

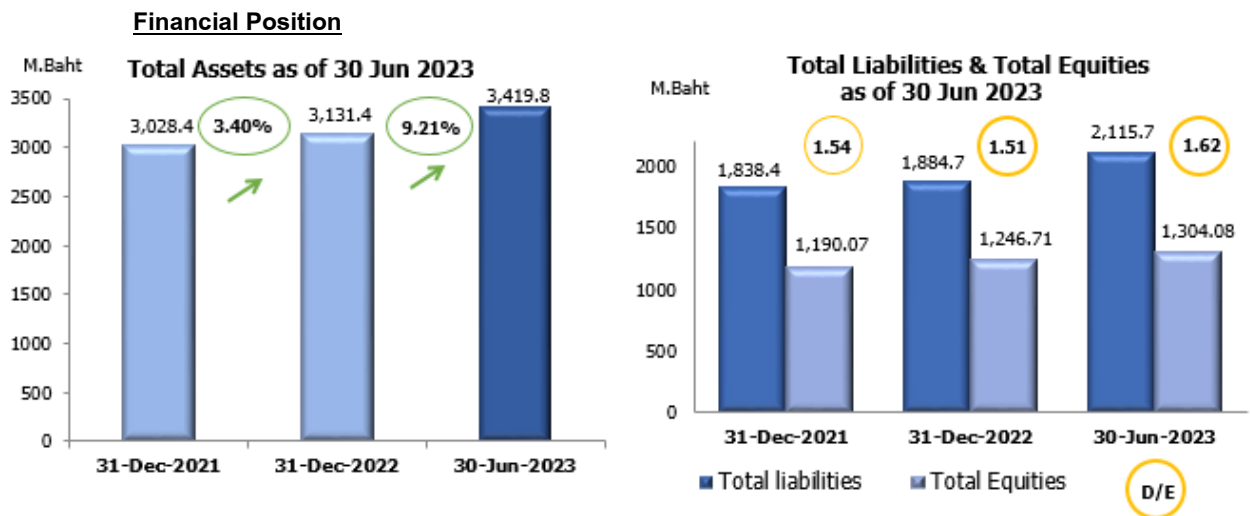
Ref: PCL 2023/010

August 15, 2023

Subject: Management Discussion and Analysis for the 6-month period ended 30 June 2023

To: The President of the Stock Exchange of Thailand

Panjawattana Plastic Public Company Limited and its subsidiaries (“the Company”) would like to clarify herewith the financial position and operating result for the 6-month period ended 30 June 2023 as follows: -



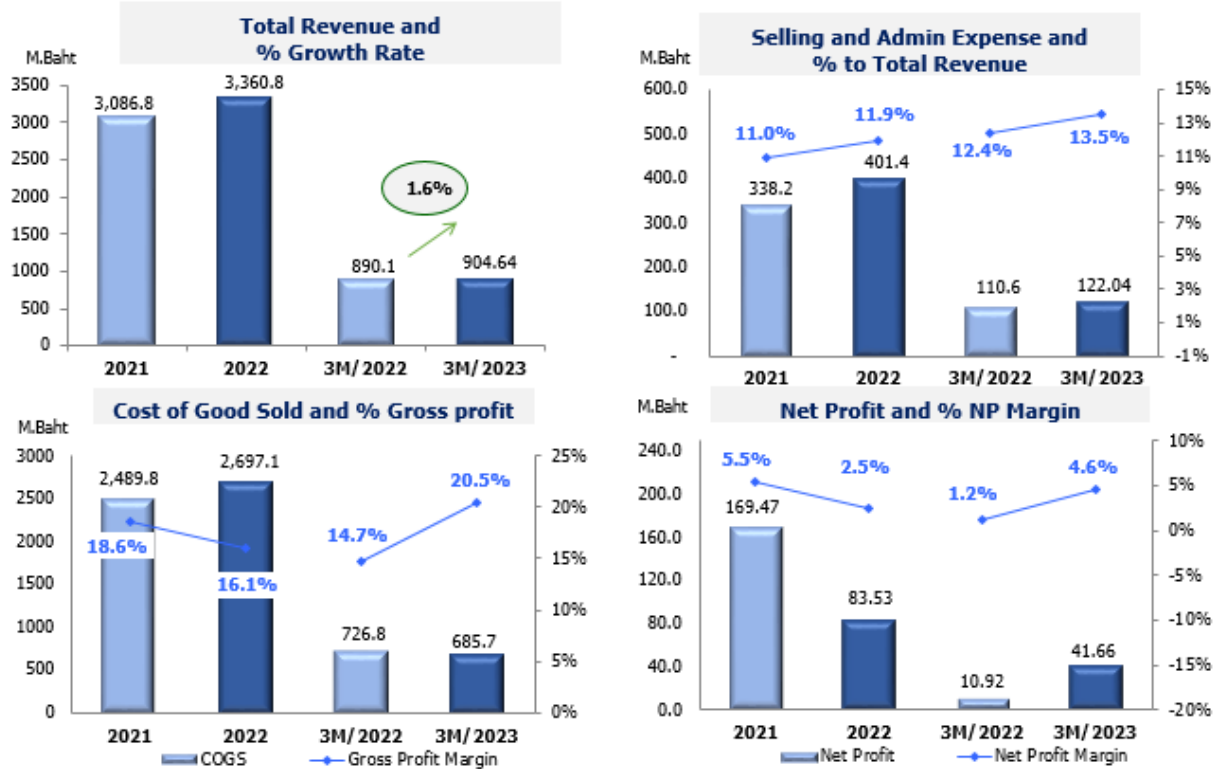
As of June 30, 2023, the consolidated financial statements of the Company and its subsidiaries showed total assets increased by 288.35 million baht or 9.21 percent compared to the previous year. As for current assets, it increased by 277.06 million baht, which was an increase from trade receivables, other receivables, including trade receivables recognized under contracts of 249.27 million baht, resulting from higher sales compared to the last quarter of the previous year. Cash and cash equivalents increased by 24.22 million baht and inventories decreased by 3.67 million baht.

As of June 30, 2023, the consolidated financial statements of the Company and its subsidiaries showed total liabilities increased by 230.98 million baht or 12.26 percent compared to the previous year. It was an increase from current liabilities of 87.97 million baht, mainly from trade payables, other payables and short-term loans that increased to support the increase in sales. Including the purchase value that increases according to the price of raw materials. In terms of long-term loans and lease liabilities increased by 143.01 million baht.

The Company's debt to equity ratio as at 30 June 2023 is 1.62 times. (As at 31 December 2021 is 1.54 times).

**Operating result**

**OPERATING RESULT: QUARTER 2 (3 MONTHS)**

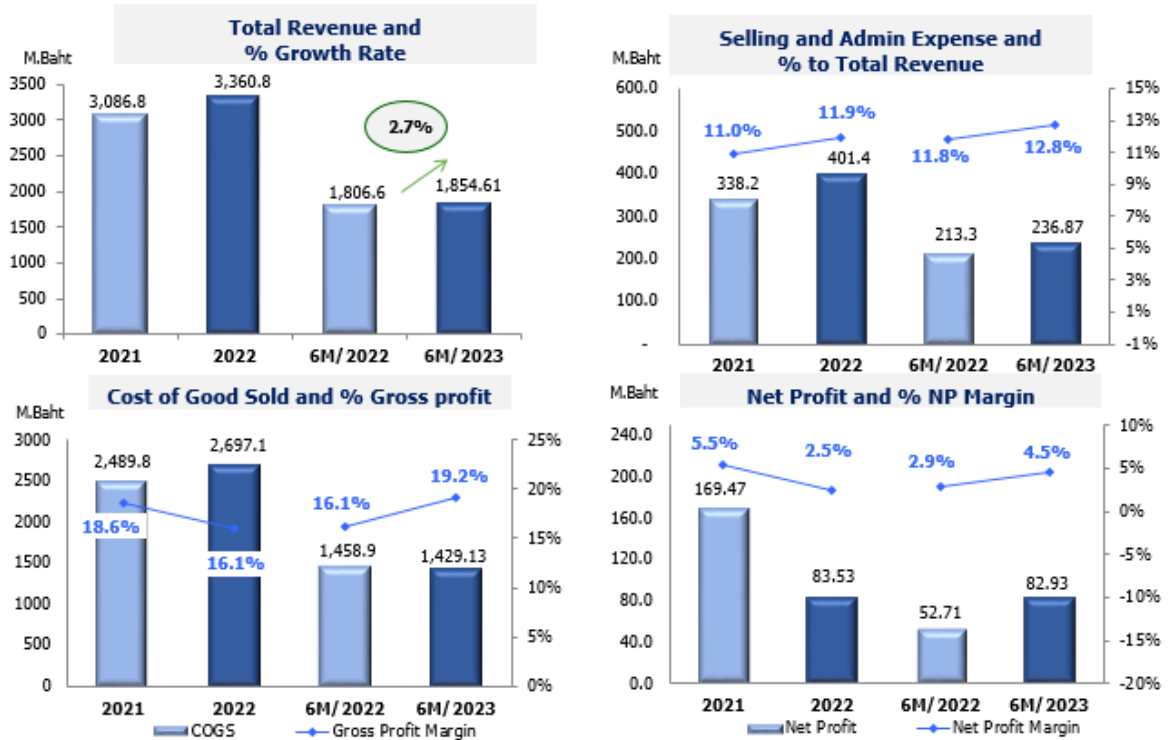


The consolidated net profit of the Company and its subsidiary for the period 3-month ended 30 June 2023 was Baht 41.66 million, increased by Baht 30.74 million from same quarter of last year. The main reasons were as follows:

1. Total revenue increased by 14.58 million baht, or 1.6%, due to sales in the automotive industry, including plastic automotive parts, painting and tooling, increased from the new model. In addition, the semiconductor shortage has resolved, causing automakers to increase production capacity. In addition, in the packaging of milk and yoghurt industry groups and packaging for consumer products increased from higher consumption. However, packaging for lubricant group decreased in line with customer orders.
2. Total gross profit margin was 20.5%, an increase of 14.7% from the previous year due to lower plastic resin and energy prices. In addition, the company has better management of production costs resulting in higher gross profit margins.
3. Total net profit margin was 4.6%, an increase from the same quarter last year that the total net profit margin was 1.2% due to higher gross profit as mentioned. In addition, there was a lockdown in Jiangsu in the same quarter of year 2022, resulted in a loss from the factory stoppage reflected in administrative expenses last year.



## OPERATING RESULT: QUARTER 2 (6 MONTHS)



The consolidated net profit of the Company and its subsidiary for the period 6-month ended 30 June 2023 was Baht 82.93 million, decreased by Baht 30.22 million from same quarter of last year. The main reasons were as follows:

1. Total revenue increased by 48.03 million baht, or 2.66%, due to sales in the automotive industry, including plastic automotive parts, painting and tooling, increased from the new model. In addition, the semiconductor shortage has resolved, causing automakers to increase production capacity. In addition, in the packaging of milk and yoghurt industry groups and packaging for consumer products increased from higher consumption. However, packaging for lubricant group decreased in line with customer orders.
2. Total gross profit margin was 19.2%, an increase of 16.1% from the previous year due to lower plastic resin and energy prices in the second quarter of this year. In addition, the company has better management of production costs resulting in higher gross profit margins.
3. Total net profit margin was 4.5%, an increase from the same quarter last year that the total net profit margin was 2.9% due to higher gross profit as mentioned. In addition, there was a lockdown in Jiangsu in the same quarter of year 2022, resulted in a loss from the factory stoppage reflected in administrative expenses last year.

Sincerely yours

(Mrs. Prim Chaiyawat)



Panjawattana Plastic PCL.

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