

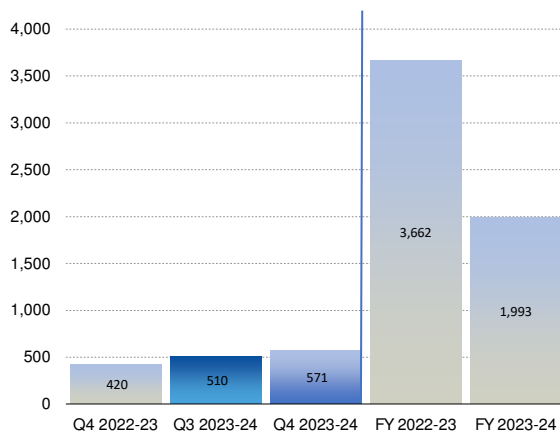
16 May, 2024

Subject: Management Discussion and Analysis for the year ended 31 March, 2024

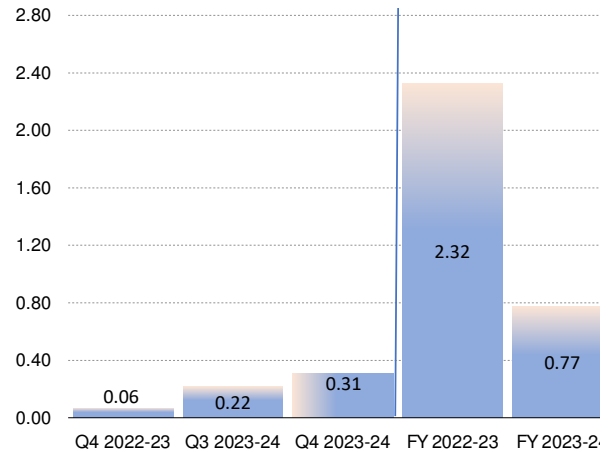
To: Managing Director
The Stock Exchange of Thailand

1. Consolidated Financial highlights for the year ended 31 March, 2024

Normalized* EBITDA (Million THB)



Normalized* EPS (THB / Share)



**Normalized for forex and derivative gain/(loss)*

Key Financial Indicators for Q4 2023-24 & FY 2023-24

Description	Unit of measure	Q4 2023-24	YoY	QoQ	FY 2023-24	YoY
Sales Volumes (Film sales)	MT	67,467	▼ 0.03%	▲ 9.7%	251,872	▼ 6.7%
Sales Value	Million Baht	5,734	▲ 5.8%	▲ 14.0%	20,867	▼ 20.8%
Normalized EBITDA	Million Baht	571	▲ 35.6%	▲ 11.9%	1,993	▼ 45.6%
Normalized EBITDA margin	%	9.95%	▲ 220bps	▼ 19bps	9.55%	▼ 435bps
Normalized EBITDA/ Kg#	THB/KG	8.46	▲ THB 2.2	▲ THB 0.17	7.91	▼ 5.65
Normalized PAT	Million Baht	275	▲ 371.4%	▲ 41.1%	697	▼ 66.7%
Normalized EPS	Baht/ Share	0.31	▲ THB 0.24	▲ THB 0.09	0.77	▼ THB 1.55

Per Kg based on Qty of Films sales

Polyplex (Thailand) Public Company Limited and its subsidiaries			
Income statement (Audited)			
For the year ended 31 March 2024			
	Consolidated financial statements (Unit: Baht)		% Inc/(Dec)
	2024	2023	
Revenues			
Sales	20,867,049,928	26,340,656,230	-20.78%
Exchange gains	-	21,805,621	
Other income	44,245,799	209,551,336	-78.89%
Total revenues	20,911,295,727	26,572,013,187	-21.30%
Expenses			
Cost of sales	18,493,012,356	21,578,611,834	-14.30%
Selling and distribution expenses	920,431,172	1,835,193,209	-49.85%
Administrative expenses	664,636,856	597,045,446	11.32%
Exchange Loss	376,150,678	-	
Loss on Derivatives	19,791,947	17,331,139	14.20%
Total expenses	20,474,023,009	24,028,181,628	-14.79%
Profit/ (Loss) before finance cost and income tax expense	437,272,718	2,543,831,559	82.81%
Finance Income	49,504,086	35,014,535	41.38%
Finance cost	(166,018,340)	(151,798,067)	9.37%
Profit/(Loss) before income tax expense	320,758,464	2,427,048,027	86.78%
Tax income/(expense)	39,278,199	(262,286,503)	-114.98%
Reported Profit/ (Loss) for the period	360,036,663	2,164,761,524	83.37%
Reported EBITDA for the period (incl. finance income)	1,596,578,195	3,666,916,189	-56.46%
Profit / (Loss) attributable to:			
Equity holders of the Company	300,662,938	2,095,969,119	-85.66%
Non-controlling interests of the subsidiary	59,373,725	68,792,405	-13.69%
	360,036,663	2,164,761,524	-83.37%
Basic earnings per share (Reported profit/(loss) basis)			
Profit/(loss) attributable to equity holders of the Company	0.33	2.33	-85.66%
Number of ordinary shares (Shares)	900,000,000	900,000,000	
Reported Profit / (Loss) attributable to Equity holders	300,662,938	2,095,969,119	-85.66%
Add /(Less): Forex loss /(Forex Gain) - including derivatives	395,942,625	(4,474,482)	-8948.90%
Normalized Profit after Tax	696,605,563	2,091,494,637	-66.69%
Normalized EBITDA	1,992,520,820	3,662,441,707	-45.60%
Basic earnings per share (Normalized profit basis)			
Profit attributable to equity holders	0.77	2.32	-66.69%
Number of ordinary shares (Shares)	900,000,000	900,000,000	

Performance Analysis (YoY)

- Some of the key factors impacting our performance in this year are:
 - Temporary slowdown in demand, especially in the first half of the year, due to de-stocking through the value chain coupled with start-up of several new lines in India and China impacted the margins in our core business of Thin PET films. A well-diversified product portfolio, geographical presence and long-term customer relationship helped the company place full volume in the market.
 - Margins continued to remain under pressure due to overcapacity caused by the new capacities added in China and India and other macro and micro environment factors like increasing interest rates, inflationary pressure, lower disposable incomes, continued destocking etc.
 - Global economic slowdown impacted overall demand for downstream coated films like Silicone Coated films which resulted in lower volumes and contribution from these businesses at Thailand and USA. We are however seeing a recovery in the demand for these films since last quarter.
- Overall film sales volumes have decreased by 6.7% YoY, due to lower volumes in some of the base film businesses (mainly BOPP film) as well as some of the downstream businesses (Saracote) which got impacted by the global economic slowdown.
- There is a drop in the contribution YoY from PET film business due to significantly lower margins, mainly in Thin film and also due to lower volumes resulting from oversupply market conditions as explained above. The contribution from Silicone Coated films and PET resin was also lower mainly due to lower volumes.
- Decrease in cost of sales is mainly due to overall lower sales volumes and partly due to a drop in some of the raw material prices YoY.
- Lower selling expenses is mainly due to normalizing of global freight rates.
- Higher admin expenses are mainly due to increase in warehouse handling charges, higher professional fees, staff cost and also overall increase in other admin overheads
- There are Exchange losses in this year as compared to exchange gains in the previous year. This is mainly due to higher unrealized losses on restatement of loans at Indonesia and Thailand and lower unrealized gains on the loans at USA, as a result of fluctuation of local currencies against USD and Euro.
- There is a higher Loss on derivatives due to the mark-to-market (MTM) impact on the outstanding forward contracts at Thailand and the subsidiaries.
- There is an increase in Finance income at the Turkey subsidiary mainly due to higher interest rates.
- Finance costs are higher due to higher interest rates, partly offset by term loan repayments (including prepayments at Indonesia/ Thailand subsidiary) and lower level of working capital borrowings.
- There is a Tax income in this year mainly due to the net impact of Deferred Tax Accounting at Thailand and the subsidiaries in USA and Indonesia.

ANALYSIS OF STATEMENT OF FINANCIAL POSITION

Polyplex (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2024

Consolidated financial statements (Unit: Baht)

	31 March 2024 (Audited)	31 March 2023 (Audited)	% Inc/(dec)
Assets			
Current assets			
Cash and cash equivalents	1,623,313,718	2,346,976,808	-30.83%
Trade and other receivables	3,661,146,173	3,462,408,504	5.74%
Inventories	5,101,772,805	4,893,010,442	4.27%
Advance payments for purchases of goods	330,053,554	313,698,218	5.21%
Input tax refundable	124,489,149	118,470,539	5.08%
Other current financial assets	362,859,098	194,372,403	86.68%
Other current assets	331,266,357	262,915,961	26.00%
Total current assets	11,534,900,854	11,591,852,875	-0.49%
Non-current assets			
Restricted bank deposits	395,305	625,080	-36.76%
Property, plant and equipment	14,550,217,136	12,992,190,661	11.99%
Deferred tax assets	165,918,475	66,757,340	148.54%
Goodwill	3,164,328	3,164,328	0.00%
Other intangible assets	123,743	361,374	-65.76%
Advance payments for purchases of land & machinery	292,994,872	416,043,968	-29.58%
Other non-current financial assets	227,348,707	524,030,007	-56.62%
Other non-current assets	65,705,025	127,258,544	-48.37%
Total non-current assets	15,305,867,591	14,130,431,302	8.32%
Total assets	26,840,768,445	25,722,284,177	4.35%

As at 31 March, 2024, there has been a 6.9% depreciation of THB against the USD (approx. THB 2.36/USD), 5.7% depreciation against the Euro (approx. THB 2.11/Euro) and 1.36% depreciation against IDR (approx. THB 0.03 per 1000 Rupiah) as compared to the exchange rate on 31 March 2023. As a result, the translation of the Company's subsidiaries' Statement of Financial Position has resulted in net translation gain of Baht 1,036 million.

Current assets:

- Current assets have reduced by THB 57 million or 0.5% compared to March 2023.
- Decrease in cash and cash equivalents is mainly due to cash deployed for the prepayment of Euro term loan by Indonesia subsidiary and also the deployment in the Capex for the US expansion project.
- Increase in Trade Receivables is mainly due to higher receivables at the subsidiary in Thailand, Indonesia and US partly offset by lower receivables at Thailand and Turkey
- Increase in Inventories is mainly due to higher stock of goods-in-transit (raw materials) and higher inventory of stores & spares. This is partly offset by lower finished goods and work in process inventory.
- Increase in advance payment for purchase of goods is mainly at the Turkey subsidiary partly offset by reduction at the Indonesia subsidiary.
- Increase in Input tax refundable is mainly due to increase in VAT refund receivable at the Thailand subsidiary.
- Other current financial assets represent mainly the Investments of surplus funds in Bonds and Bond funds at Turkey subsidiary and Derivative assets (MTM Gain on the Forwards contracts). Increase is mainly due to transfer of some non-current investment to current portion in this period, partly offset by lower MTM gain on forward contracts.
- Increase in Other current assets are mainly on account of increase in Prepaid expenses, Advance taxes and raw material discount receivable partly offset by reduction in Export incentive and other receivables.

Non-current assets:

- Non-Current assets have gone up by THB 1,175.4 million or 8.3% as compared to March 2023.
- The restricted bank deposit at the Indonesia subsidiary is in respect of letter of guarantee issued by banks to vendors.
- Increase in Property Plant & Equipment (net block) is mainly due to the Project Capex at US and the Normal CAPEX at Thailand and the subsidiaries partly offset by the depreciation charged during the year.
- Increase in Deferred tax asset is due to Deferred Tax accounting as per relevant accounting standard.
- Decrease in Advances for purchase of fixed assets is mainly due to delivery of some machinery against the US ongoing Project.
- Decrease in other non-current assets is mainly at Indonesia due to lower Input Tax refundable
- Non-current financial assets refer to investment of surplus funds by the Turkey subsidiary into financial instruments (mainly Bonds) and decrease is due to transfer of investments to current portion and also due to withdrawal of some investments to prepay the Euro loan by Indonesia subsidiary.

Polyplex (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2024

Consolidated financial statements

(Unit: Baht)

	31 March 2024 (Audited)	31 March 2023 (Audited)	% Inc/(dec)
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from banks	833,000,000	1,194,152,550	-30.24%
Trade and other payables	2,720,888,901	2,166,481,735	25.59%
Current portion of long-term loans from banks	315,695,879	412,015,204	-23.38%
Current portion of lease liabilities	26,183,014	12,775,068	104.95%
Income tax payable	5,048,768	51,108,761	-90.12%
Other current financial liabilities	50,409,544	36,729,234	37.25%
Other current liabilities	435,336,193	460,164,767	-5.40%
Total current liabilities	4,386,562,299	4,333,427,319	1.23%
Non-current liabilities			
Long-term loans from banks, net of current portion	1,548,428,198	1,547,874,389	0.04%
Lease liabilities, net of current portion	59,233,907	36,905,605	60.50%
Provision for long-term employee benefits	105,233,578	75,849,161	38.74%
Deferred tax liabilities	376,960,420	453,334,860	-16.85%
Other non-current financial liabilities	-	6,057,904	-100.00%
Other non-current liabilities	610,703	559,031	9.24%
Total non-current liabilities	2,090,466,806	2,120,580,950	-1.42%
Total liabilities	6,477,029,105	6,454,008,269	0.36%
Shareholders' equity			
Issued & fully paid	900,000,000	900,000,000	-
Share premium	1,908,449,678	1,908,449,678	-
Retained earnings	-	-	-
Appropriated - statutory reserve	96,000,000	96,000,000	-
Unappropriated	16,915,876,844	16,934,373,620	-0.11%
Other components of shareholders' equity	320,674,357	(733,912,126)	-143.69%
Equity attributable to owners of the Company	20,141,000,879	19,104,911,172	5.42%
Non-controlling interests of the subsidiary	222,738,461	163,364,736	36.34%
Total shareholders' equity	20,363,739,340	19,268,275,908	5.69%
Total liabilities and shareholders' equity	26,840,768,445	25,722,284,177	4.35%

Total Liabilities:

- Total liabilities have increased by THB 23 million or 0.4% as compared to March 2023.
- Decrease in short term borrowings is mainly due to reduction in borrowings at the US subsidiary and at the Company, partly offset by higher borrowings at Ecoblue.
- Increase in trade and other payables is mainly due to higher Trade payables at Thailand and subsidiaries, partly offset by reduction in payable for fixed assets mainly at the US subsidiary.
- Decrease in Long Term Loan is due to Loan repayments (including some prepayments) by Indonesia and Thailand subsidiary, partly offset by unrealized losses on the loan restatement during the year and the new loans borrowed by the US subsidiary for the ongoing Project.
- Decrease in Corporate Tax Payable is mainly at the Turkey subsidiary due to payment of taxes upon filing of the Tax return.
- Decrease in other current liabilities is mainly due to lower expense provisions at Thailand and subsidiaries and also lower advance payments from customers, partly offset by higher statutory liabilities.
- Increase in current financial liabilities is due to higher MTM loss on Derivative contracts.
- Increase in provision for long-term employee benefits is mainly due to higher provision at Thailand and the Turkey subsidiary.
- Decrease in Deferred Tax Liabilities is mainly at the Indonesia and US subsidiaries.

Major changes in Shareholder Equity:

- The retained earnings have decreased due to the final Dividend of FY 2022-23 paid in August 2023 and Interim Dividend for H1 2023-24 paid in December 2023, partly offset by Net profits generated during the year.
- The increase in other components of equity is mainly due to net exchange translation gains arising on account of translation of the balance sheet of the subsidiaries due to the depreciation of Baht against Euro, USD and IDR.
- The increase in non-controlling interests of subsidiaries is due to the share of profits generated during the year.

2. Status of Projects:

Brownfield BOPET Thin film line and Offline Coater in USA

The Capital Cost of both the projects is USD 132 million and about USD 80 Million has been spent on the Project until March end. Long Term debt funding of USD 25 Million tied up and most of it has been disbursed. The balance cost is expected to be funded from internal accruals of the US subsidiary and inter-company loans from the Turkey subsidiary. The current scheduled start-up date for commercial operations of Film line and Offline Coater is in Q4 of FY 2024-25.

Please be informed accordingly.

Yours sincerely,

Mr. Amit Prakash
Managing Director