

Ref: PCL 2022/021

November 12, 2022

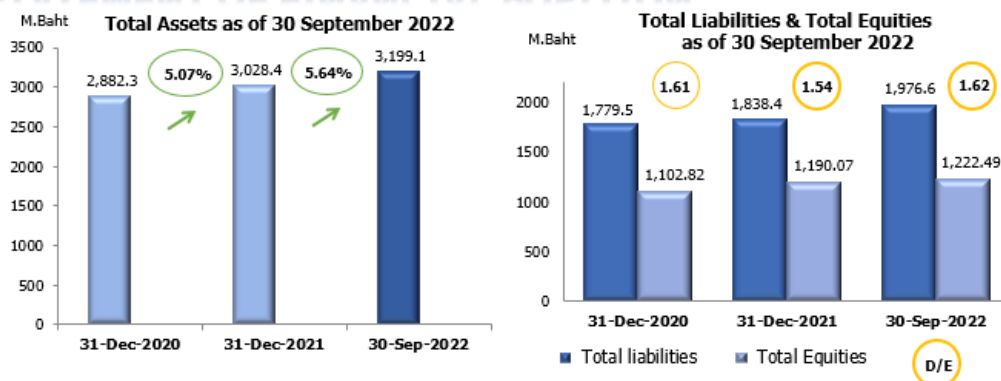
Subject: Management Discussion and Analysis for the 9-month period ended 30 September 2022

To: The President of the Stock Exchange of Thailand

Panjawattana Plastic Public Company Limited and its subsidiaries ("the Company") would like to clarify herewith the financial position and operating result for the 9-month period ended 30 September 2022 as follows: -

**Financial Position**

**STATEMENT OF FINANCIAL POSITION**



As of 30 September 2022, the consolidated financial statements of the Company and its subsidiaries had total assets increased by 170.68 million baht or 5.64 percent compared to the previous year. As for current assets, an increase of 29.48 million baht was due to an increase of 41.39 million baht in trade and other receivables including trade receivable from contract and increase of 31.19 million baht in inventory due to higher sales compared to the end of last year. Whereas cash and cash equivalent decreased by 25.15 million baht and unbilled receivable for project decreased by 20.88 million baht as it was already billed. As for non-current assets, an increase of 141.20 million baht, mainly from the consolidation of non-current assets of Master Laundry Co.,Ltd, the new subsidiary amounted to 66.95 million baht such as machinery and equipment including the right to use land and buildings and the recording of goodwill valued at 40.3 million baht. In addition, the company recognized account receivables under long-term contracts increased by 19.01 million baht.

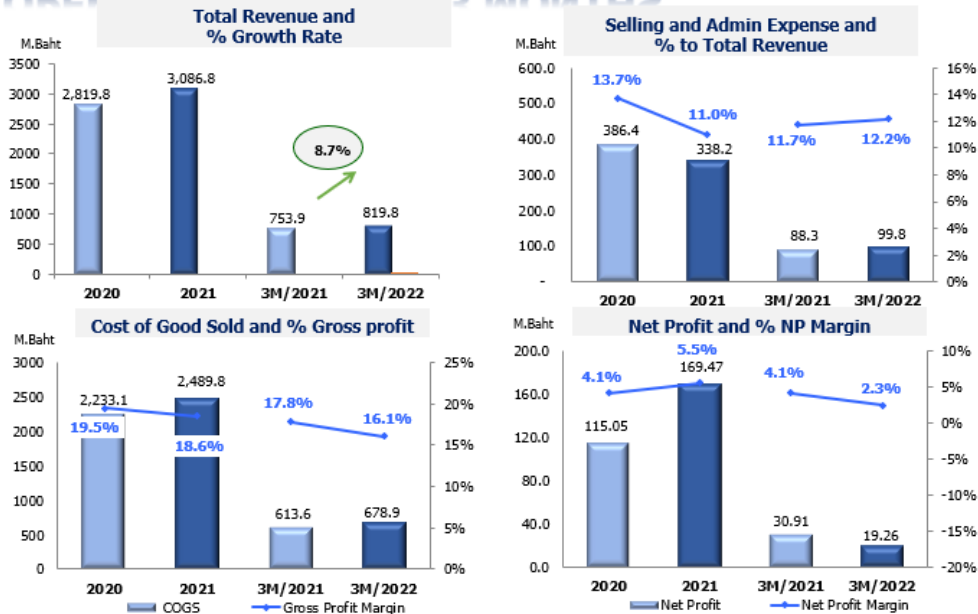
As of 30 September 2022, the consolidated financial statements of the Company and its subsidiaries had total liabilities increased by Baht 138.26 million or 7.52% compared to the previous year. This was an increase from current liabilities of 202.33 million baht, mainly from trade payables, other payables and short-term borrowings that increased to support higher sales. Including the purchase value that increases according to the price of raw materials. As for long-term borrowings and lease liabilities, there was a decrease of 64.07 million baht.

The Company's debt to equity ratio as at 30 September 2022 is 1.62 times (as at 31 December 2021 is 1.54 times).



**Operating result**

**OPERATING RESULT: 3 MONTHS**

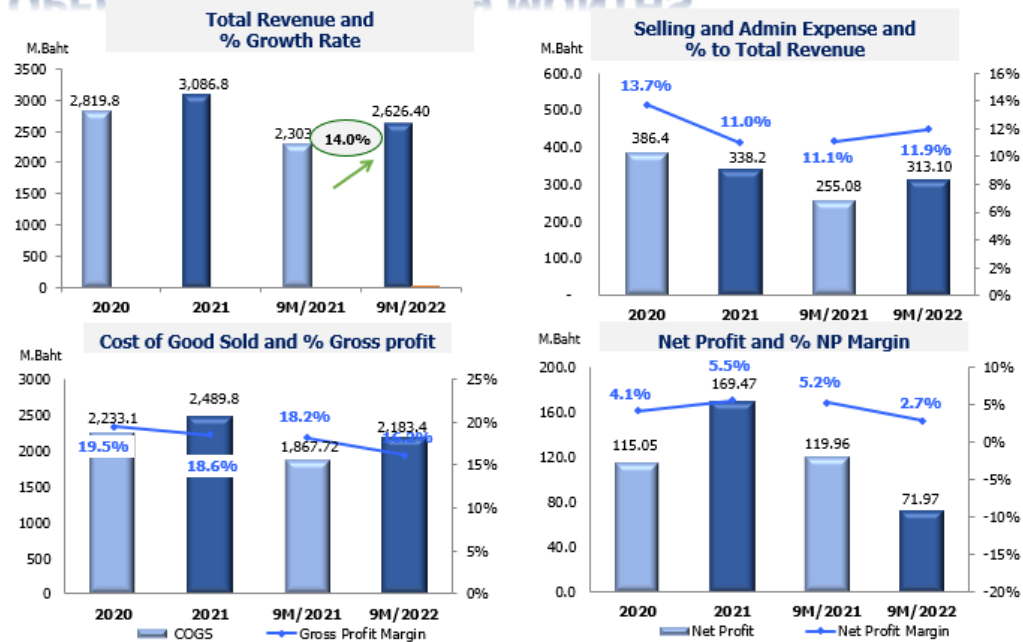


The consolidated net profit of the Company and its subsidiary for the period 3-month ended 30 September 2022 was Baht 19.26 million, decreased by Baht 11.65 million or by 37.69% compare with same quarter of last year. The main reasons were as follows: -

1. Total revenue increased by 65.89 million baht, or 8.7%, due to the overall sales of the packaging industry that grew from the recovery of domestic consumption compared to the second quarter of the previous year that was caused by the new wave of Covid-19 situation caused the economy to slow down. In addition, the selling price gradually increased in accordance with the price of plastic resin. But the decline in sales of the automotive sector was caused by the impact of the Russia-Ukrain war on the automobile production chain and the shortage of semiconductors as well as inflationary pressures affect the trend of rising interest rates, causing a limited recovery in consumer purchasing power. The increase in sales was also from the consolidation of the revenue of Master Laundry Company Limited, a new subsidiary that invested in January 2022, amounting to 34.48 million baht.
2. The gross profit margin was 16.1 percent, decreased from the previous year at 17.8 percent due to the steadily rising price of plastic resin, which are the main raw material, following the rising trend of crude oil prices in the world market and the depreciated of Thai baht. However, the adjustment of the selling price according to the raw material price and the exchange rate cannot be done immediately, it will take a period according to the price adjustment conditions of each customer. The Company periodically considers the price of plastic resin both domestically and internationally to reduce the impact of raw material fluctuations.
3. Total net profit margin was 2.3%, decreased from the same quarter of last year 4.1% total net profit margin due to the decrease in gross profit margin compared to the same quarter of last year.



## OPERATING RESULT: 9 MONTHS



The consolidated net profit of the Company and its subsidiary for the period 9-month ended 30 September 2022 was Baht 71.97 million, decreased by Baht 47.98 million or by 40.0% compare with same quarter of last year. The main reasons were as follows: -

1. Total revenue increased by 322.90 million baht or 14.02% due to overall sales of the packaging industry that grew from the recovery of domestic consumption compared to the second quarter of the previous year that was caused by the new wave caused the economy to slow down. In addition, the selling price gradually increased in accordance with the price of plastic resin. In terms of overall sales of the automotive industry declined due to car manufacturing supply chain problems and a shortage of semiconductors. In addition, inflationary pressures affect the trend of rising interest rates, causing a limited recovery in consumer purchasing power. The increase in sales was also from the consolidation of the revenue of Master Laundry Company Limited, a new subsidiary that invested in January 2022, amounting to 91.26 million baht.
2. The gross profit margin was 16.2 percent, decreased from the previous year at 18.2 percent due to the steadily rising price of plastic resin, which are the main raw material, following the rising trend of crude oil prices in the world market and the depreciated of Thai baht. However, the adjustment of the selling price according to the raw material price and the exchange rate cannot be done immediately, it will take a period according to the price adjustment conditions of each customer. The Company periodically considers the price of plastic resin both domestically and internationally to reduce the impact of raw material fluctuations.
3. Total net profit margin was 2.7%, decreased from the same quarter of last year 5.2% total net profit margin due to the decrease in gross profit margin compared to the same quarter of last year. In addition, there was a lockdown in Jiangsu, resulting in factory shutdown losses in administrative expenses.



Panjawattana Plastic PCL.

28 Moo 2, Tumbol Chaimongkol,  
Amphur Muang, Samutsakhon 74000  
Registration No. 0107554000208  
Tel. (66) 02-150-5988, (66) 0-3483-9130-1  
Fax. (66) 02-150-5987, (66) 0-3483-9320

Sincerely yours

(Mrs. Prim Chaiyawat)

Company's Secretary