

Overall Business Performance

Overall revenue for nine months period increases comparing to year 2021 for 48.6 percent especially in foreign consumer segment. POLY receives positive feedback from this customer group and consumer behavior's trend shift to focus in environmental-friendly product and fast living lifestyle.

Gross profit margin for nine months period increased Baht 46.5 million or account to 31.2 percent compare to same period of 2021. Company possesses Baht 122.5 million of net profit which increase Baht 46.2 million or account to 61 percent from previous year.

POLY continuously emphasis in revenue diversification by expanded to growth industry for the long-term sustainability. The company have accomplished strategic target in 2022 by expand to consumer industry rather than focus mainly in automotive business.

(Unit: Million Baht)	9M2021	9M2022	Increase (Decrease)
Revenue by segment			
<i>Automotive</i>	64.0%	51.3%	(12.7%)
<i>Consumer</i>	20.7%	36.5%	15.8%
<i>Medical</i>	15.3%	12.1%	(3.2%)
<i>Others</i>	0.0%	0.1%	0.1%
Total	100.0%	100.0%	

Company's main target is sharing an equal revenue proportion of three business segments. Each revenue segment will continuously sustainability grow to mitigate majority of revenue generating from one customer risk. Proportion of automotive segment revenue constantly decrease from 70.4 percent in year 2019 to 51.3 percent for nine months of year 2022 due to the enhancement of consumer products segment proportion. The forecast of consumer products revenue is constantly growing in the future.

Even though in the third quarter, company encounters shortage of semi-conductor and prolonged impact from Russia-Ukraine war, overall economic situation is better compared to COVID-19 session.

Management continuously and closely monitors ever changing economic situation and other impacts such as interest rate change, inflation, daily emerging innovation, and opportunity in order to plan and arrange the most suitable strategic direction for POLY to accomplish target.

Performance and Profitability

Revenue By Segments	9M2021		9M2022		Increase (Decrease)	% Increase (Decrease)
	Million Baht	%	Million Baht	%		
Sale Revenues						
Automotives	340.0	63.9%	405.9	51.3%	65.9	19.4%
Consumers	110.3	20.7%	288.2	36.5%	178.0	161.4%
Medicals	81.0	15.2%	95.4	12.1%	14.3	17.7%
Total	531.3	99.9%	789.5	99.9%	258.2	48.6%
Other income	0.7	0.1%	0.9	0.1%	0.2	34.1%
Total revenues	532.0	100.0%	790.4	100.0%	258.4	48.6%

Revenue from sales

For nine months of year 2022, POLY continues to maintain revenue growth by reaching Baht 789.5 million, growing rate of 48.6 percent compare to same period of previous year. Consumer segment especially silicone packaging is an important source of income that generate 36.5 percent of total income or exponentially growth rate of 161.4 percent. Silicone Packaging started to manufacture at the end of year 2021 and receive positive feedbacks since the products response to customer demand and able to generate revenue in foreign market. Moreover, product sale under brand name which receive world-wide recognition.

Automotive products also expanded substantially, increase 19.4 percent and account to 48.6 percent of overall revenue as result of automotive market recovery. Company not only gain new customers for second half of year 2021 but also continuously receives an increase order from existing customer.

Meanwhile, medical segment grows 17.7 percent and account to 12.1 percent as a result of higher sale volume due to variety of medical products line.

Cost of sales and gross profit margin

Unit: Million Baht	9M2021	9M2022	Increase (Decrease)	% Increase (Decrease)
Cost of Sales	382.3	594.0	211.7	55.4%
Gross Profit Margin	149.0	195.5	46.5	31.2%
Gross Profit Margin (%)	28.0%	24.8%	(3.2%)	

Gross Profit for the period of nine months of 2022 equal to Baht 195.5 million which increase from previous year of Baht 149.0 million or account to 31%. Main reason comes from increase in revenue compare to previous year. However, gross profit margin is decrease from 28% for 9 months of 2021 to 24.8% according to an increase in raw material price in the second quarter and company unable to adjust sale price immediately due to the fixed price adjustment cycle of 3-6 months. Detail as follows

Cost of Sales	9M2021		9M2022		Increase (Decrease)	% to revenue Increase (Decrease)
	Million Baht	% to revenue	Million Baht	% to revenue		
Raw Material	203.3	38.2%	342.3	43.3%	139.0	5.1%
Labor Cost	76.0	14.3%	101.8	12.9%	25.8	(1.4%)
Depreciation and Amortization	54.9	10.3%	63.8	8.1%	8.9	(2.2%)
Other overhead cost	48.1	9.0%	86.1	10.9%	38.0	1.9%
Total cost of sales	382.3	71.9%	594.0	75.2%	211.7	3.3%

For nine months period of year 2022, gross profit margin decreases from 28.1 percent of nine months year 2021 to 24.8 percent due to petrochemical and reactant price increase excessively compare to same period of previous year. The Russia-Ukraine war impact caused crude oil price to be increased. Price adjustment is unable to act immediately since it can be done on quarterly basic. Raw Material proportion compares to sale price increase from 38.2 percent to 43.3 percent as shown in table above. Labor and depreciation decrease proportionally due to efficiency in utilization of production capacity. Other overhead cost increases due to expansion of product variety which require an individual packaging and factory supplied used. Majority of products selling abroad causes the packaging price to increase compare to previous year.

The analyzation of revenue, cost of sales and gross profit of each product can be shown below

Automotive

Unit: Million Baht	9M2021	9M2022	Increase (Decrease)
Revenue from sales	340.0	405.9	65.9
Cost of sales	268.1	335.9	67.8
Gross profit	71.9	70.0	(1.9)
% Gross profit margin	21.1%	17.2%	(3.9%)

Nine months of year 2022, Automotive's revenue recover and increase, including order of both existing and new customers. Consequently, led to an enhancement of efficiency in utilization of production capacity. Gross profit margin increases in year 2021 but slightly decrease in 9 months period of year 2022 due to raw material price increase. Poly quarterly negotiate sale price therefore shortly effect the gross profit margin before new sale price become effective.

Consumer

Unit: Million Baht	9M2021	9M2022	Increase (Decrease)
Revenue from sales	110.3	288.2	177.9
Cost of sales	85.0	219.4	134.4
Gross Profit	25.3	68.9	43.6
% Gross Profit Margin	23.0%	23.9%	0.9%

Nine months of year 2022, gross profit margin of consumer product is 23.9 percent which gross profit margin is slightly lower compare to same period of year 2019-2020. Orders of both existing and new customers during year 2021 to nine months of year 2022 comprises of variety of products including plastic and rubber injection. Excluding sale orders of mold from new customers which generate high profit margin, gross profit margin of new products is lower compare to average of year 2019-2020 which mostly comprise of compression part which possessed a high profit margin. Other reason is the increase of raw material price at the beginning of the year cause the gross profit margin to decrease.

Medical

Unit: Million Baht	9M2021	9M2022	Increase (Decrease)
Revenue from sales	81.0	95.3	14.3
Cost of Sales	29.2	38.7	9.5
Gross Profit Margin	51.8	56.6	4.8
% Gross profit margin	63.9%	59.4%	(4.5%)

Medical gross profit margin average account to 60% as a result of pandemic and consumer behavior tend to look after themselves more. Gross profit margin for nine month of year 2022 slightly decrease due to increase in price of raw material as an impact of prolonged Russia-Ukraine war. Furthermore, the war impact other areas such as energy and raw material shortage led price of raw material to increase caused gross profit margin to decrease.

Overall Expenses

Overall Expenses	9M2021		9M2022		Increase (Decrease)	% Increase (Decrease)
	Million Baht	%	Million Baht	%		
Selling Expense	10.2	20.0%	9.4	29.4%	(0.8)	(7.8%)
Administrative Expense	41.4	81.0%	47.0	146.9%	5.6	13.5%
(Reversal) Expected Credit Losses	(2.2)	(4.3%)	0.1	0.3%	2.3	(104.5%)
Other (Gain) losses	1.7	3.3%	(24.5)	(76.6%)	(26.2)	(1541.2%)
Total Expenses	51.1	100.0%	32.0	100.0%	(19.1)	(37.4%)

For nine month of year 2022, overall expense is Baht 32.0 million which decrease from previous year of Baht 51.1 million or account to Baht 19.1 million or decrease 37%. Main reason is an increase in other gain of Baht 24.5 million. Detail of each expense group are as follow

Selling Expenses

Selling Expenses	9M2021		9M2022		Increase (Decrease)	% Increase (Decrease)
	Million Baht	% to revenue	Million Baht	% to revenue		
Salary and Remuneration	7.2	1.3%	6.6	0.8%	(0.6)	(8.3%)
Marketing Expense	0.8	0.1%	0.2	0.1%	(0.6)	(75.0%)
Other Selling Expense	2.2	0.4%	2.6	0.3%	0.4	18.2%
Total Selling Expense	10.2	1.9%	9.4	1.2%	(0.8)	(7.8%)

For nine months period end 2022, selling expense equal to Baht 9.4 million which decrease from 9 months of year 2021 which equal to Baht 10.2 million or decrease 7.8 percent. Main reason is salary and remuneration decrease Baht 0.6 million align with salesperson headcount decrease and marketing expense decrease Baht 0.6 million. Nine months of period ended 2021, POLY organized activities with customers to strengthen customer relationship as well as participated in corporate social responsibility by donate goggles lens. While in nine months of year 2022, POLY did not have these activities.

Administrative Expenses

Administrative Expenses	9M2021		9M2022		Increase (Decrease)	% Increase (Decrease)
	Million Baht	% to revenue	Million Baht	% to revenue		
Management and Employee Remuneration	19.7	3.7%	22.1	2.8%	2.4	12.2%
Consulting and Professional Fees	6.7	1.3%	7.3	0.9%	0.6	9.0%
Utilities and Maintenance	5.2	0.9%	5.8	0.7%	0.6	11.5%
Depreciation and Amortization	6.3	1.2%	6.7	0.9%	0.4	6.3%
Other Administrative Expenses	3.5	0.7%	5.1	0.7%	1.6	45.7%
Total Administrative Expenses	41.4	7.8%	47.0	6.0%	5.6	13.5%

For year 2021, administrative expenses equal to Baht 56.5 million which increase from year 2021 Baht 7 million or account to increase of 14.1 percent. Main reason is financial advisory fee in preparation to be listed in SET market of Baht 3.7 million. Management and employee expenses increase Baht 1.1 million from increase of bonus payment due to better company performance. Administrative expense proportion of sale revenue decrease to 7.2 percent since majority of expenses is fixed expenses.

For nine months of year 2022, administrative expense equal to Baht 47.0 million increase from previous period Baht 5.6 million or increase 11.9%. Management and staff expense increase Baht 2.4 million according to salary raising and bonus payment. Other administrative expense increase Baht 1.7 million mainly come from an increase in IPO listing fee paid to SEC and the Stock Exchange of Thailand as well as land and machine mortgage fee.

Other gain/ loss

Other gain/loss comprises of unrealized gains(losses) and gains(losses) from disposal of fixed asset for nine months end 2022. POLY presents other gain net Baht 6.1 million mainly come from gain on disposal of equipment Baht 23.6 million which is sale of machinery to customer. Moreover, customer demand full production capacity and would like POLY solely produce especially to the company.

Finance Cost

Finance Cost (Unit: Baht million)	9M2021	9M2022	Increase (Decrease)	% Increase (Decrease)
Interest Paid	10.4	18.3	7.9	75.9%
Loan Interest	8.8	14.7	5.9	67.0%
Hire Purchase Interest	1.6	3.6	2.0	125.0%

For nine months of year 2022, finance cost equal to Baht 18.3 million increase from previous year of Baht 7.9 million or account to 75.9 percent comprises of increase in loan interest in amount of Baht 5.9 million. Company has an increase in promissory note and increase in hire purchase interest of Baht 2 million according to machinery hire purchase for daily operation and in responding to sale increase in yearly basic.

Net profit and Net profit Margin

Net profit and Net profit Margin	9M2021	9M2022	Increase (Decrease)	% Increase (Decrease)
Net profit	76.3	122.5	46.2	60.5%
Net profit margin	14.4%	15.5%	1.1%	

For nine months of year 2022, net profit equal to Baht 122.5 million increase from previous year Baht 76.3 million from revenue which higher than last year that make utilization rate increase and fixed cost per unit lower. Moreover, POLY has effective cost control on SG&A from human resource management that make overall net profit margin increase.

Statement of Financial Position

Statement of Financial Position (Unit: Million Baht)	2021	30 Sep 22	Increase (Decrease)	% Increase (Decrease)
Assets				
Current Assets	214.5	276.4	61.9	28.9%
Non-current Assets	920.4	938.6	18.2	2.0%
Total Assets	1,134.9	1,215.0	80.1	7.1%
Liability				
Current Liabilities	265.3	555.0	289.7	109.2%
Non-Current Liabilities	282.4	255.9	(26.5)	(9.4%)
Total Liabilities	547.7	810.9	263.2	48.1%
Equity				
Shares Capital	333.9	333.9	-	-
Retained Earnings	251.0	67.4	(183.6)	(73.1%)
Other components of equity	2.4	2.8	0.4	16.7%
Total Equity	587.2	404.1	(183.1)	(31.2%)

* Financial Ratio for nine months period ended 2022 calculated from 12 months of statement of comprehensive income and base on financial position as at 30 September 2022

Assets

As at 30 September 2022, Company has total asset of Baht 1,215.0 million, increase Baht 80.1 million or account to 7.1 percent. Assets can be divided into current assets of Baht 61.9 million and non-current asset of Baht 18.2 million. Increase in current-asset mainly come from AR and inventory increase which align with an increase in revenue. Meanwhile, increase in non-current asset increase from investment in machinery in responding to increase in orders of both existing and new customer demand.

Liabilities

As at 30 September 2022, company presents total liabilities of Baht 810.9 million, increase Baht 263.2 million or account to 48.1 percent. Current liabilities increase to Baht 289.7 million and non-current liabilities decrease Baht 26.5 million. Current liabilities increase according to a short-term promissory note for dividend payment, machinery investment and to be a working capital. Non-current liabilities decrease from principal repayment in the period.

Equity

As at 30 September 2022, company presents total equity of Baht 404.1 million, decrease Baht 183.1 million due to dividend payment of Baht 306.0 million and increase in retained earnings from net profit in the period of Baht 76.3 million.

Significant Financial Ratios

Financial Ratios	9M2021	9M2022	Increase (Decrease)
Liquidity Ratio (time)	0.8	0.5	(0.3)
Gross Profit Margin	28.0%	24.8%	(3.2%)
Net Profit Margin	14.3%	15.5%	1.2%
Return on Equity	16.8%	33.7%	16.9%
Return on Asset	8.3%	14.2%	5.9%
Debt to Equity (time)	1.0	2.0	1.0
Interest-Bearing Debt to EBITDA Ratio (time)	1.9	2.0	0.1

Liquidity Ratio (time)

As at 30 September 2022, Liquidity ratio decrease 0.3 times from last year due to the increase of short-term loan. However, the liquidity ratio will increase after IPO process because POLY will be repayment of such liabilities

Return on Equity

The return on equity increased from the previous year to 33.7% or increase of 16.9% from the previous year due to the net profit for the period 9M2022 is increase. Meanwhile, shareholders' equity decreased due to the dividend payment during the year.

Return on Asset

Return on assets increased from the previous year to 14.2% or increase 5.9% from the previous year due to higher net profit from using the production capacity at full efficiency and more effective cost control.

Debt to Equity (time)

The debt to equity ratio increased from the previous year due to short-term loan and another reason is during 2022, POLY dividends causing the retained earnings decrease and resulting in a decrease in total shareholders' equity which raises the debt to equity ratio. However, after IPO process is completed the debt to equity ratio will return to normal levels. because repayment of such short-term liabilities and the shareholders' equity will increase due to fundraising.

Interest-Bearing Debt to EBITDA Ratio (time)

IBD/EBITDA ratio increased from 1.9 times to 2.0 times due to the increase in short-term borrowings. However, for the period 9M2022, POLY also had higher EBITDA so the ratio did not change significantly.