

Overall Business Performance

For the year 2022, it is an important milestone for POLY, with a significant growth being the company's registration to be listed on the Stock Exchange of Thailand to offer its shares to the public as an initial public offering (IPO) on November 16, 2022, along with growth in both revenue and profits.

During the year, there were several significant events that may have impacted the operation results, such as the Russia-Ukraine war which affected both the energy sector and semiconductor shortages, as well as the worldwide inflation that caused the economy to be vulnerable. This led to a more intense financial policy direction both domestically and internationally. Nonetheless, the management team continued to monitor the economic situation and various potential impact factors such as interest rate adjustments, inflation, as well as new trends and opportunities to constantly plan and adjust strategies to achieve the set goals.

The overall revenue growth for the year 2565 increased by 37.6% compared to the previous year 2564, especially in the consumer goods category, which is a new product with relatively high sales volume. This is because the product has been well-received and is in line with the global trend and fast-paced lifestyle of the present time.

The gross profit for the year 2565 also grew, with an increase of 46.9 million baht or 21.1% compared to the previous year 2564. The net profit was 161.7 million baht, an increase of 40.8 million baht or 33.7% from the previous year.

The company continues to focus on risk management by reducing its dependency on any one industry for revenue, and instead, attempts to distribute revenue to industries with growth potential for long-term sustainability. This was achieved in 2022 as a preliminary goal, with the company successfully increasing the proportion of revenue from the consumer goods industry in addition to the automotive industry.

(Unit: million baht)	2021	2022	Increase (Decrease)
Revenue portion by products			
<i>Automotive</i>	61.5%	51.6%	(9.9%)
<i>Consumer products</i>	25.2%	36.4%	11.2%
<i>Medical devices</i>	13.2%	11.9%	(1.3%)
<i>Other income</i>	0.1%	0.1%	-
Total	100.0%	100.0%	

The company aims to increase the proportion of revenue from all three groups by distributing it more evenly, while ensuring sustainable growth in each group to diversify business risks. The proportion of revenue from the automotive group has been consistently decreasing, from 70.4% in 2019 to 63.0% in 2020, and 61.6% in 2021, and in 2022 it accounted for 51.6% of the total revenue. This is due to increased sales of consumer goods, which have seen a growing trend and are expected to continue to grow in the future.

Important financial information

Unit : Million baht	2021	2022	Increase (Decrease)	% Increase (Decrease)
Assets				
Cash and cash equivalents	11.1	410.0	398.9	3593.7%
Trade and other receivables - net	114.4	201.7	87.3	76.3%
Inventories - net	57.7	63.8	6.1	10.6%
Unbilled receivables	25.6	25.9	0.3	1.2%
Other current assets	5.7	5.5	(0.2)	(3.5%)
Total current assets	214.5	706.8	492.3	229.5%
Restricted deposits at financial institution	0.6	-	(0.6)	(100.0%)
Property, plant and equipment - net	912.8	969.0	56.2	6.2%
Intangible assets - net	4.5	4.5	-	0.0%
Other non-current assets	2.6	12.4	9.8	376.9%
Total non-current assets	920.4	986.0	65.6	7.1%
Total assets	1,134.9	1,692.9	558.0	49.2%
Liabilities and equity				
Liabilities				
Short-term loans	11.0	9.9	(1.1)	(10.0%)
Trade and other payables	97.9	141.6	43.7	44.6%
Current portion of				
- Long-term loans - net	80.6	63.6	(17.0)	(21.1%)
- Lease liabilities - net	30.0	28.8	(1.2)	(4.0%)
Income tax payable	14.5	3.2	(11.3)	(77.9%)
Contract liabilities	29.1	1.1	(28.0)	(96.2%)
Other current liabilities	2.2	4.0	1.8	81.8%
Total current liabilities	265.3	252.2	(13.1)	(4.9%)
Long-term loans - net	180.8	124.6	(56.2)	(31.1%)
Lease liabilities - net	66.8	73.0	6.2	9.3%
Deferred tax liabilities - net	23.0	30.5	7.5	32.6%
Employee benefit obligations	11.9	9.4	(2.5)	(21.0%)
Total non-current liabilities	282.4	237.4	(45.0)	(15.9%)
Total liabilities	547.7	489.6	(58.1)	(10.6%)
Equity				
Issued and fully paid-up share capital	330.0	450.0	120	36.4%
Share premium	3.90	679.9	676	17,333.3%
Retained earnings	251.0	70.6	(180.4)	(71.9%)
Other components of equity - net	2.4	2.8	0.4	16.7%
Total equity	587.2	1,203.3	616.1	104.9%
Total liabilities and equity	1,134.9	1,692.9	558.0	49.2%

Important financial information (Con't)

Unit : million baht	2021	2022	Increase (Decrease)	% Increase (Decrease)
Revenue from sales	786.1	1,082.3	296.2	37.7%
Cost of goods sold	(563.8)	(813.0)	(249.2)	44.2%
Gross profit	222.3	269.2	46.9	21.1%
Other income	1.0	1.4	0.4	40.0%
Selling expenses	(12.9)	(13.8)	(0.9)	7.0%
Administrative expenses	(56.5)	(64.3)	(7.8)	13.8%
Expected credit losses (reversal)	2.2	(0.1)	(2.3)	(104.5%)
Other gains (losses)	(0.7)	24.3	25	(3,571.4%)
Finance costs	(14.1)	(24.0)	(9.9)	70.2%
Profit before income tax	141.2	192.7	51.5	36.5%
Income tax expense	(20.3)	(31.1)	(10.8)	53.2%
Net profit for the year	120.9	161.7	40.8	33.7%
Other comprehensive income:				
Item that will not be reclassified to profit or loss	-	0.4	0.4	100%
Other comprehensive income for the year	-	0.4	0.4	100%
Total comprehensive income for the year	120.9	162.1	41.2	34.1%
Basic earnings per share	0.37	0.47	0.10	27.0%

Unit : million baht	2021	2022	Increase (Decrease)	% Increase (Decrease)
Cash flows from operating activities				
Profit before income tax	141.2	192.7	51.5	36.5%
Adjustments:	103.8	117.8	14	13.5%
Changes in operating assets and liabilities:	(55.0)	(159.8)	(104.8)	190.5%
Cash generated from operating activities	190.1	150.8	(39.3)	(20.7%)
Net cash flows used in investing activities	(115.4)	(57.5)	(57.9)	(50.2%)
Net cash flows used in financing activities	(80.6)	305.6	386.2	479.2%
Net increase (decrease) in cash and cash equivalents	(5.9)	398.9	404.8	6,861.0%
Opening balance of cash and cash equivalents	17.0	11.1	(5.9)	(34.7%)
Closing balance of cash and cash equivalents	11.1	410.0	398.9	3593.7%

Performance and Profitability

Revenue by Segment	2021		2022		Increase (Decrease)	% Increase (Decrease)
	Million baht	%	Million baht	%		
Sale Revenue						
Automotives	484.0	61.5%	559.2	51.6%	75.2	15.5%
Consumers	198.2	25.2%	394.6	36.4%	196.4	99.0%
Medicals	103.9	13.2%	128.5	11.9%	24.6	23.6%
Total	786.1	99.9%	1,082.3	99.9%	296.2	37.6%
Others	1.0	0.1%	1.4	0.1%	0.4	40.0%
Total revenue	787.1	100.0%	1,083.7	100.0%	296.6	37.6%

Revenue from sales

In 2022, following the economic recovery after the COVID-19 pandemic, as well as the ongoing Russia-Ukraine conflict and the high inflation rate worldwide, POLY continued to maintain its continuous revenue growth through successful sales, achieving a revenue of 1,082.3 million baht, representing a growth of 37.6% compared to 2021. The details are as follows

Automotive

The products in the automotive parts group continue to grow by 15.5%, and account for 51.6% of the total revenue. This is due to the recovery of car sales, as well as production for new customers that began in the third and fourth quarters of 2022, and for existing customers who ordered additional parts due to the improving situation in the automotive industry.

Consumer products

The products in the consumer goods group are a significant contributor to the revenue growth, with a high growth rate of 99.0% and accounting for 36.4% of the total revenue. Particularly, packaging products made of silicon have seen a continuous increase in orders from customers since 2021, and have been produced and sold since the end of that year. These products have received good feedback from customers due to the continuous trend of increasing consumer demand and their ability to perform well in foreign markets under a globally recognized brand.

Medical devices

The medical equipment group saw a revenue increase of 24.6 million baht, representing a growth rate of 23.6% and accounting for 11.9% of the total revenue. This is due to a significant increase in sales volume, driven by the availability of a wider variety of products in the group.

Cost of sales and gross profit margin

Unit : Million baht	2021	2022	Increase (Decrease)	% Increase (Decrease)
Cost of Sales	563.8	813.0	249.2	44.2%
Gross profit margin	222.3	269.2	46.9	21.1%
Gross profit margin (%)	28.3%	24.9%	(3.4%)	

The gross profit for the year 2022 was 269.2 million baht, an increase of 46.9 million baht or 21.1% from the previous year, primarily due to higher sales volume. However, the gross profit margin decreased from 28.3% to 24.9% due to the type of revenue. In 2021, revenue from mold making, which has a higher gross profit margin than the sales of goods, was recognized in the fourth quarter of 2021. But in 2022, the majority of revenue was generated from the sales of goods, resulting in a lower gross profit margin compared to the previous year.

Cost of sales	2021		2022		Increase (Decrease)	% to revenue Increase (Decrease)
	Million baht	% to revenue	Million baht	% to revenue		
Raw material cost	286.2	36.4%	464.5	42.9%	178.3	6.5%
Labour cost	110.7	14.1%	149.5	13.8%	38.8	(0.3%)
Depreciation and amortization	74.6	9.5%	86.2	8.0%	11.6	(1.5%)
Other overhead cost	92.3	11.7%	112.8	10.4%	20.5	(1.3%)
Total cost of sales	563.8	71.7%	813.0	75.1%	249.2	3.4%

For the year 2565, the gross profit rate is reduced from 28.3% to 24.9% due to the proportion of revenue from the sale of printing machines, which have a cost structure that differs from the sale of products. The printing machines have a relatively high initial profit rate, with the majority of the increased revenue in 2565 coming from the sale of products with a lower initial profit rate. In addition, the cost of raw materials, petrochemicals, and basic materials increased significantly compared to the same period in 2564, as a result of the Russia-Ukraine conflict that caused crude oil prices to soar. Adjusting product prices is not immediately feasible due to quarterly price reviews with customers, which affects the ratio of raw material costs that have increased from 38.2% to 43.3% as shown in the table above. Labor costs, depreciation, and other production expenses have decreased proportionally due to improved production capacity.

The analysis of revenue, Cost of sales and gross margin of each product group can be shown as follows

Automotive

Unit : Million baht	2021	2022	Increase (Decrease)	% Increase (Decrease)
Revenue	484.0	559.2	75.2	15.5%
Cost of sales	392.2	458.9	66.7	17.0%
Gross profit	91.8	100.3	8.5	9.3%
% Gross profit margin	19.0%	17.9%	(1.1%)	

In 2022, the revenue of auto parts increased by 75.2 million Baht, or 15.5%, compared with the previous year, and the gross profit was 100.3 million Baht. Due to the recovery of auto manufacturers, it increased by 8.5 million Baht or 9.3% over the previous year, including new workpiece orders for existing customers and new customers due to the impact of the Russian-Uzbekistan war from the second quarter to the third quarter, the gross profit rate has decreased, resulting in a continuous rise in the price of raw materials. The fourth quarter was affected by the weakening of the Thai baht exchange rate. However, POLY can negotiate with customers to adjust prices quarterly. The gross profit rate will be affected in a short time before the new sales price takes effect.

Consumer products

Unit : Million baht	2021	2022	Increase (Decrease)	% Increase (Decrease)
Revenue	198.2	394.6	196.4	99.1%
Cost of sales	131.9	300.7	168.8	128.0%
Gross profit	66.3	93.9	27.6	41.6%
% Gross profit margin	33.4%	23.8%	(9.7%)	

Consumer goods revenue increased by 196.4 million Baht, or up 99.1%, and gross profit increased by 27.6 million Baht or 41.6%. The orders of new customers started from mold production in 2021, and the sales of workpieces have started this year. In 2022, the product will enter the market in the first quarter of 2022 and continue to expand sales channels. As a result, the growth of consumer goods income was relatively high, and the gross profit margin fell from 33.4% to 23.8%. Since the income realized in 2022 is mainly workpieces, the gross profit rate is lower than that of molds.

Medical devices

Unit : Million baht	2021	2022	Increase (Decrease)	% Increase (Decrease)
Revenue	103.9	128.5	24.6	23.7%
Cost of sales	39.7	53.5	13.8	34.8%
Gross profit	64.2	75.0	10.8	16.8%
% Gross profit margin	61.8%	58.4%	(3.4%)	

The revenue of the medical equipment group increased by 24.6 million Baht, or up 23.7%, and the gross profit increased by 10.8 million Baht or 16.8%, due to the growth of existing customers and new products, the gross profit margin is relatively high. However, due to the new products that will be sold in 2022, there may be a slight decline. It has a different cost structure from products, and its gross profit rate is not as high as the main products sold before. It reduces the gross profit margin of medical equipment.

Overall expenses

Overall expenses	2021		2022		Increase (Decrease)	% Increase (Decrease)
	Million baht	%	Million baht	%		
Selling expenses	12.9	19.0%	13.8	17.7%	0.9	6.6%
Administrative expenses	56.5	83.2%	64.3	82.2%	7.8	36.0%
(Reversal) Expected credit losses	(2.2)	(3.3%)	0.1	0.2%	2.3	3.5%
Total Expenses	67.2	100.0%	78.2	100.0%	11.0	16.4%

In 2022, total expenditure increased from 67.2 million baht to 78.2 million baht, an increase of 11 million baht or 16.4%. Most of this was due to an increase of 7.8 million baht in administrative expenses and the changes in expected credit losses that will increase reserves and record as expenses in 2022 by 1 million Baht, but compared with 2021, the credit loss is expected to increase due to the debtor's repayment by 2.3 million baht.

Selling expenses

Selling expenses	2021		2022		Increase (Decrease)	% Increase (Decrease)
	Million Baht	%	Million Baht	%		
Salary and remuneration	8.8	1.1%	9.8	0.9%	1.0	(0.2%)
Marketing expenses	0.8	0.1%	0.4	0.1%	(0.4)	-
Other selling expenses	3.3	0.4%	3.6	0.3%	0.3	(0.1%)
Total selling expenses	12.9	1.6%	13.8	1.3%	0.9	(0.3%)

In 2022, the sales expenses were 13.8 million Baht, an increase of 0.8 million Baht or 0.3% over 2021. Most of them are changes in wages and salaries, which are caused by wage adjustments and the resignation of old employees and new employees. At present, due to the high sales volume, the ratio of sales expenses to revenue is 1.3%, down from 1.6% in the previous year, but most of the sales expenses are fixed costs.

Administrative expenses

Administrative expenses	2021		2022		Increase (Decrease)	% Increase (Decrease)
	Million Baht	%	Million Baht	%		
Salary and remuneration	26.7	3.4%	29.8	2.8%	3.1	(0.6%)
Consulting and professional fees	9.4	1.2%	10.1	0.9%	0.7	(0.3%)
Utilities and maintenance	7.1	0.9%	8.0	0.7%	0.9	(0.2%)
Depreciation and amortization	8.5	1.1%	9.0	0.8%	0.5	(0.3%)
Other administrative expenses	4.9	0.6%	7.4	0.7%	2.5	51.0%
Total administrative expenses	56.5	7.2%	64.3	5.9%	7.8	(1.2%)

In 2022, the administrative expenses will be 64.3 million baht, an increase of 7.8 million baht or 13.8% over 2021. This is mainly due to the increase of 0.7 million baht in the service fees and consultants of the stock exchange. The expenses of management and employees increased by 3.1 million baht, due to the increase of bonuses based on better performance and other management expenses increase of 2.5 million baht, most of which are related to the listing of the Thai Stock Exchange. The proportion of administrative expenses in sales revenue decreased to 5.9% because most of the expenses are fixed and will not change according to income.

Other income

The main components of the "Other income/(loss)" category are mainly profit/loss from unrealized foreign exchange rate differences and profit/loss from asset sales.

For the year 2022, POLY had a net other income of 6.1 million baht. The majority of this income came from a net profit on the sale of equipment of 23.6 million baht. This item represents the sale of machinery to customers who require the full capacity of said machinery for their own production, and do not want it to be used for other non-customer-related production.

Finance cost

Finance cost (Unit : Million Baht)	2021	2022	Increase (Decrease)	% Increase (Decrease)
Interest expenses	14.1	19.1	7.4	63.3%
Loan interest	11.7	4.9	2.5	104.2%
Hire purchase interest	2.4	24.0	9.9	70.2%

In 2022, the financial cost was 24 million baht, increasing of 9.9 million baht or 70.2% over the previous year, including the increase in loan interest of 7.4 million baht because the company increased short-term loans, and the other part increased debt interest under the lease agreement at 2.5 million baht because the company purchased machines for operation and supported sales growth. Another factor leading to the rise of financial costs is the policy interest rate adjustment of the Bank of Thailand. Since August 2022, the policy interest rate has increased, and increased twice in September and November in 2022. The policy interest rate rose to 0.75%, increasing financial costs in the third and fourth quarters of 2022.

Net profit and Net profit margin

Net profit and Net profit margin (Unit : Million Baht)	2021	2022	Increase (Decrease)	% Increase (Decrease)
Net profit	120.9	161.7	40.8	33.7%
Net profit margin	15.4%	14.9%	(0.4%)	

The net profit for the year 2022 was 161.7 million baht, an increase of 40.8 million baht or 33.7% from the previous year. The main reason for the increase is due to the increase in revenue. However, the net profit margin decreased slightly due to the decreased initial profit margin and increased financial costs. Moreover, the selling and administrative expenses as a proportion of revenue decreased, combined with other profits from machinery sales to customers, resulting in a slight decrease in the net profit margin.

Statement of financial position

Statement of financial position (Unit : Million Baht)	2021	2022	Increase (Decrease)	% Increase (Decrease)
Assets				
Current assets	214.5	708.6	494.1	230.4%
Non-current assets	920.4	984.3	63.9	6.9%
Total assets	1,134.9	1,692.9	558.0	49.2%
Liabilities				
Current liabilities	265.3	242.3	(23.0)	(8.7%)
Non-current liabilities	282.4	247.3	(35.1)	(12.4%)
Total liabilities	547.7	489.6	(58.1)	(10.6%)
Equity				
Shares capital	330.0	450.0	120.0	36.4%
Paid-in capital	3.9	680.3	676.4	17343.6%
Retained earnings	250.9	70.6	(180.4)	(71.9%)
Other components of equity	2.4	2.4	-	-
Total equity	587.2	1,203.3	616.1	104.9%

Assets

As of December 31, 2022, the total assets of the company were 1.6929 billion Baht, increasing 558 million Baht, or 49.2%, divided into current assets 494.1 million baht, and non-current assets increased by 63.9 million baht. The main reasons for the increase in current assets are: raised funds through the Thai Stock Exchange and increased cash and bank deposits trade receivables and inventory growth in the same direction as revenue growth. Non-current assets increased due to investment in more machines for supporting the expansion of the production capacity of existing customers and new customers who need additional machines.

Liabilities

As of December 31, 2022, the company's total liabilities were 489.6 million Baht, decreasing of 58.1 million Baht or 10.6%, which was divided into current liabilities 23 million baht, non-current liabilities decreased by 35.1 million baht, and current liabilities decreased by 23 million baht, mainly due to the decrease in contractual liabilities 28 million baht due to the reduction of delivery and income tax in November. After deducting the increase of trade creditors, the increase of trade creditors is in the same direction as the increase in sales of 43.7 million baht. Non-current liabilities decreased due to the repayment of principal during the period.

Equity

As of December 31, 2022, the total shareholders' equity of the company was 1.2033 billion Baht, increasing of 616.1 million Baht because of raising funds through Thailand Stock Exchange The increase in accumulated profit is due to the net profit of the year of 161.7 million baht, less the total dividend payment during the period of 342.1 million baht.

Significant Financial Ratios

Financial Ratios	2021	2022	Increase (Decrease)
Liquidity Ratio (time)	0.8	2.8	2.0
Gross Profit Margin	28.3%	24.9%	(3.4%)
Net Profit Margin	15.4%	14.9%	(0.5%)
Return on Equity	23.0%	18.1%	(4.9%)
Return on Asset	11.6%	11.4%	(0.2%)
Debt to Equity (time)	0.9	0.4	(0.5)
Interest-Bearing Debt to EBITDA Ratio (time)	1.5	1.0	(0.5)

Liquidity Ratio (time)

Due to the increase in cash raised by the Thai Stock Exchange, the liquidity ratio increased from 0.8 times to 2.8 times and the increase of operating assets, while the balance of current liabilities decreased, increasing the liquidity ratio.

Gross Profit Margin

The gross profit margin decreased from 28.3% to 24.9%, down 3.4% compared with 2021 because the mold sales revenue in 2021 was very high. The gross profit margin of mold sales is much higher than that of workpiece sales, but in 2022, the increase in sales was mainly due to the increase in sales of workpieces, resulting in a decrease in gross profit margin.

Net Profit Margin

The net profit margin decreased slightly from 15.4% to 14.9%, mainly due to the decrease in gross profit due to the above reasons and the increased financial costs of short-term loans in the first three quarters. On the other hand, sales and management costs reduce the revenue ratio and other profits from selling machines to customers.

Return on Equity

As the company's net profit increased by 33.7% over the previous year, the shareholder's rate of return decreased from 23.0% to 18.1%. At the same time, due to raising funds through the stock exchange in the fourth quarter of 2022, shareholders' equity increased by 104.9% over the previous year. As a result, the return rate of shareholders is reduced. However, in the long run, the company is expected to benefit from fundraising by investing in machines to accommodate more customers and developing production methods to improve competitiveness. It can create higher long-term shareholder returns in the future.

Return on Asset

The return on assets decreased slightly from 11.6% to 11.4%. As the assets of the automobile and motorcycle headlamp production project are under construction, the project was launched in the first quarter of 2022, and it will be completed in the fourth quarter, and the revenue in the fourth quarter will be recognized recently, which may have a slight impact on the return on assets.

Interest-Bearing Debt to EBITDA Ratio (time)

IBD/EBITDA decreased from 1.5 times to 1 time, mainly due to higher operating profit and lower interest burden than last year. Due to the payment within the year, the financial ratio decreased.