



No. INGRS102

14 December 2023

Subject : Management Discussion & Analysis (MD&A) for the consolidated financial statements for the 3<sup>rd</sup> quarter for the three-month and nine-month periods ended 31 October 2023.

To : The President  
The Stock Exchange of Thailand

Ingress Industrial (Thailand) Public Company Limited (“**Company**”) would like to provide the explanations on the consolidated financial statements of the Group for the 3<sup>rd</sup> quarter for the three-month and nine-month periods ended 31 October 2023. :

## 1. Sales Revenue

### 1.1. Sales revenue for 3-months period ended 31 October 2023

For Q3 FY2023/24, the Group registered sales revenue of Baht 1,771.9 million, an increase of Baht 269.0 million or 17.9% as compared to the same quarter last financial year of Baht 1,502.9 million.

The breakdown of the sales revenue by countries is as follows:

Countries	Q3 FY2023/24 Baht million	Q3 FY2022/23 Baht million	Variance Baht million	Variance (%)
Thailand	237.4	253.8	(16.4)	(6.5%)
Malaysia	1,127.3	696.2	431.1	61.9%
Indonesia	309.5	431.1	(121.6)	(28.2%)
India	97.7	121.8	(24.1)	(19.8%)
<b>Total</b>	<b>1,771.9</b>	<b>1,502.9</b>	<b>269.0</b>	<b>17.9%</b>

The overall sales revenue continues to grow in Malaysia as a result of volume improvement. In Malaysia, the investment in the two new plants located at Sungai Choh and Bukit Beruntung contributed to higher revenue from Perodua and Proton models. During the period in Thailand, Indonesia, and India, there was a slight decrease attributed to consumers delaying car purchases due to the economic slowdown and a shortage of semiconductors.

The overall sales revenue recorded in Q3 shows a similar growth trend in line with the Total Industry Production (“TIP”) in all countries. The growth of TIP is tabulate as follows:

Countries	Aug 23-Oct 23 Thousand units	Aug 22-Oct 22 Thousand units	Variance Thousand units	Variance (%)
Thailand	473.5	521.7	(48.2)	(9.2%)
Malaysia	211.2	202.4	8.8	4.3%
Indonesia	356.7	419.8	(63.1)	(15.0%)
India	1,932.2	1,455.2	477.0	32.8%
<b>Total</b>	<b>2,973.6</b>	<b>2,599.1</b>	<b>374.5</b>	<b>14.4%</b>

## 1.2. Sales revenue for the 9-months period ended 31 October 2023

For the 9-months period ended 31 October 2023, the Group registered sales revenue of Baht 4,901.4 a growth of Baht 1,396.9 or 39.9% as compared to the 9-months period ended 31 October 2022 of Baht 3,504.5 million.

The breakdown of sales revenue by country is as follows:

Countries	Q3 FY2023/24 Baht million	Q3 FY2022/23 Baht million	Variance Baht million	Variance (%)
Thailand	710.6	701.0	9.6	1.4%
Malaysia	2,985.8	1,666.7	1,319.1	79.1%
Indonesia	872.4	860.6	11.8	1.4%
India	332.6	276.2	56.4	20.4%
<b>Total</b>	<b>4,901.4</b>	<b>3,504.5</b>	<b>1,396.9</b>	<b>39.9%</b>

Main revenue improvement contributed by our subsidiaries in Malaysia with 79.1% growth as compared to same period last year. This is mainly due to the start of production of new models for Perodua as well as additional contribution from the new plants in Sungai Choh and Bukit Beruntung. For Indonesia and Thailand, for the 9-months period, the revenue increased at a lower rate 1.4% mainly due to impact of rising interest rates and semiconductor shortage.

The TIP shows the same trend of improvement with the sales revenue. Overall TIP for the 9-months period ended 31 October 2023 is summarized as follows: -

Countries	Feb 23-Oct 23 Thousand units	Feb 22-Oct 22 Thousand units	Variance Thousand units	Variance (%)
Thailand	1,382.4	1,383.0	(0.6)	(0.1%)
Malaysia	582.1	528.4	53.7	10.2%
Indonesia	1,049.4	1,081.6	(32.2)	(3.0%)
India	4,800.1	4,126.6	673.5	16.3%
<b>Total</b>	<b>7,814.0</b>	<b>7,119.6</b>	<b>694.4</b>	<b>9.8%</b>

## 2. Profit After Taxation (“PAT”)

### 2.1. PAT for the 3-months period ended 31 October 2023

(Unit : Million Baht)	Q3 FY2023/24	Q3 FY2022/23	Change Amount	Change %
Sales and services income	1,771.9	1,502.9	269.0	17.9%
Other income	60.9	77.2	(16.3)	(21.1%)
Cost of sales and services	(1,553.2)	(1,387.9)	(165.3)	11.9%
Gross Profit	218.7	115.0	103.7	90.2%
Gross Profit Margin (%)	12.3%	7.7%		4.7%
SG&A expenses	(197.1)	(176.6)	(20.5)	11.6%
Loss on exchange	(14.1)	(44.4)	(30.3)	(68.2%)
Earning before interest and tax	68.4	(28.8)	97.2	337.5%
Finance cost	(46.9)	(37.0)	(9.9)	26.8%
Profit (loss) before income tax	21.5	(65.8)	87.3	132.7%
Tax income (expenses)	(18.1)	(4.2)	(13.9)	331.0%
Profit (loss) for the period	3.4	(70.0)	73.4	104.9%

The Group registered PAT of Baht 3.4 million in comparison to loss after tax of Baht 70.0 million for the same period last year.

In Q3 FY2023/24, the Group continued to improve its operational performance with an improvement in **gross margin** to 12.3% as compared to 7.7% for the same period last financial year. This improvement is because of the higher revenue contribution as well as continuous cost control measures across the Group. In Indonesia and India, as a results of higher material costs, the subsidiaries has improved cost management by sourcing raw materials at competitive prices without compromising on quality and a reduction in rejection costs. This has resulted in more efficient operations and better overall cost management.

The **selling and administrative expenses** recorded at Baht 197.1 million in Q3 FY2023/24, slightly higher than Baht 20.5 million in the corresponding period last year. This rise is in line with the overall increase in revenue during the same period as well as the impact on overall inflation.

On the contrary, the Group experienced **loss on exchange rate** in Q3 FY2023/24 at Baht 14.1 million in comparison to loss on exchange rate of Baht 44.4 million for the same period last year. This loss was primarily caused by the weakening of the Indonesian Rupiah against the foreign currency denominated trade payables and borrowings.

The **finance costs** in Q3 FY2023/24 experienced an increase of 26.8% or by Baht 9.9 million compared to the last financial year due to the higher working capital financing utilized to support the higher revenue of the Group.

## 2.2. PAT for the 9-months period ended 31 October 2023

(Unit : Million Baht)	9-months FY2023/24	9-months FY2022/23	Change Amount	Change %
Sales and services income	4,901.3	3,504.5	1,396.8	39.9%
Gain on exchange	75.8	33.1	42.7	129.0%
Other income	154.3	154.4	(0.1)	(0.1%)
Cost of sales and services	(4,299.0)	(3,324.1)	(974.9)	29.3%
Gross Profit	602.3	180.4	421.9	233.9%
Gross Profit Margin (%)	12.3%	5.1%		7.1%
SG&A expenses	(559.6)	(528.3)	(31.3)	5.9%
Earning before interest and tax	272.8	(160.4)	433.2	270.1%
Finance cost	(130.4)	(101.9)	(28.5)	28.0%
Profit (loss) before income tax	142.4	(262.3)	404.7	154.3%
Tax income (expenses)	(43.2)	(1.2)	(42.0)	3500.0%
Profit (loss) for the period	99.2	(263.5)	362.7	(137.6%)

For the 9-months period ended 31 October 2023, the Group registered PAT of Baht 99.2 million as compared to a loss of Baht 263.5 million for the same period last year.

After a promising momentum of improvement in Q1, Q2 and Q3 FY2023/24, the **gross margin** improved significantly at 12.3% from 5.1% recorded last year. As a result of a significant increase of revenue, the overall gross profit rose from Baht 180.4 million to Baht 602.3 million from the improvement of operation and improved costs management.

The **selling and administrative expenses** for the 9-months period were recorded at Baht 559.6 million, as compared to Baht 528.3 million in the corresponding period last year. This rise is in line with the overall increase in revenue during the same period as well as the impact on overall inflation.

As a result of high **gain on exchange rate** in Q1 FY2023/24, for the 9-months period the Group recorded a gain of Baht 75.8 million. The gain was primarily caused by the strengthening of the Indonesian Rupiah against the foreign currency denominated trade payables and borrowings in Q1.

Total **finance costs** for the 9-months period increased by 28.0% or by Baht 28.5 million compared to the last financial year due to the higher working capital financing utilized to support the higher revenue of the Group.

## 3. Profit after Taxation and Minority Interests (“PATMI”)

### 3.1. PATMI for 3-months period ended 31 October 2023

The Group registered loss after taxation and minority interests of Baht 8.9 million in Q3 FY2023/24 as compared to the same period last year with loss after taxation and minority interests of Baht 67.3 million.

The increase in profit, compared to the previous year, can primarily be attributed to the significantly higher revenue and gross margin, as explained above.

### 3.2. PATMI for 9-months period ended 31 October 2023

The Group registered PATMI of Baht 50.0 million in Q3 FY2023/24 as compared to the same period last year with loss after taxation and minority interests of Baht 177.6 million.

The increase in profit, compared to the previous year, can primarily be attributed to the significantly higher revenue and gross margin, as explained above.

## 4. Financial Position

Financial Position	31 October 2023 Baht million	31 January 2023 Baht million	Variance	
			Baht million	%
Total Assets	7,060.7	6,768.7	292.0	4.3%
Total Liabilities	5,194.3	4,981.9	212.4	4.3%
Total Equities	1,866.4	1,786.8	79.6	4.5%

As at 31 October 2023, the total assets increased by Baht 292.0 million, and the total liabilities increased by Baht 212.4 million, as compared to 31 January 2023. During the 9-months period, the Group registered a healthy profit mainly from the successfully commenced production of new models in Malaysia. These positive developments resulted in an overall increase in the total assets and the liabilities was mainly increased from account payable due to the procurement of raw materials in preparation for the higher volume in the upcoming quarter.

The total equities registered an increased Baht 79.6 million or 4.5% in comparison to 31 January 2023 from the profit recognised during the 9-months period.

Please be informed accordingly.

Yours sincerely,  
**Ingress Industrial (Thailand) Public Company Limited**



**Hamidi Bin Maulod**  
Chief Executive Officer

