



# **THAI MITSUWA PUBLIC COMPANY LIMITED.**

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Subject : Operating results for the three-month period (the third quarter) and for the nine-month period  
(from the first quarter to the third quarter) for the year 2022

To : President of The Stock Exchange of Thailand

Thai Mitsuwa Public Company Limited (TMW) summarizes the operation results for the three-month period from 1 October 2022 to 31 December 2022 and for the nine-month period compared from 1 April 2021 – 31 December 2021 with the same period of 2020 as follows :

## **The operating results for the period of three months - 2022 / 2021**

( in thousands)

| <b>Income Statements ( Q3 : Oct. - Dec.)</b> | <b>2022</b> |         | <b>2021</b> |         | <b>Change</b> |
|--|-------------|---------|-------------|---------|---------------|
| Revenue from sales - plastic product         | 434,606     | 100.00% | 430,372     | 100.00% | 0.98%         |
| Revenue from sales – magnesium product       | 547,562     | 100.00% | 352,436     | 100.00% | 55.36%        |
| Revenue from sales – mold                    | 15,865      | 100.00% | 22,544      | 100.00% | -29.63%       |
| Total revenue from sales                     | 998,033     | 100.00% | 805,352     | 100.00% | 23.93%        |
| Cost of sales – plastic product              | 392,563     | 90.33%  | 383,937     | 89.21%  | 2.25%         |
| Cost of sales – magnesium product            | 417,413     | 76.23%  | 291,150     | 82.61%  | 43.37%        |
| Cost of sales – mold product                 | 11,263      | 70.99%  | 13,242      | 58.74%  | -14.94%       |
| Total cost of sales                          | 821,239     | 82.29%  | 688,329     | 85.47%  | 19.31%        |
| Gross profit - plastic product               | 42,043      | 9.67%   | 46,435      | 10.79%  | -9.46%        |
| Gross profit - magnesium product             | 130,149     | 23.77%  | 61,286      | 17.39%  | 112.36%       |
| Gross profit - molds                         | 4,602       | 29.01%  | 9,302       | 41.26%  | -50.53%       |
| Total gross profit                           | 176,794     | 17.71%  | 117,023     | 14.53%  | 51.08%        |
| Other income                                 | 4,871       | 0.49%   | 2,256       | 0.28%   | 115.91%       |
| Selling expenses                             | 28,828      | 2.89%   | 25,925      | 3.22%   | 11.20%        |

|                         |        |       |        |       |         |
|-------------------------|--------|-------|--------|-------|---------|
| Administrative expenses | 69,647 | 6.98% | 59,230 | 7.35% | 17.59%  |
| Finance cost            | 121    | 0.01% | 705    | 0.09% | -82.84% |
| Income tax expenses     | 6,424  | 0.64% | 6,859  | 0.85% | -6.34%  |
| Net profit              | 76,645 | 7.68% | 26,560 | 3.30% | 188.57% |

The operating results for the period of nine months - 2022 / 2021

(in thousands )

| Income Statements ( 9 months : Apr.- Dec.) | 2022      |         | 2021      |         | Change  |
|--|-----------|---------|-----------|---------|---------|
| Revenue from sales - plastic product       | 1,283,120 | 100.00% | 1,133,118 | 100.00% | 13.24%  |
| Revenue from sales – magnesium product     | 1,422,903 | 100.00% | 1,060,558 | 100.00% | 34.17%  |
| Revenue from sales – mold                  | 71,886    | 100.00% | 103,657   | 100.00% | -30.65% |
| Total revenue from sales                   | 2,777,909 | 100.00% | 2,297,333 | 100.00% | 20.92%  |
| Cost of sales – plastic product            | 1,155,414 | 90.05%  | 1,016,837 | 89.74%  | 13.63%  |
| Cost of sales – magnesium product          | 1,123,053 | 78.93%  | 852,655   | 80.40%  | 31.71%  |
| Cost of sales – mold product               | 50,753    | 70.60%  | 62,330    | 60.13%  | -18.57% |
| Total cost of sales                        | 2,329,220 | 83.85%  | 1,931,822 | 84.09%  | 20.57%  |
| Gross profit - plastic product             | 127,706   | 9.95%   | 116,281   | 10.26%  | 9.83%   |
| Gross profit - magnesium product           | 299,850   | 21.07%  | 207,903   | 19.60%  | 44.23%  |
| Gross profit - molds                       | 21,133    | 29.40%  | 41,327    | 39.87%  | -48.86% |
| Total gross profit                         | 448,689   | 16.15%  | 365,511   | 15.91%  | 22.76%  |
| Other income                               | 8,488     | 0.31%   | 12,631    | 0.55%   | -32.80% |
| Selling expenses                           | 79,502    | 2.86%   | 62,897    | 2.74%   | 26.40%  |
| Administrative expenses                    | 182,357   | 6.56%   | 172,547   | 7.51%   | 5.69%   |
| Finance cost                               | 609       | 0.02%   | 2,707     | 0.12%   | -77.50% |
| Income tax expenses                        | 21,843    | 0.79%   | 24,127    | 1.05%   | -9.47%  |
| Net profit                                 | 172,866   | 6.22%   | 115,864   | 5.04%   | 49.20%  |

The operating results for the period of Quarter 3, Quarter 2 and Quarter 1- 2022

(from April 2022 – December 2022)

( in thousands )

| Income Statements                            | Quarter 3 |         | Quarter 2 |         | Quarter 1 |         | Q3/Q2   | Q2/Q1   |
|--|-----------|---------|-----------|---------|-----------|---------|---------|---------|
| Revenue from sales<br>- plastic product      | 434,606   | 100.00% | 460,792   | 100.00% | 387,722   | 100.00% | -5.68%  | 18.85%  |
| Revenue from sales<br>– magnesium<br>product | 547,562   | 100.00% | 461,023   | 100.00% | 414,318   | 100.00% | 18.77%  | 11.27%  |
| Revenue from sales<br>– mold                 | 15,865    | 100.00% | 18,449    | 100.00% | 37,572    | 100.00% | -14.01% | -50.90% |
| Total revenue<br>from sales                  | 998,033   | 100.00% | 940,264   | 100.00% | 839,612   | 100.00% | 6.14%   | 11.99%  |
| Cost of sales –<br>plastic product           | 392,563   | 90.33%  | 410,769   | 89.14%  | 354,082   | 91.32%  | -4.43%  | 16.01%  |
| Cost of sales –<br>magnesium<br>product      | 417,413   | 76.23%  | 354,407   | 76.87%  | 351,233   | 84.77%  | 17.78%  | 0.90%   |
| Cost of sales –<br>mold product              | 11,263    | 70.99%  | 12,518    | 67.85%  | 26,972    | 71.79%  | -10.03% | -53.59% |
| Total cost of<br>sales                       | 821,239   | 82.29%  | 777,694   | 82.71%  | 730,287   | 86.98%  | 5.60%   | 6.49%   |
| Gross profit -<br>plastic product            | 42,043    | 9.67%   | 50,023    | 10.86%  | 33,640    | 8.68%   | -15.95% | 48.70%  |
| Gross profit -<br>magnesium product          | 130,149   | 23.77%  | 106,616   | 23.13%  | 63,085    | 15.23%  | 22.07%  | 69.00%  |
| Gross profit -<br>molds                      | 4,602     | 29.01%  | 5,931     | 32.15%  | 10,600    | 28.21%  | -22.41% | -44.05% |
| Total gross profit                           | 176,794   | 17.71%  | 162,570   | 17.29%  | 109,325   | 13.02%  | 8.75%   | 48.70%  |
| Other income                                 | 4,871     | 0.49%   | 7,594     | 0.81%   | 3,398     | 0.40%   | -35.86% | 123.48% |
| Selling expenses                             | 28,828    | 2.89%   | 27,507    | 2.93%   | 23,167    | 2.76%   | 4.80%   | 18.73%  |
| Administrative<br>expenses                   | 69,647    | 6.98%   | 60,313    | 6.41%   | 59,772    | 7.12%   | 15.48%  | 0.91%   |
| Finance cost                                 | 121       | 0.01%   | 188       | 0.02%   | 300       | 0.04%   | -35.64% | -37.33% |
| Income tax<br>expenses                       | 6,424     | 0.64%   | 9,205     | 0.98%   | 6,214     | 0.74%   | -30.21% | 48.13%  |
| Net profit                                   | 76,645    | 7.68%   | 72,951    | 7.76%   | 23,270    | 2.77%   | 5.06%   | 213.50% |

**For the period from 1 April 2022 - 31 December 2022**

**Revenue from sales** 2,777.91 million baht, an increase of 20.92%.

Sales of plastic products increased by 13.24% and magnesium products increased by 34.17%, They increased both domestically and from exports. It can be separated by factory as follows:

1. Revenue from sales of plastic products – domestic

- Pathum Thani factory increased by 7.05%

- Chokchai factory increased by 44.94%

Revenue from sales of plastic products - exports

- Pathum Thani plant increased by 14.87%

- Chokchai factory increased by 154.65%

2. Revenue from sales of magnesium products

- Domestic increased by 20.14%

- Export increased by 77.37%

While the revenue from the production and distribution of molds decreased by 30.65%.

- Pathum Thani plastic factory decreased by 26.97%

- Chokchai plastic factory decreased by 29.40%

- Magnesium factory decreased by 55.65%

**Cost of sales** 2,329.22 million baht, an increase by 20.57% when considering the direct labor and production expenses. The Important items which have an increased proportion when compared to the cost of sales as well as more changes compared to the same period of the previous year are as follows:

1. Salaries and wages of sub-contract employees 202.58 million baht, an increase by 63.48 million baht, the proportion increased from 7.20% to 8.70% of cost of sales. It can be separated by factory as follows:

- Pathumthani plastic factory increased by 13.18 million baht, representing 51.12%

- Chokchai plastic factory increased by 2.78 million baht, representing 6.04%.

- Magnesium factory increased by 47.53 million baht, representing 43.69%

2. Maintenance costs 49.60 million baht, an increase of 19.17 million baht, representing 63.02%, the proportion increased from 1.57% to 2.13% of cost of sales. It can be separated by factory as follows:

- Pathum Thani plastic factory increased by 3.11 million baht, representing 29.63%.

- Chokchai plastic factory increased by 2.86 million baht, representing 146.76%

- Magnesium factory increased by 13.21 million baht, representing 73.41%

3. Energy and fuel costs increased by 35.95 million baht, representing 32.34%, the proportion increased from 5.75% to 6.32% of cost of sales, It can be separated by factory as follows:
- Pathum Thani plastic factory increased by 18.95 million baht, representing 27.89%.
  - Chokchai plastic factory increased by 3.35 million baht, representing 39.80%
  - Magnesium factory increased by 13.66 million baht, representing 39.20%

**Selling expenses** 79.50 million baht, an increase of 26.40%. Expenses related to transportation of goods to customers have the proportion increased from 71% to 77% of selling expenses, worth nearly 17 million baht, representing 37% compared to the same period last year, consisting of transportation expenses, truck fuel and shipping for import and export It can be separated by factory as follows:

- Pathum Thani plastic factory increased by 2.75 million baht, representing 25.26%.
- Chokchai Plastic factory increased by 0.46 million baht, representing 13.84%.
- Magnesium factory increased by 13.34 million baht, representing 43.56%

**Administrative expenses** 182.36 million baht, an increase by 5.69%. The important items are as follows:

1. Wages and salary and monetary compensation which are approximately 50% of administrative expenses. It can be separated by factory as follows:
  - Pathum Thani plastic factory increased by 3.22 million baht, representing 5.44%.
  - Chokchai plastic factory increased by 0.41 million baht, representing 3.50%.
  - Magnesium factory decreased by 0.88 million baht, representing 5.32%
2. Expenses related to travel and transportation of employees which are approximately 20% of administrative expenses, such as fuel costs, expressway fees and employee transportation buses, etc., increased by 7.76 million baht, representing 25.79%, It can separated by factory as follows:
  - Pathumthani plastic factory increased by 1.30 million baht, representing 43.10%
  - Chokchai Plastic factory increased by 0.41 million baht, representing 37.44%.
  - Magnesium factory decreased by 6.01 million baht, representing 23.23%
3. Maintenance cost, which is approximately 5% of administrative expenses, an increase of 2.56 million baht, representing 43.91%

**Other income** 8.49 million baht, an increase by 32.80%, mostly being miscellaneous income from scrap sales and gain/loss from exchange rate.

## Financial ratio

| <u>Liquidity ratios</u>       | As of<br>31/12/2022 | As of<br>30/09/2022 | As of<br>30/06/2022 | As of<br>31/03/2022 |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|
| Liquidity ratios (times)      | 2.27                | 2.17                | 2.29                | 2.19                |
| Quick ratios (times)          | 1.86                | 1.78                | 1.85                | 1.67                |
| <u>Profitability ratios</u>   |                     |                     |                     |                     |
| Gross profit margin (%)       | 16.15%              | 15.28%              | 13.02%              | 14.56%              |
| Operating profit margin (%)   | 6.73%               | 5.68%               | 3.14%               | 4.30%               |
| Cash-to-profit ratio (%)      | 222.58%             | 261.95%             | 421.94%             | 276.57%             |
| Net profit margin (%)         | 6.19%               | 5.37%               | 2.76%               | 3.86%               |
| <u>Financial policy ratio</u> |                     |                     |                     |                     |
| Debt to equity ratio (times)  | 0.31                | 0.31                | 0.27                | 0.27                |

As of December 31, 2022, the current ratio is 2.27 times and the quick ratio is 1.86 times. Liquidity over the nine-month period is similar. Gross profit margin of 16.15%, operating profit margin of 6.73% and net profit margin of 6.19% improved over the past two quarters, while cash to profitability ratio declined to 222.58%, indicating that profitability is still good and the debt to equity ratio of 0.31 times remained close to the previous two quarters.

Based on the revenue from sales and expenses of the nine-month operation results from April 1, 2022 to December 31, 2022, compared to the same period last year as mentioned above.

Revenue from sales of both plastic products and magnesium products increased both domestically and from exports. Except the revenue from the production and distribution of molds decreased by 30.65%, the cost of sales and operating expenses, adjusted in the same direction as the revenue from sales and increased at the rate of 20.57% and 13.04% respectively, is less than the increase in the revenue from sales of 20.92%, resulting in the increase in operating profit of 36.88%.

When considering the operating results from quarter 1 to quarter 3, it can be seen that they have grown steadily, that is, the revenue growing from sales 839.61 million baht to 998.03 million baht and net profit growing from 23.27 million baht to 76.65 million baht.

However, the management views that the increase in power, energy and transportation costs are the importantly negative factors, which have the significant impact on operations and need closely monitoring and controlling.

Please be informed accordingly.

Signature

(Mr.Tetsuji Takeguchi)

Account and Finance Manager