



Ref. Thor Hor 018/2565

November 14, 2022

To: The President

The Stock Exchange of Thailand

Re: Report on the operating result of the reviewed consolidated financial statements for the third quarter ended September 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 third quarter ended September 30, 2022 as follows:-

Total consolidated revenue from sales of goods in Q3/2022 were Baht 12,523 million compared with the same of Baht 9,013 million in Q3/2021, an increase of 38.94% whereas total income in Q3/2022 was Baht 13,216 million compared with the same of Baht 9,564 million in Q3/2021, an increase of 38.18%.

In Q3/2022, the Company and its subsidiaries registered profit for the period of Baht 2,189 million (Profit attributable to owners of the parent of Baht 2,029 million, or basic earnings per share of Baht 0.107), compared with profit for the period of Baht 1,489 million in Q3/2021 (Profit attributable to owners of the parent of Baht 1,208 million, or basic earnings per share of Baht 0.063), an increase of 47.02%.

Profit for the period of Baht 2,189 million in Q3/2022 was comprised of normal operating profit of Baht 2,122 million, net foreign exchange gain of Baht 133 million and tax expense of Baht 67 million whereas profit for the period in Q3/2021 of Baht 1,489 million was comprised of normal operating profit of Baht 1,506 million, net foreign exchange gain of Baht 153 million and tax expense of Baht 170 million.

For the first nine-month period of the year 2022, the Company and its subsidiaries registered profit for the period of Baht 6,924 million (Profit attributable to owners of the parent of Baht 6,255 million or basic earnings per share of Baht 0.330) compared with profit for the period of Baht 5,114 million (Profit attributable to owners of the parent of Baht 4,164 million or basic earnings per share of Baht 0.218) in 9M /2021, an increase of 35.40%. Normal operating profit in 9M/2022 was Baht 6,477 million compared with normal operating profit of Baht 5,055 million in 9M/2021, an increase of 28.13%.

บริษัท ทีพีโอ โพลีน จำกัด (มหาชน)

TPI POLENE PUBLIC COMPANY LIMITED

As at September 30, 2022, the Company and its subsidiaries' total assets and total equity were Baht 140,549 million and Baht 62,352 million respectively. The book value per share was Baht 3.29. Details of consolidated financial statements for the third quarter ended September 30, 2022, can be summarized as follows:

Assets

The Company and its subsidiaries' total assets as at September 30, 2022 was Baht 140,549 million as compared with Baht 135,714 million as at December 31, 2021, an increase of Baht 4,835 million, or increased by 3.56%.

Unit: million Baht

	As at 30 Sept. 2022	As at 31 Dec. 2021	Increase (Decrease)	%
Cash and cash equivalents	3,647	5,669	(2,022)	(35.66)
Other current financial assets	5,193	5,995	(803)	(13.39)
Trade accounts receivable	6,695	5,966	729	12.22
Inventories	19,014	15,715	3,299	20.99
Property, plant and equipment	98,821	96,366	2,455	2.55
Total assets	140,549	135,714	4,835	3.56

Liabilities

The Company and its subsidiaries' total liabilities as at September 30, 2022 was Baht 78,197 million as compared with Baht 78,152 million as at December 31, 2021, an increase of Baht 45 million, or increased by 0.06%. Details of the major accounting changes are as follows:

Unit : million Baht

	As at 30 Sept. 2022	As at 31 Dec. 2021	Increase (Decrease)	%
Trade account payable and other payables	8,626	6,578	2,048	31.14
Income tax payable	72	73	(1)	(1.36)
Loans from financial institutions	3,076	4,392	(1,316)	(29.96)
Debentures	63,017	63,244	(227)	(0.36)
Interest Bearing Debts (IBD)	66,529	68,143	(1,614)	(2.37)
Net Interest Bearing Debts (Net IBD)*	57,689	56,479	1,210	2.14
Total Liabilities	78,197	78,152	45	0.06

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 September 30, 2022 was Baht 62,352 million, an increase of Baht 4,790 million, from Baht 57,562 million as at December 31, 2021, or increased by 8.32% primarily due to profit from business operation. Details of the major accounting change are as follows:

Unit : million Baht

	As at 30 Sept.2022	As at 31 Dec.2021	Increase (Decrease)	%
Retained earnings - unappropriated	22,741	17,796	4,944	27.78
Total equity	62,352	57,562	4,790	8.32
Book value per share (Baht)	3.29	3.01	0.28	9.30

As of September 30, 2022, the Company and its subsidiaries' Interest Bearing Debts to Equity ratio (IBD/Equity Ratio) equated 1.07 times and Net IBD to Equity Ratio equated 0.93 times.

Profit (Loss)

In Q3/2022, the Company and its subsidiaries registered profit for the period of Baht 2,189 million compared with profit for the period of Baht 1,489 million in Q3/2021, an increase of Baht 700 million or increased by 47.02%.

For the first nine-month period of the year 2022, the Company and its subsidiaries registered profit for the period of Baht 6,924 million compared with profit for the period of Baht 5,114 million in 9M/2021, increased by 35.40%. Details of the major accounting change are as follows:-

Unit: million Baht

	For nine-month period ended 30 Sept. 2022	Q3/2022	Q3/2021	Increase (Decrease)	%
Revenue from sale of goods	37,434	12,523	9,013	3,510	38.94
Cost of sales of goods	27,032	9,095	6,260	2,835	45.29
Gross Profit	10,401	3,428	2,753	675	24.51
Distribution costs and administrative expenses	4,356	1,392	1,162	229	19.73
Finance cost	1,437	480	487	(7)	(1.52)
Tax income (expense)	(153)	(67)	(170)	103	60.82
Net foreign exchange gain (loss)	600	133	153	(20)	(12.76)
Normal operating profit	6,477	2,122	1,506	616	40.91
Profit attributable to owners of the parent	6,255	2,029	1,208	820	67.90
Profit for the period	6,924	2,189	1,489	700	47.02
Earnings before interest, taxes, depreciation and amortization (EBITDA)	11,102	3,579	2,926	652	22.29

For the first nine-month period of the year 2022, the Company and its subsidiaries registered earnings before interest, taxes, depreciation and amortization (EBITDA) of Baht 11,102 million, representing IBD to EBITDA (Annualized) ratio at 4.49 times whilst Net IBD/ EBITDA (Annualized) ratio equated 3.90 times.

ESG Performance -TPIPL

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, which is 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, efficiently using scarce energy and natural resources, maximize the benefits of resource utilization, and recycle 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 benefits of all stakeholder groups in a balanced manner, with details as follows:-

Production process which is environmentally friendly

1. The Company's green investment project helps reduce production cost and reduce greenhouse gas emissions for the first 9 months of the year 2022, with details as follows:-
 - 1.1 Heat burning system improvement project that can use waste fuel in clinker production in cement plants line # 2, 3 and 4 to replace coal up to 25%.
 - 1.2 As for EV mining truck project, the Company has adopted 31 units of 60-ton EV mining trucks to replace all diesel-powered limestone trucks.
2. For the first nine-month period of the year 2022, the Company used 264,079 tons of waste fuel to replace coal in cement production process, compared with using of 51,132 tons of waste fuel in the same period of the year 2021, an increase of 212,947 tons. This helps reduce production cost, reduce the risk because waste fuel cost is relatively stabilize as compared with coal price and reduce greenhouse gases that cause global warming.
3. The Company attaches an importance to waste management, aiming to exploit the best benefit of industrial waste up to $\geq 95\%$ of the total quantity of industrial waste generated. With the Company's higher efficiency in production management, as a result, for the first nine months of the year 2022, the quantity of industrial waste generated decreased to 6,644 tons as compared with 10,401 tons in the same period of the year 2021. In addition, for the first 9 months of the year 2022, the Company reused industrial waste generated from production process as renewable fuels, alternative materials and recycled totaling 6,637 tons, accounting for 99.89% of the total industrial waste volume, which is higher than the Company's target in accordance with TPI Polene Group's zero waste policy.

Social Performance

For the first nine-month period of the year 2022, the Company employed 765 persons from local communities, employed 57 elderly persons, and employed 5 persons with disabilities. 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., amounting to Baht 13.39 million for the first nine-month period of the year 2022.

Compliance with Good Corporate Governance Policy

The Company has managed to comply with the Code of Conduct through enterprise-wide risk management. Material issues of the business are identified in response to participations from all stakeholders, aiming to achieve sustainable development of the business.

For the first nine-month period of the year 2022, the Company has received awards and certifications from recognized organizations for promoting sustainable development, which is a result of the Company's ability to implement sustainability values to drive business operations, as follows:-

1. On July 1, 2022, the Company has been selected as a listed company with outstanding performance covering the areas of Environmental, Social and Governance (ESG) and has been listed in the group of sustainable companies that are worth investing or in the ESG Emerging List for the year 2022 by Thaipat Institute.
2. On October 10, 2022, the Company has been selected as the securities under the Thailand Sustainability Investment (THSI) 2022 list by the Stock Exchange of Thailand.
3. On October 27, 2022, the Company's corporate governance report 2022 (Corporate Governance Report of Thai Listed Companies 2022) has been evaluated by Thai Institute of Directors (IOD) at the level of "Very Good" (very good CG Scoring).

Please be informed accordingly.

Sincerely Yours,



Mrs. Orapin Leophairatana
Senior Executive Vice President