



No. INGRS091

14 December 2022

Subject : Management Discussion & Analysis (MD&A) for the consolidated financial statements for the 3rd quarter ended 31 October 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 3rd quarter ended 31 October 2022:

1. Sales Revenue

1.1 Sales revenue for the 3-months period ended 31 October 2022

For the 3-months period ended 31 October 2022, the Company registered sales revenue of Baht 1,503.0 million, an increase of Baht 868.2 million or 136.8% as compared to the same financial period last year of Baht 634.8 million.

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

Countries	Q3 FY2022/23 Baht million	Q3 FY2021/22 Baht million	Variance Baht million	Variance (%)
Thailand	253.8	216.9	36.9	17.0
Malaysia	696.2	320.2	376.0	117.4
Indonesia	431.2	44.3	386.9	873.4
India	121.8	53.4	68.4	128.1
Total	1,503.0	634.8	868.2	136.8

Overall sales revenue increased as a results of volume improvement in every countries. Indonesia’s and Malaysia’s operation significantly improved because PT Ingress Industrial Indonesia (“PTIII”), the Company’s subsidiary in Indonesia, started its operation in January 2022. The increase in the volume is as a result of the Total Industry Production (“TIP”) has positive growth in all countries shown as tabulated below:

Countries	Aug22-Oct22 Thousand units	Aug21-Oct21 Thousand units	Variance Thousand units	Variance (%)
Thailand	521.7	398.2	123.5	31.0
Malaysia	202.4	125.3	77.1	61.5
Indonesia	419.8	303.5	116.3	38.3
India	1,455.2	996.7	458.5	46.0
Total	2,599.1	1,823.7	775.4	42.5

1.2 Sales revenue for the 9-months period ended 31 October 2022

For the 9-months period ended 31 October 2022, the Company registered sales revenue of Baht 3,504.5 million, an increase of Baht 1,648.8 million or 88.9% as compared to the same financial period last year of Baht 1,855.7 million.

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

Countries	Q3 FY2022/23 Baht million	Q3 FY2021/22 Baht million	Variance Baht million	Variance (%)
Thailand	701.0	726.5	(25.5)	(3.5)
Malaysia	1,666.7	849.1	817.6	96.3
Indonesia	860.6	125.7	734.9	584.6
India	276.2	154.4	121.8	78.9
Total	3,504.5	1,855.7	1,648.8	88.9

Overall sales revenue increased as a results of volume improvement in every country, except for Thailand which impacted from lower volume and delay in project development activities for the die making project from the Company's subsidiaries, Fine Component (Thailand) Co., Ltd. Apart from that, Indonesia's operation significantly improved as explained in 1.1. For Malaysia, the improvement is because of recovery of volume and back log orders by our main customers Perodua and Proton after the temporary closure of our operations because of the Movement Control Order ("MCO") during 2nd quarter, last year.

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	Feb22-Oct22 Thousand units	Feb21-Oct21 Thousand units	Variance Thousand units	Variance (%)
Thailand	1,383.0	1,217.5	165.5	13.6
Malaysia	528.4	329.7	198.7	60.3
Indonesia	1,081.6	816.7	264.9	32.4
India	4,126.6	3,219.6	907.0	28.2
Total	7,119.6	5,583.5	1,536.1	27.5

2. Loss After Taxation ("LAT")

2.1 LAT for the 3-months period ended 31 October 2022

The Company registered LAT of Baht 69.8 million as compared to LAT of Baht 49.4 million from the same period last year.

For the 3-month period ended 31 October 2022, the gross margin declined to 7.7% as compared to the same period last year at 10.6% mainly due to higher operating costs in Indonesia. Also, the new Indonesia's project is yet to achieve the breakeven sales revenue. Moreover, all subsidiaries of the Company experienced higher direct costs especially in Thailand and India from the rising material costs worldwide, impacting the gross margin.

Selling and administrative expenses increased by Baht 33.8 million or 23.7% from the same period last year, in tandem with the growing of revenue. The fixed operation cost for 3-months period ended 31 October 2021 was Baht 15.9 million which included depreciation expense of Baht 7.1 million or 44.5% of the total fixed cost.

Finance costs for the 3-months period showed an increase by 74.5% or by Baht 15.7 million, as compared to the same period last year due to higher borrowings to finance the capital expenditures of the Group as well as working capital requirement.

2.2 LAT for the 9-months period ended 31 October 2022

The Company registered LAT of Baht 263.5 million as compared to LAT of Baht 176.6 million from the same period last year.

For the 9-months period ended 31 October 2022, the gross margin declined to 5.1% as compared to the same period last year at 12.8% because the reasons explained in 2.1.

Selling and administrative expenses increased by Baht 56.8 million or 12.0% from the same period last year, in tandem with the revenue growth. However, the fixed overhead cost for the 9-months period showed a decrease of Baht 53.0 million or 76.5% as compared to the same period last year due to reclassification of idle operating costs last year. (Baht 16.6 million was reclassified in this year due to unutilized machine capacity before starting new models in IATSB and PTIII.)

Finance costs for the 9-months period showed an increase by 64.4% or by Baht 39.9 million, as compared to the same period last year due to the additional borrowings to finance the capital expenditures and working capital of the Group.

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

3.1 LATMI for the 3-months period ended 31 October 2022

INGRS registered LATMI of Baht 67.3 million for 3-month period as compared to the same period last year with LATMI of Baht 34.0 million.

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

3.2 LATMI for the 9-month period ended 31 October 2022

INGRS registered LATMI of Baht 177.6 million for 9-month period as compared to the same period last year with LATMI of Baht 121.1 million.

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

4. Financial Position

Financial Position	31 October 2022 Baht million	31 January 2022 Baht million	Variance	
			Baht million	%
Total Assets	7,532.5	6,767.0	765.5	11.3
Total Liabilities	5,536.0	4,522.7	1,013.3	22.4
Total Equities	1,996.5	2,244.3	(247.8)	(11.0)

As at 31 October 2022, total assets increased by Baht 765.5 million as compared to 31 January 2021 largely attributable by the additional capital investment for projects by subsidiaries in Indonesia and Malaysia. The growth is represented by the Company’s strategic plan to expand both in Indonesia and Malaysia over the last 2 years.

Total liabilities also increased by Baht 1,013.3 million or 22.4% as compared to 31 January 2022 from higher payables and additional borrowings. Part of the borrowings was paid for outstanding trade and payables arising from the capital expenditures and the operations in Indonesia and Malaysia.

Total equities decreased by Baht 247.8 million or 11.0% as compared to 31 January 2022 from the losses incurred in the last 9 months and gain from exchange differences on translation of financial statements in foreign currencies.

Please be informed accordingly.

Yours sincerely,



Hamidi Bin Maulod
Chief Executive Officer

