2022 was Baht 60,466 million, an increase of Baht 2,904 million, from Baht 57,562 million as at December 31, 2021, or increased by 5.04% primarily due to profit from business operation. Details of the major accounting change are as follows:

Unit : million Baht

	As at 30 June 2022	As at 31 Dec 2021	Increase (Decrease)	%
Retained earnings - unappropriated	20,521	17,796	2,724	15.31
Total equity	60,466	57,562	2,904	5.04
Book value per share (Baht)	3.19	3.01	0.18	5.98

As of June 30, 2022, the Company and its subsidiaries' Interest Bearing Debts to Equity ratio (IBD/Equity Ratio) equated 1.12 times and Net IBD to Equity Ratio equated 0.91 times.

Profit (Loss)

In Q2/2022, the Company and its subsidiaries registered normal operating profit of Baht 2,680 million compared with normal operating profit for the period of Baht 2,145 million in Q2/2021, an increase of Baht 536 million or increased by 24.99%.

For the first six-month period of the year 2022, the Company and its subsidiaries registered profit for the period of Baht 4,735 million compared with profit for the period of Baht 3,625 million in 1H/2021, increased by 30.63%. Details of the major accounting change are as follows:-

Unit: million Baht

	For six-month period ended 30 June 2022	Q2/2022	Q2/2021	Increase (Decrease)	%
Revenue from sale of goods	24,911	12,476	10,319	2,157	20.90
Cost of sales of goods	17,937	8,904	6,735	2,170	32.22
Gross Profit	6,974	3,572	3,584	(13)	(0.36)
Distribution costs and administrative expenses	2,965	1,450	1,461	(11)	(0.77)
Finance cost	957	473	542	(69)	(12.67)
Tax income (expense)	(86)	(61)	(57)	(4)	(7.66)
Net foreign exchange gain (loss)	467	421	90	331	368.51
Normal operating profit	4,354	2,321	2,112	209	9.91
Profit attributable to owners of the parent	4,226	2,426	1,791	635	35.45
Total profit	4,735	2,680	2,145	536	24.99
Earnings before interest, taxes, depreciation and amortization (EBITDA)	7,523	4,075	3,508	567	16.15

For the first six months of the year 2022, the Company and its subsidiaries registered earnings before interest, taxes, depreciation and amortization (EBITDA) of Baht 7,523 million, representing IBD to EBITDA (Annualized) ratio at 4.48 times whilst Net IBD/EBITDA (Annualized) ratio equated 3.68 times.

ESG Performance

The Company is committed to driving business towards sustainable development by linking the operations of the three main areas of “Circular Economy”, “Green Economy” and “Bio Economy”, jointly called Bio-Circular-Green Economy (BCG), to be used at all stages of the value chain. It is defined as an important strategy to drive the organization to minimize the use of resource inputs, starting from raw material procurement, production, distribution and transportation. Circular systems employ reuse, using limited energy and natural resources to be efficient and maximize the benefits of resource utilization and are recycled as much as possible to reduce the environmental impact by focusing on balanced growth in all dimensions, adhering to Environmental, Social and Governance (ESG) criteria under the standards of good corporate governance to manage the business for the benefit of all stakeholder groups in a balanced manner, with details as follows:-

Production process which is environmentally friendly

1. TPI Polene Group is committed to net zero greenhouse gas emissions, primarily from the use of waste as a renewable fuel in cement production and power plant production processes, which results in net zero greenhouse gas emissions of TPI Polene Group starting from 2021 onwards.
2. For the first 6 months of the year 2022, the Company used 195,332 tons of waste fuel as a replacement for coal in cement production process, compared to using of 17,998 tons of waste in the same period of the year 2021.

Social Performance

For the first 6 months of the year 2022, the Company employed 437 persons from local communities and employed disable employees total of 2 persons. In addition, the Company has provided funds to support various projects and activities of public benefits, such as communities, academic institutions, temples, hospitals and government authorities by donating products of TPI Polene Group, such as cement, other construction materials, drinking water, organic fertilizers and healthcare products to prevent pathogens, etc.

Compliance with Good Corporate Governance Policy

The Company has the policy to monitor and to manage compliance with the Code of Conduct through enterprise-wide risk management. Material issues of the business are identified in response to all stakeholders, aiming to sustainable development of the business.

In addition, on July 1, 2022, the Company has been selected as one of the ESG100 securities companies with outstanding performance in the areas of Environmental, Social and Governance (ESG) in a Sustainable Investment Group or ESG Emerging List in 2022 by Thaipat Institute.

Please be informed accordingly.

Sincerely Yours,



Mrs. Orapin Leophairatana
Senior Executive