



Ref. Thor Hor 012/2566

August 11, 2023

To: The President
The Stock Exchange of Thailand

Re: Report on the operating result of the reviewed consolidated financial statements for the second quarter ended June 30, 2023

Dear Sirs,

TPI Polene Public Company Limited (“the Company”) would like to report the operating result of the reviewed consolidated financial statements for the second quarter ended June 30, 2023 as follows:-

Total consolidated revenue from sales of goods in Q2/2023 were Baht 11,407 million compared with the same of Baht 12,476 million in Q2/2022, a decrease of 8.57%, whereas total consolidated income in Q2/2023 was Baht 12,203 million compared with the same of Baht 13,567 million in Q2/2022, a decrease of 10.05%.

In Q2/2023, the Company and its subsidiaries registered profit for the period of Baht 1,449 million (profit attributable to owners of the parent of Baht 1,171 million, or basic earnings per share of Baht 0.062), compared with profit for the period of Baht 2,680 million (profit attributable to owners of the parent of Baht 2,426 million, or basic earnings per share of Baht 0.128), a decrease of 45.93%.

Profit for the period of Baht 1,449 million in Q2/2023 was comprised of normal operating profit of Baht 1,275 million, net foreign exchange gain of Baht 243 million and tax expense of Baht 69 million, whereas profit for the period of Baht 2,680 million in Q2/2022 was comprised of normal operating profit of Baht 2,321 million, net foreign exchange gain of Baht 421 million and tax expense of Baht 61 million.

For the first six-month period of the year 2023, the Company and its subsidiaries registered profit for the period of Baht 2,406 million (Profit attributable to owners of the parent of Baht 1,817 million or basic earnings per share of Baht 0.096) compared with profit for the period of Baht 4,735 million (Profit attributable to owners of the parent of Baht 4,226 million or basic earnings per share of Baht 0.223) in 1H/2022, a decrease of 49.18%. Normal operating profit in 1H/2023 was Baht 2,305 million compared with normal operating profit of Baht 4,354 million in 1H/2022, a decrease of 47.07%.

บริษัท ทีพีโอ โพลีน จำกัด (มหาชน)

TPI POLENE PUBLIC COMPANY LIMITED

As at June 30, 2023, the Company and its subsidiaries' total assets and total equity were Baht 147,667 million and Baht 63,595 million respectively. The book value per share was Baht 3.36. Details of consolidated financial statements for the first quarter ended June 30, 2023, can be summarized as follows:-

Assets

The Company and its subsidiaries' total assets as at June 30, 2023 was Baht 147,667 million compared with Baht 144,499 million as at December 31, 2022, an increase of Baht 3,168 million, or increased by 2.19%. Details of the major accounting change are as follows:-

Unit: million Baht

	As at 30 June 2023	As at 31 Dec. 2022	Increase (Decrease)	%
Cash and cash equivalents	9,448	10,671	(1,224)	(11.47)
Other current financial assets	4,325	954	3,372	353.49
Trade accounts receivable	6,114	5,560	554	9.97
Inventories	17,557	19,355	(1,798)	(9.29)
Property, plant and equipment	103,125	100,474	2,652	2.64
Total assets	147,667	144,499	3,168	2.19

Liabilities

As at June 30, 2023, the Company and its subsidiaries' total liabilities was Baht 84,072 million compared with Baht 81,685 million as at December 31, 2022, an increase of Baht 2,387 million, or increased by 2.92%. Details of the major accounting changes are as follows:-

Unit: million Baht

	As at 30 June 2023	As at 31 Dec. 2022	Increase (Decrease)	%
Trade account payable and other payables	6,448	7,374	(926)	(12.56)
Income tax payable	106	119	(13)	(10.88)
Loans from financial institutions	6,919	4,355	2,564	58.87
Debentures	67,462	66,586	877	1.32
Interest Bearing Debts (IBD)	74,781	71,372	3,409	4.78
Net Interest Bearing Debts (Net IBD)*	61,008	59,747	1,261	2.11
Total Liabilities	84,072	81,685	2,387	2.92

Note : * Net Interest Bearing Debts means Interest Bearing Debts less cash and cash equivalents and other current financial assets.

Equity

The Company and its subsidiaries' total equity as at June 30, 2023 was Baht 63,595 million compared with Baht 62,814 million as at December 31, 2022, an increase of Baht 781 million or increased by 1.24%. Details of the major accounting change are as follows:-

Unit : million Baht

	As at 30 June 2023	As at 31 Dec 2022	Increase (Decrease)	%
Registered and paid-up capital	18,935.235	18,935.235	-	-
Retained earnings - unappropriated	23,176	22,685	491	2.17
Total equity	63,595	62,814	781	1.24
Book value per share (Baht)	3.36	3.32	0.04	1.24

As of June 30, 2023, the Company and its subsidiaries' Interest Bearing Debts to Equity ratio (IBD/Equity Ratio) equated 1.18 times and Net IBD to Equity Ratio equated 0.96 times.

Profit (Loss)

The Company and its subsidiaries registered normal operating profit of Baht 1,275 million in Q2/2023 compared with normal operating profit for the period of Baht 2,321 million in Q2/2022, a decrease of Baht 1,046 million or decreased by 45.07%.

In Q2/2023, the Company and its subsidiaries registered profit for the period of Baht 1,449 million (profit attributable to owners of the parent of Baht 1,171 million, or basic earnings per share of Baht 0.062) compared with profit for the period of Baht 2,680 million (profit attributable to owners of the parent of Baht 2,426 million, or basic earnings per share of Baht 0.128), a decrease of Baht 1,231 million or decreased by 45.93%.

In the first six-month period of the year 2023, the Company and its subsidiaries registered profit for the period of Baht 2,406 million (Profit attributable to owners of the parent of Baht 1,817 million or basic earnings per share of Baht 0.096). Details of the major accounting change are as follows:-

Unit : million Baht

	For six-month period ended 30 June 2023	Q2/2023	Q2/2022	Increase (Decrease)	%
Revenue from sale of goods	22,690	11,407	12,476	(1,069)	(8.57)
Cost of sales of goods	17,707	8,827	8,904	(78)	(0.88)
Gross Profit	4,982	2,580	3,572	(991)	(27.75)
Distribution costs and administrative expenses	2,772	1,389	1,450	(62)	(4.25)
Finance cost	951	482	473	8	1.77
Tax income (expense)	(156)	(69)	(61)	8	12.32
Net foreign exchange gain (loss)	257	243	421	(178)	(42.20)
Normal operating profit	2,305	1,275	2,321	(1,046)	(45.07)
Profit attributable to owners of the parent	1,817	1,171	2,426	(1,255)	(51.73)
Total profit	2,406	1,449	2,680	(1,231)	(45.93)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	5,142	2,781	4,075	(1,294)	(31.75)

In the first six-month period of the year 2023, the Company and its subsidiaries registered earnings before interest, taxes, depreciation and amortization (EBITDA) of Baht 5,142 million, representing IBD to EBITDA ratio (annualized) at 7.27 times whilst Net IBD/ EBITDA ratio (annualized) equated 5.93 times.

ESG Performance

The Company places an importance on creating sustainable values in Environment, Social and Governance (ESG) dimensions as a driving force for business operations. ESG performance in the first six- month period of the year 2023 is summarized as follows:-

Environmental Management

1. The Company used 207,049.02 tons of waste fuel to replace coal in cement production process, or accounting for 14.86% of total fuel.
2. In the first six- month period of the year 2023, the Company additionally invested in 10 units of 60-ton EV mining trucks to replace all diesel-powered limestone trucks from 31 units at the end of 2023 to 41 units in total. The investment will help reduce transportation costs while reducing greenhouse gas emissions and PM 2.5 emissions.
3. The Company was able to reduce energy consumption by 638,593.41 gigajoules or decreased by 3.56% from 17,914,933.95 gigajoules in the first six month-period of the year 2022 to 17,276,340.54 gigajoules in the first six month-period of the year 2023.
4. The Company was able to reduce greenhouse gas emissions from cement plants by 714,487.86 tons emission of carbon dioxide equivalent, or 13.72%, from 5,209,253.86 tons emission of carbon dioxide equivalent in the first six-month period of 2022 to 4,494,766.00 tons emission of carbon dioxide equivalent in the first six month-period of the year 2023.
5. The Company was able to reuse the effluents from production process to re-filter of 592,324 cubic meters, representing 47.48% of the total water consumption of 1,247,446 cubic meters.
6. The Company has set a target, aiming to exploit the best benefit of industrial waste up to $\geq 95\%$ of the total quantity of industrial waste generated. In the first six-month period of 2023, the Company utilized 2,831.23 tons of industrial waste from the production process to be used as renewable fuels, alternative materials and recycled, representing 99.46% total quantity of industrial wastes generated, which was higher than the target set by the Company.
7. At present, TPI Polene Group has produced products that reduce greenhouse gas emissions by designing green products, consisting of Green Clinker, Green Cement, Green Fiber Cement and Green CRT. Such products emphasize the use of alternative raw materials, renewable fuels and electricity from renewable energy

Corporate Social Responsibility

1. TPI Polene Group has supported various projects and activities for public benefits in the first six-month period of 2023, totaling approximately Baht 26.08 million to communities, academic institutions, temples, hospitals and government authorities and contributed healthcare products and products of TPI Polene Group, such as cement, other construction materials, organic fertilizers, and drinking water and health products to prevent pathogens.

2. The Company provides equal opportunities for employment without discrimination in favor or against any person. In the first six-month period of 2023, 464 additional employees and 56 seniors were employed.
3. The Company respects human rights and provides equal opportunities for employment without discrimination in favor or against any person, no child labor under the age of majority, no illegal labor, with no breach of customer information, treat business partners fairly and respect community rights. In the first six-month period of 2023, there were no complaints of human rights violations.
4. Disposal of 20,269 tons of hazardous industrial wastes, and 7,412 tons of non-hazardous industrial wastes respectively.

In Compliance with Good Corporate Governance Policy

1. On June 23, 2023, Thai Pat Institute announced that the Company was ranked on the ESG100 securities list for the year 2023 for the consecutive two years (2022 and 2023), with outstanding performance covering the areas of Environmental, Social and Governance aspects (ESG) and is assessed as an attractive company to invest in the Property & Construction Sector.
2. The Company has received the prestigious 3G Environmental Responsibility Award 2023 from the Global Good Governance Awards 2023 (3G Awards), organized by Cambridge IFA International Financial Advisory (financial advisory firm) in the UK, with an aim to esteem organizations that have successfully adopted social responsibility issues to their ongoing business operations. This includes quality, consistency, stability and clarity of the corporate social responsibility plans and reports.
3. On July 14, 2023, the Company received two Honorary Awards from “The One Million Courage for Good Deeds towards the Homeland Project 2023” as follows:-
 - 1) “Good Deeds towards the Homeland 2023 Award in the category of agricultural innovation as the Company places importance on the agricultural sector, which is the main core of Thailand's economic system. Food Study and research of bio-organic agricultural products make food safety, organic and antibiotic-free.
 - 2) "Excellence" Award 2023 for Excellence in Management, Technology, Innovation, Research and Development due to its focus on product development Investment in technology advancement to increase operational efficiency. The Company's R&D Department has been established in collaboration with external research institutes and leading universities in the country to develop products, enhance efficiency of production processes, and create working personnel to make the products that meet the needs of customers and all related stakeholders in all sectors, by taking into account of being products that help reduce environmental problems and material impacts on the environment.

Please be informed accordingly.

Sincerely Yours,



Mr. Prachai Leophairatana
Chief Executive Officer