

PINTHONG

INDUSTRIAL ESTATE

Pinthong Industrial Park Public Company Limited

MANAGEMENT DISCUSSION

AND ANALYSIS



Q1 /2023



Executive Summary

Operating Highlights	Q1/22	Q4/22	Q1/23	Change +/-	
				%YoY	%QoQ
Unit : Million THB					
Operating Revenue	365.6	538.0	478.5	30.9%	(11.1%)
Gros Profit	197.3	304.5	250.0	26.7%	(17.9%)
EBITDA	182.5	278.0	230.4	26.2%	(17.1%)
Net Profit (Loss)	138.1	215.3	156.9	13.6%	(27.1%)
Gross Profit Margin (%)	53.9%	56.6%	52.2%	(1.7%)	(4.3%)
EBITDA Margin (%)	48.2%	50.7%	47.0%	(1.2%)	(3.7%)
Net Profit Margin (%)	36.5%	39.3%	32.0%	(4.5%)	(7.3%)

In Q1/2023, Pinthong Industrial Park Public Company Limited reported an Operating Revenue of Baht 478.5 million, increased by 30.9% and Net Profit of Baht 156.9 million, increased by 13.6% compared to Q1/2022 from the growth in every business units, especially from the real estate sales which corresponds to the increase in land transfers from domestic and foreign customers. This was supported by the relaxation of measures to control the spread of the COVID-19 virus, reopening country, and the increased in relocation of the investment base of foreign investors. In addition, in 2023, Pinthong Industrial Park Public Company Limited will continuously seek for new opportunities for growth by seeking more lands for new industrial estate's expansion, as well as seeking for new business opportunities to generate higher revenue for the Company by leveraging both existing and new customers.

YoY: Q1/2023 vs Q1/2022



- In Q1/2023, Pinthong Industrial Park Public Company Limited reported an Operating Revenue of Baht 478.5 million, increased by 30.9% from Q1/2022, mainly due to from the real estate sales which corresponds to the increase in land transfers from domestic and foreign customers as a result from the relaxation of measures to control the spread of the COVID-19 virus, the reopening of the country, and the increased in relocation of the investment base of foreign investors while revenue from other sales and services also increased.
- Gross Profit Margin was 52.2%, slightly decreased from 53.9% in Q1/2022, mainly due to the Company's ability to maintain profit levels.
- Net Profit was Baht 156.9 million, increased by Baht 18.8 million or 13.6% from Q1/2022. This was mainly due to an increase in real estate sales which corresponds to an increase in land transfers from domestic and foreign customers as a result of the relaxation of measures to control the spread of the COVID-19 virus, the increased in relocation of the investment base in foreign investors including an increasing number of customers in industrial estates as well as the ability to manage costs more efficiently.

QoQ: Q1/2023 vs Q4/2022



- In Q1/2023, the Group reported Consolidated Operating Revenue of Baht 478.5 million, decreased by 11.1% from Q4/2022, mainly due to a decreased in revenue from Real Estate Sales which resulted from a decrease of land transfer. However, as of 31 March 2023, the Company reported backlog revenue in total of 175 Rai which will gradually recognize revenue throughout 2023.
- Gross Profit Margin was 52.2% decreased by 56.6% from Q4/2022, mainly due to a decrease in real estate sales from the decrease in land transfers.
- The Group recorded Net Profit of Baht 156.9 million, decreased by Baht 58.4 million or 27.1% from Q4/2022, corresponding to the decrease in total revenue from the decrease in land transfers and the lack of privileges from investment promotion certificate.



Key Milestones and Q1/2023 Significant Events



The strong growth performance in Q1/2023

In Q1/2023 the Company generated a revenue from real estate sales of Baht 422.2 million , increased by Baht 107.3 million or 34.1% compared to Q1/2022 due to the increased in land transfers from both domestic and international customers. Additionally, the Company benefited from the relocation of production bases due to the trade war between China and the United States.



The sustainable growth driven by electricity generation from solar

Currently, the Company has signed a solar power plant project installation contract with a customer for a total of 1 megawatt. The Company expects the installation will be completed and with COD within July 2023. In addition, several customers are in the negotiation period. This project is part of the Company's strategy to grow sustainably and increasing recurring revenue.



Interest in PIN 6 land continues to grow in response to the trend of electric cars

In Q1/2023, the Company signed a contract for PIN 6 to increase 70 rai and in the process of negotiations for an addition of 500 rai due to the increase in automotive industry corresponding to the increasing demand of electric vehicle (EV). The government and the BOI's support have encouraged Auto Part manufacturers to establish new factories. The strategic location and the availability of high standard facilities in PIN 6, makes it an attractive option for various industries.

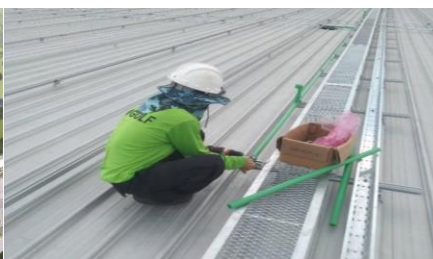
Progress update in Q1/2023



Logistics Park Project Development



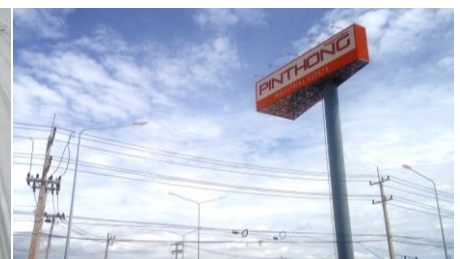
- Currently under construction of roads and public utilities and expected to be completed by June 2023.



Solar Power Project Development



- In the process of installing solar panels for customers which will start recognizing revenue within Q3/2023



Pinthong 5 Expansion Project Development



- The Pinthong 5 expansion Project, area of 1,155 rai, is currently in the process of preparing an Environment Impact Assessment Report (EIA) and is expected to start recognizing revenue in early 2025.

Operating Results

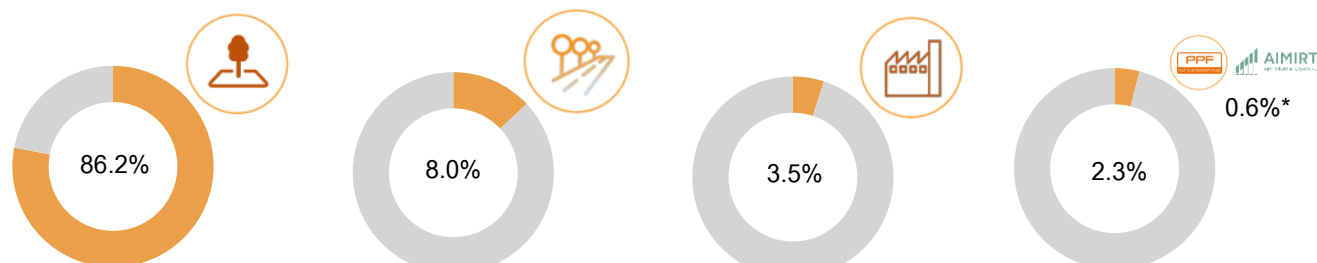
Results Overview	Q1/22	Q4/22	Q1/23	Change +/-	
				%YoY	%QoQ
Unit : Million THB					
Operating Revenue	365.6	538.0	478.5	30.9%	(11.1%)
Cost of Sales and Service	(168.4)	(233.6)	(228.5)	35.7%	(2.2%)
Gross Profit	197.3	304.5	250.0	26.7%	(17.9%)
Other Income	12.9	10.0	11.4	(11.3%)	14.1%
Selling and distribution expenses	(6.0)	(12.3)	(8.7)	45.4%	(28.7%)
Administrative expenses	(37.2)	(40.7)	(40.2)	7.8%	(1.2%)
Financial cost	(26.0)	(24.1)	(18.4)	(29.2%)	(23.6%)
Profit (Loss) before Income Tax Expense	140.9	237.4	194.1	37.8%	(18.2%)
Income Tax expenses	(2.8)	(22.1)	(37.2)	1,246.9%	68.0%
Net Profit (Loss)	138.1	215.3	156.9	13.6%	(27.1%)

Notes: Values may differ by one decimal point due to rounding

Operating Revenue Structure

Pinthong Industrial Park Public Company Limited operates the development and management of industrial estates, utility facilities, commercial areas, and real estate development. The Company divides its business into 4 categories, which are as follows:

Q1/2023 Operating Revenue Structure



Land Sales Business in Industrial Estate

- Currently, PIN has a total of 7 projects. They are divided into 6 industrial estates, which are PIN1-PIN6, and the Logistics Park project which is 'Pinthong Land'

Common Area and Utilities Service Business

- Services for common areas
- Wastewater treatment
- Water supply
- Electricity supply
- Raw water service
- Fiber optic service

Warehouses/ Factories Rental Business

- Ready-built factories and warehouse for rent, size 1,000 – 3,000 sq.m.
- Factories and warehouses for rent which are built to suit service

Property Fund Asset Management

- The company act as a property manager for factories and warehouses owned by the fund, under supervision of approximately 145,000 square meters.

*Remark: Revenue from PPF Fund and AIMIRT are classified in Other Revenues

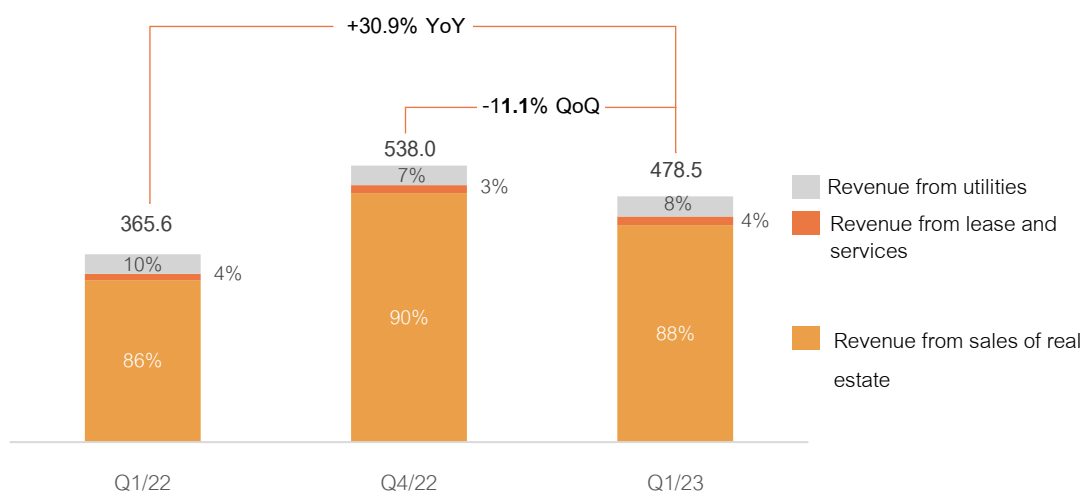
Operating Results

Revenue Structure	Q1/22	Q4/22	Q1/23	Change +/-	
				%YoY	%QoQ
Unit : Million THB					
Operating Revenue					
Revenue from Sales of Real Estate	314.9	484.7	422.2	34.1%	(12.9%)
Revenue from Lease and Services	12.7	15.1	16.9	33.5%	12.4%
Revenue from Utilities	38.0	38.2	39.4	3.5%	3.1%
Total Operating Revenue	365.6	538.0	478.5	30.9%	(11.1%)
Other Income	12.9	10.0	11.4	(11.3%)	14.1%
Total Revenue	378.5	548.0	489.9	29.4%	(10.6%)

Notes: Values may differ by one decimal point due to rounding

1. Operating Revenue

Unit : Million THB,%



+30.9% YoY: Q1/2023 vs Q1/2022

In Q1/2023, the Group reported Consolidated Operating Revenue of Baht 478.5 million, increased by Baht 112.9 million or 30.9% from Q1/2022, mainly due to:

- **Revenue from Real Estate Sales** was Baht 422.2 million increased by Baht 107.3 million or 34.1%, mainly due to an increase of land transfer from domestic and foreign customers mainly from China. This was a result from the Chinese government opening the country following the improved COVID-19 situation and relocating production bases due to the trade war between China and the United States. Land transfer increased by 20.2 Rai from 73.9 rai in Q1/2022 to 94.0 Rai in Q1/2023 and the backlog revenue in total of 175 Rai.
- **Revenue from Lease and Services** was Baht 16.9 million in Q1/2023, increased by Baht 4.3 million or 33.5% , mainly due to the Company's ability in landing new tenants for the warehouse, which increased the average rental space by 7,756 sq.m or 4 units. As of 31 March 2023, the Company reported 68.6% of the rental rate.
- **Revenue from Utilities** was Baht 39.4 million in Q1/2023, increased by Baht 1.3 million or 3.5% due to an increase in tap water sales and common area service fees corresponding to an increase in production activities by customers and number of Industrial estate customers, as well as the recognition of fiber optic service fees since May 2022.

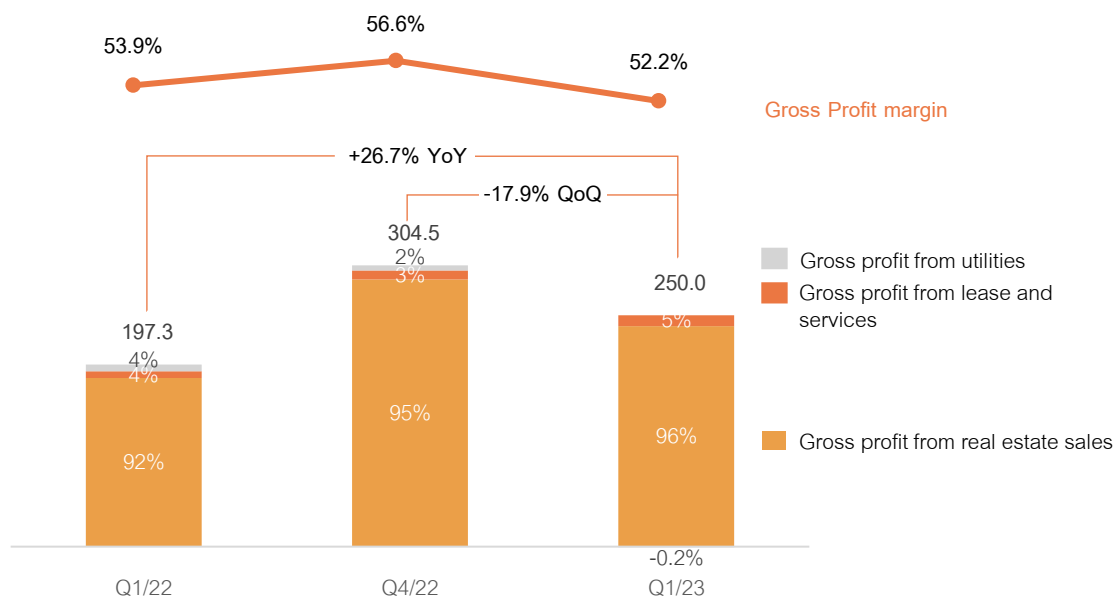
-11.1% QoQ: Q1/2023 vs Q4/2022

In Q1/2023, the Group reported Consolidated Operating Revenue of Baht 478.5 million, decreased by Baht 59.5 million or 11.1% from Q1/2022, mainly due to:

- **Revenue from Real Estate Sales** was Baht 422.2 million in Q1/2023, decreased by Baht 62.6 million or 12.9%, mainly due to a decrease in transfer of land in Q1/2023. The total land sales transfer was 94.0 Rai in Q1/2023 and in Q4/2022 was 113.7 Rai, decreased by 19.7 Rai. However, as of 31 March 2023, the Company reported backlog revenue in total of 175 Rai which the revenue will gradually be recognized throughout 2023.
- **Revenue from Lease and Services** was Baht 16.9 million in Q1/2023, increased by Baht 1.9 million or 12.4%, mainly due to the Company's ability in landing new tenants for the warehouse, which increased the average rental space by 3,310 sq.m or 2 units. As of 31 March 2023, the Company reported 68.6% of the rental rate.
- **Revenue from Utilities** was Baht 39.4 million in Q1/2023, increased by Baht 1.2 million or 3.1%, mainly due to an increase in tap water sales and common area service fees corresponding to an increase in production activities by customers and number of Industrial estate customers, as well as the fiber optic service fees from new customers.

2. Gross profit and Gross Profit margin

Unit : Million THB,%



+26.7% YoY: Q1/2023 vs Q1/2022

Gross Profit

In Q1/2023, the Group recorded Gross Profit of Baht 250.0 million, increased by Baht 52.8 million or 26.7% from Q1/2022, mainly due to:

- **Gross Profit from Real Estate Sales** was Baht 238.8 million in Q1/2023, increased by Baht 56.3 million or 30.8% corresponding to the increase in real estate sales from an increase in land transfers. This was a result from the Chinese government opening the country following the improved COVID-19 situation. Along with the uncertainty of the trade war between China and the United States
- **Gross Profit from Lease and Service** was Baht 11.7 million in Q1/2023, increased by Baht 4.2 million or 55.8% from Q1/2022, corresponding to the increase in sales from new tenants.
- **Gross Profit from Utilities** was negative Baht 0.5 million in Q1/2023, decreased by Baht 7.7 million or 106.6% from Q1/2022, mainly due to an increase in electricity and utilities maintenance costs.

Gross Profit Margin was 52.2%, slightly decreased from 53.9% in Q1/2022 indicating the Company's ability to maintain the profit levels.

-17.9%

QoQ: Q1/2023 vs Q4/2022

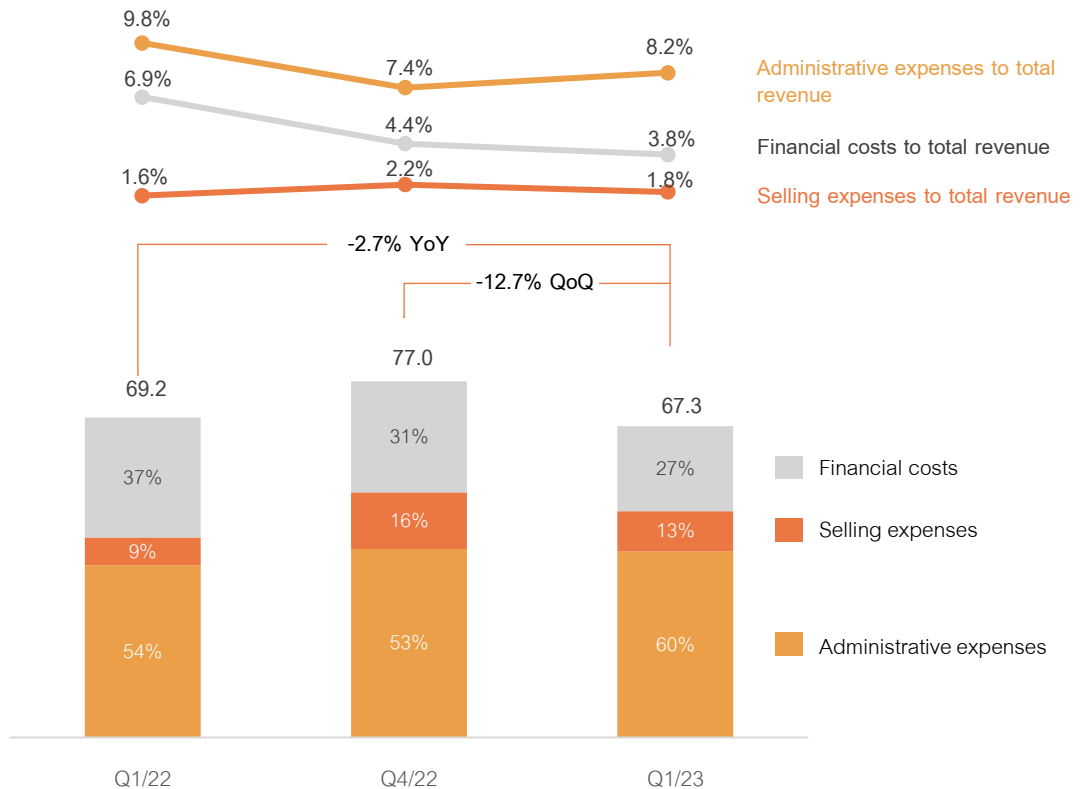
In Q1/2023, the Group recorded Gross Profit of Baht 250.0 million, decreased by Baht 54.4 million or 17.9% compared to Q4/2022, mainly due to:

- **Gross Profit from Real Estate** was Baht 238.8 million in Q1/2023, decreased by Baht 50.5 million or 17.5%, mainly due a decrease in the amount of land transfers during the period, corresponding to decrease in real estate sales.
- **Gross Profit from Lease and Services** was Baht 11.7 million in Q1/2023, increased by Baht 2.0 million or 20.7% due to an increase in new tenants.
- **Gross Profit from Utilities** was negative Baht 0.5 million in Q1/2023, decreased by Baht 5.9 million or 108.7% from Q4/2022, mainly due to an increase in electricity and utilities maintenance costs.

Gross Profit Margin was 52.2%, decreased from 56.6% in Q4/2022, mainly due to the decrease in real estate sales from the decrease in the volume of land transfers.

3.Selling and Distribution Expenses and Financial costs

Unit : million THB, %



-2.7%

YoY: Q1/2023 vs Q1/2022

Administrative Expenses

● In Q1/2023, the Group recorded Administrative Expenses of Baht 40.2 million, increased by Baht 2.9 million or 7.8% from Q1/2022, mainly due to the increasing service fee for the use of the organization's management system (Oracle Cloud Enterprise Resource Planning) and computer program fees of Pinthong Utilities Co., Ltd. and Pinthong Solar Power Co., Ltd. In order to increase the stability of the company's operations to be more efficient, including land and building taxes and IEAT service supervision fees that returned to normal rates after the COVID-19 epidemic situation.

● Administrative Expenses to Total Revenue was 8.2% in Q1/2023, improved from 9.8% in Q1/2022, mainly due to the increase in sales revenue from all business units.

Selling and Distribution Expenses

● In Q1/2023, the Group recorded Selling and Distribution Expenses of Baht 8.7 million, increased by Baht 2.7 million or 45.4% from Q1/2022, mainly due to the increase in promotional expenses corresponding to the increase in land sales. As well as the increased in marketing costs for domestic and foreign customers through website and online platform.

● Selling and Distribution Expenses to Total Revenue was 1.8%, slightly increased from 1.6% from Q1/2022, mainly due to the increase in promotional expenses corresponding to the increase in land sales

Financial Cost

● In Q1/2023, the Group recorded financial costs of Baht 18.4 million, decreased by Baht 7.6 million or 29.2% from Q1/2022, mainly due to the adjustment from the borrowing costs to development costs of the Pinthong 5 expansion projects and the repayment of loans to financial institutions.

● Financial costs to Total Revenue was 3.8%, improved from 6.9% from Q1/2022, mainly due to the adjustment from the borrowing costs to development costs of the Pinthong 5 expansion projects and the repayment of loans to financial institutions.

-12.7%

QoQ: Q1/2023 vs Q4/2022

Administrative Expenses

● In Q1/2023, the Group recorded Administrative Expenses of Baht 40.2 million, slightly decreased by Baht 0.5 million or 1.2% from Q4/2022, displaying the ability of the Company to manage expenses effectively.

● Administrative Expenses to Total Revenue was 8.2% in Q1/2023, improved from 7.4% in Q4/2022, mainly due to the decrease in sales revenue from real estate and lease, combined with an increase in service fees to add licenses to use the organization's management system (Oracle Cloud Enterprise Resource Planning) and computer software fees of Pinthong Utilities Company Limited and Pinthong Solar Power Company Limited. in order to increase the stability of the company's operations to be more efficient.

Selling and Distribution Expenses

● In Q1/2023, the Group recorded Selling and Distribution Expenses of Baht 8.7 million, decreased by Baht 3.5 million or 28.7% from Q4/2022, mainly due to the decrease in promotional expenses corresponding to the decrease in land sales

● Selling and Distribution Expenses to Total Revenue was 1.8% in Q1/2023, improved from 2.2% in Q4/2022

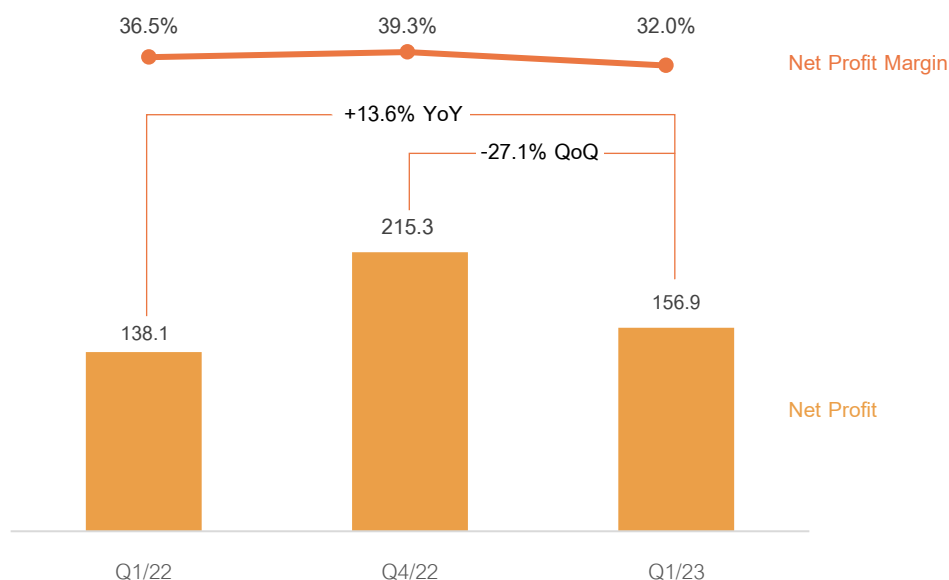
Financial Cost

● In Q1/2023, the Group recorded financial costs of Baht 18.4 million, decreased by Baht 5.7 million or 23.6% from Q4/2022, mainly due to the adjustment from the borrowing costs to development costs of the Pinthong 5 expansion project and the repayment of loans to financial institutions.

● Financial costs to Total Revenue was 3.8%, improved from 4.4% from Q4/2022, mainly due to the adjustment from the borrowing costs to development costs of the Pinthong 5 expansion projects and repayment of loans to financial institutions.

4. Net Profit and Net Profit Margin

Unit : million THB, %



+13.6%

YoY: Q1/2023 vs Q1/2022

Net Profit

In Q1/2023, the Group recorded Net Profit of Baht 156.9 million, increased by Baht 18.8 million or 13.6% from Q1/2022, corresponding to the increase in total revenue from the increase in land transfers of domestic and foreign customers from the relaxation of measures to control the spread of the COVID-19 virus and the relocation of foreign investors' investment bases. In addition, the increase in net profit was also from the increase in new tenants, as well as the increase in customers in the industrial estates along with the Company's ability to manage costs more effectively.

Net Profit Margin

Net Profit Margin was 32.2% in Q1/2023, decreased from 36.5% in Q4/2021, mainly due to the lack of privileges from investment promotion certificate from the Board of Investment (BOI) for corporate income tax exemption of Pinthong 5 Industrial Estate.

-27.1%

QoQ: Q1/2023 vs Q4/2022

Net Profit

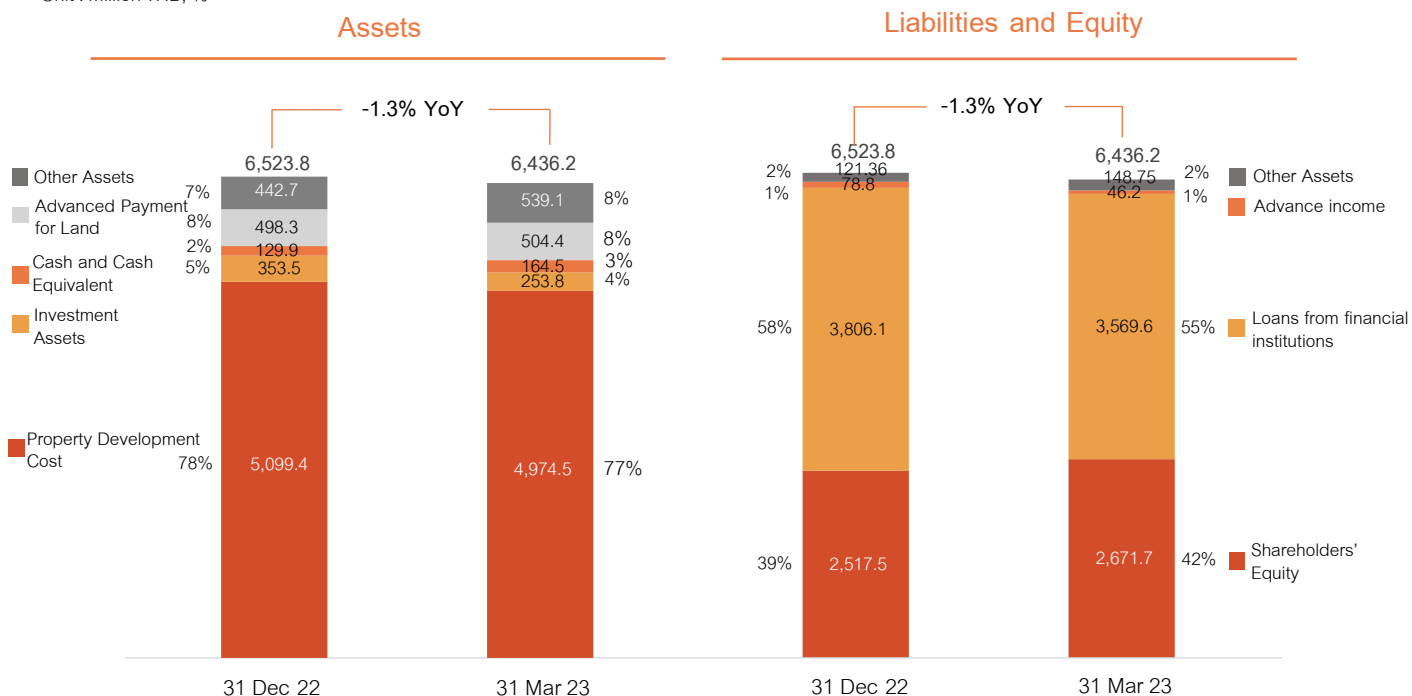
In Q1/2023, the Group recorded Net Profit of Baht 156.9 million, decreased by Baht 58.4 million or 27.1% from Q4/2022, corresponding to the decrease in total revenue from the decrease in land transfers of domestic and foreign customers. Along with the increase in land cost due to the maintenance before transfer as well as the increase in electricity and utilities maintenance costs.

Net Profit Margin

Net Profit Margin was 32.0% in Q1/2023, decreased from 39.3% in Q4/2022, mainly due to the decrease in revenue from real estate sales and from lease and services as well as an increase in electricity and utilities maintenance costs.

Statement Of Financial Position

Unit : million THB, %



-1.3% Total Assets



As of 31 March 2023, the Total Assets of the Group were Baht 6,436.2 million, decreased by Baht 87.5 million or 1.3% from 31 December 2022 mainly due to:

- **Advanced Payment for Land:** increased by Baht 34.6 million mainly due to receiving the deposit payment of land sale and the sale of ready built factory.
- **Investment property:** decreased by Baht 99.6 million mainly due to the reclassification of assets from investment properties to sales assets since customer deposits for purchase the ready built factory.
- **Property Development Cost:** decreased by Baht 124.9 million mainly due to the transfer of land sales during the period

-6.0% Total Liabilities



As of 31 March 2023, the Total Liabilities of the Group were Baht 3,764.5 million, decreased by Baht 241.8 million or 6.0% from 31 December 2022 mainly due to:

- **Advanced income:** decreased by Baht 32.7 million from the transfer of land sales during the period.
- **Loan from Financial Institution:** decreased by Baht 236.5 million due to the repayment of loans to financial institutions during the period.

+6.1% Total Shareholders' Equity

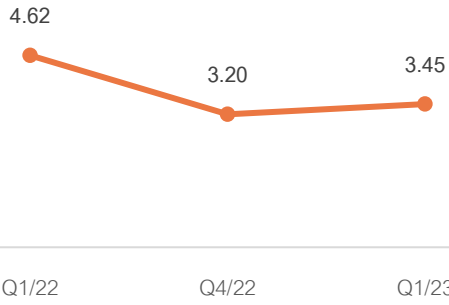


As of 31 March 2023, the Total Equity of the Group was Baht 2,671.7 million, increased by Baht 154.2 million or 6.1% from 31 December 2022, mainly due to an increase in operating profits.

Key Financial Ratios

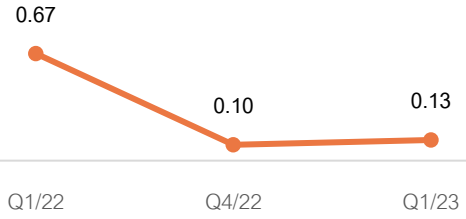
Current Ratio

Unit : Times



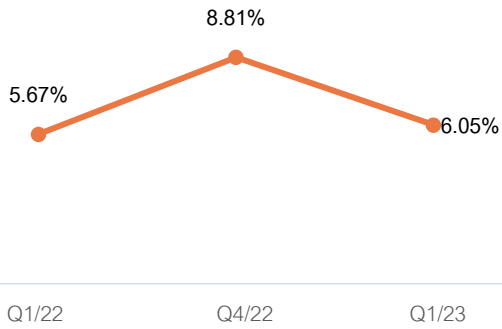
Quick Ratio

Unit : Times



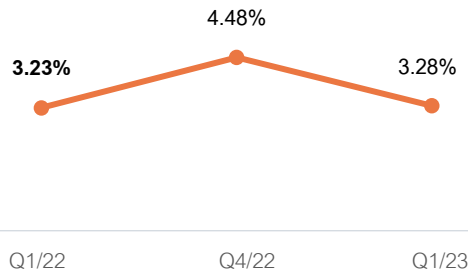
ROE

Unit : %



ROA

Unit : %



D/E Ratio

Unit : Times

