



Pinthong Industrial Park Public Company Limited

# MANAGEMENT DISCUSSION AND ANALYSIS

Q1/2024

## Executive Summary

Pinthong Industrial Park Public Company Limited ("the Company") is committed to operating its business under sustainable strategies by placing importance on conducting business with responsibility and taking into account all stakeholders' interests. The Company also focuses on continuously increasing its competitiveness to support changes in the economy, society, and the environment. The Company has the potential in terms of its location in the EEC zone, covering Chonburi and Rayong provinces, as well as its strong infrastructure, which has made Pinthong Industrial Park attractive to both domestic and foreign investors. As a result of these factors, combined with the Company's efficient management, in Q1/2024, the Company had operating revenue of Baht 1,097.0 million, increased by Baht 618.5 million or 129.3%, and net profit of Baht 452.9 million, increased by Baht 295.9 million or 188.6%, compared to Q1/2023. In addition, the Company also recorded total land transfers of 242.9 Rai, backlog of 203.3 Rai, and pre-sales of 93.1 Rai, with revenue expected to be recognized within 2024. However, the Company is committed to continue to look for new growth opportunities to expand its customer base and increase its ability to generate sustainable revenue in the long term.

Operating Highlights	Q1/23	Q4/23	Q1/24	Change +/-	
				%YoY	%QoQ
Unit : Million THB					
Operating Revenue	478.5	1,339.2	1,097.0	129.3%	(18.1%)
<b>Gross Profit</b>	<b>250.0</b>	<b>779.5</b>	<b>496.9</b>	<b>98.7%</b>	<b>(36.3%)</b>
EBITDA	230.4	738.4	478.5	107.7%	(35.2%)
<b>Net Profit (Loss)</b>	<b>156.9</b>	<b>677.6</b>	<b>452.9</b>	<b>188.6%</b>	<b>(33.2%)</b>
<b>Gross Profit Margin (%)</b>	<b>52.2%</b>	<b>58.2%</b>	<b>45.3%</b>	(7.0%)	(12.9%)
<b>EBITDA Margin (%)</b>	<b>47.0%</b>	<b>54.6%</b>	<b>43.0%</b>	(4.1%)	(11.7%)
<b>Net Profit Margin (%)</b>	<b>32.0%</b>	<b>50.1%</b>	<b>40.7%</b>	8.6%	(9.5%)

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

### YoY Q1/2024 vs Q1/2023

- In Q1/2024, the Company reported **Operating Revenue** of Baht 1,097.0 million, increased by Baht 618.5 million or 129.3% from Q1/2023, mainly due to the increase in revenue from real estate sales from the increased land transfer volumes. In Q1/2024, the Company transferred a total of 242.9 Rai of land, an increase of 148.9 Rai from Q1/2023, driven by sales to both domestic and international customers, especially from Chinese customers in the automotive parts and electronics manufacturing sectors.
- Gross Profit Margin** was 45.3%, decreased from 52.2% in Q1/2023, as the majority of the Company's land sales during Q1/2024 came from Pinthong 6 Industrial Estate, which has a higher average land development cost than other industrial estates. As a result, the Company experienced a higher proportion of cost of goods sold from real estate sales in this quarter.
- Net Profit** was Baht 452.9 million, increased by Baht 295.9 million or 188.6% compared to Q1/2023, corresponding to the increase in real estate sales from the increased in land transfer volumes. In addition, net profit increased due to the increase in revenue from other businesses, the decrease in financial costs due to the repayment of loans to financial institutions, and the Company's ability to manage costs efficiently.

### QoQ Q1/2024 vs Q4/2023

- In Q1/2024, the Company reported **Operating Revenue** of Baht 1,097.0 million, decreased by 242.2 or 18.1% from Q4/2023, mainly due to the decrease in revenue from real estate from the decrease in volume of land transfers. However, the Company has a backlog of 203.3 Rai and pre-sales of 93.1 Rai that are expected to be recognized within 2024, indicating a positive outlook trend for revenue.
- Gross Profit Margin** was 45.3%, decreased from 58.2% in Q4/2023, as the majority of the Company's land sales in Q1/2024 came from Pinthong 6 Industrial Estate, which has a higher average land development cost than other industrial estates. As a result, the Company experienced a higher proportion of cost of goods sold from real estate sales in this quarter.
- Net Profit** was Baht 452.9 million, decreased by Baht 224.7 million or 33.2% compared to Q4/2023, mainly due to the decreased in real estate sales. However, the Company has a backlog of 203.3 Rai and pre-sales of 93.1 Rai that are expected to be recognized in 2024, indicating a positive outlook trend for revenue.

## Key Milestones and Q1/2024 Significant Events



### Approval of Dividend Payment for Year 2023



At the meeting of the Board of Directors on February 23, 2024, the Board resolved to approve the payment of dividend for the fiscal year 2023 at the rate of Baht 0.59 per share. The record date for determining shareholders entitled to receive the dividend is May 9, 2024, and the dividend payment date is May 24, 2024. Then, the annual general meeting of shareholders on April 26, 2024 resolved to approve the payment of dividend.



### Sales and Land Transfer Target of 750 Rai in 2024



The Company has set targets for 2024, aiming to increase land sales and transfers by 28% calculating to 750 Rai compared to the previous year's 584 Rai. In Q1/2024, the Company has a backlog of 203 Rai and pre-sales of 93 Rai, which are expected to be fully transferred this year. In addition, the Recurring Income business is expected to see significant growth, supported by the relocation of production hubs by foreign investors, which will help drive this year's performance as planned.

## Progress update in Q1/2024



### Logistics Park Project Development

- Currently the Company is in the first construction phase of the warehouse, with a total area of 69,000 square meters. In Q1/2024, the Company completed the construction of 4 buildings.
- The remaining buildings of the first phase is expected to be completed by Q2/2024.



### Solar Power Project Development

- In Q4/2023, the Company recognized revenue from the installation of solar panels for customers for a total of 1 megawatt.
- The Company is currently in the process of negotiating new contracts for the installation of solar panels with new customers for a total capacity of 4 megawatts.



### Pinthong 5 Expansion Project Development

- The Pinthong 5 expansion Project, area of 1,155 Rai, is currently in the process of preparing the Environment Impact Assessment Report (EIA)

## Operating Result

Overall operating result	Q1/23	Q4/23	Q1/24	Change +/-	
Units: Million THB				%YoY	%QoQ
<b>Operating Revenue</b>	<b>478.5</b>	<b>1,339.2</b>	<b>1,097.0</b>	<b>129.3%</b>	<b>(18.1%)</b>
Cost of Sales and Service	228.5	559.7	600.1	162.6%	7.2%
<b>Gross Profit</b>	<b>250.0</b>	<b>779.5</b>	<b>496.9</b>	<b>98.7%</b>	<b>(36.3%)</b>
Other income	11.4	12.6	16.9	47.9%	34.2%
Selling and distribution expenses	(8.7)	(22.9)	(13.7)	56.7%	(40.2%)
Administrative expense	(40.2)	(48.6)	(39.5)	(1.6%)	(18.8%)
Financial cost	(18.4)	(8.9)	(0.3)	(98.5%)	(97.0%)
<b>Profit (Loss) before Income Tax</b>	<b>194.1</b>	<b>711.6</b>	<b>460.3</b>	<b>137.1%</b>	<b>(35.3%)</b>
Income Tax expense	(37.2)	(34.0)	(7.4)	(80.1%)	(78.3%)
<b>Net Profit (Loss)</b>	<b>156.9</b>	<b>677.6</b>	<b>452.9</b>	<b>188.6%</b>	<b>(33.2%)</b>

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

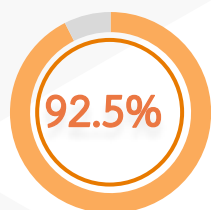


### Analysis of the Company's Income Statement

The Company operates the development and management of industrial estates, utility facilities, commercial areas, and real estate development. The Company divides its business into 3 categories and others, which are as follows:

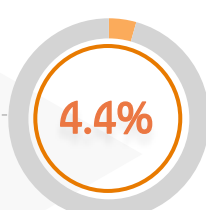
### Q1/2024 Operating Revenue Structure

#### Land Sales Business in Industrial Estate



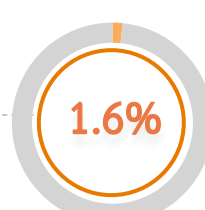
- Currently, PIN has a total of 7 projects. They are divided into 6 industrial estates, which are PIN1-PIN6, and the Logistic Park project which is 'Pinthong Land'

#### Common Area and Utilities Service Business



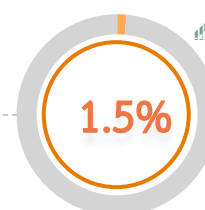
- Common areas
- Wastewater treatment
- Water supply
- Raw water service
- Fiber Optic service
- Solar Cell service
- Construction Management services
- Water Quality Testing

#### Warehouses/ Factories Rental Business



- Ready-built factories range in size from 1,000 - 10,000 sq. m.
- Factories and warehouses for rent which are built to suit service

#### Other income



- Income from Property Fund Asset Management. The Company acts as a property manager with more than 154,885 sq. m. of factories and warehouses under the supervision.
- Dividends



0.3%\*

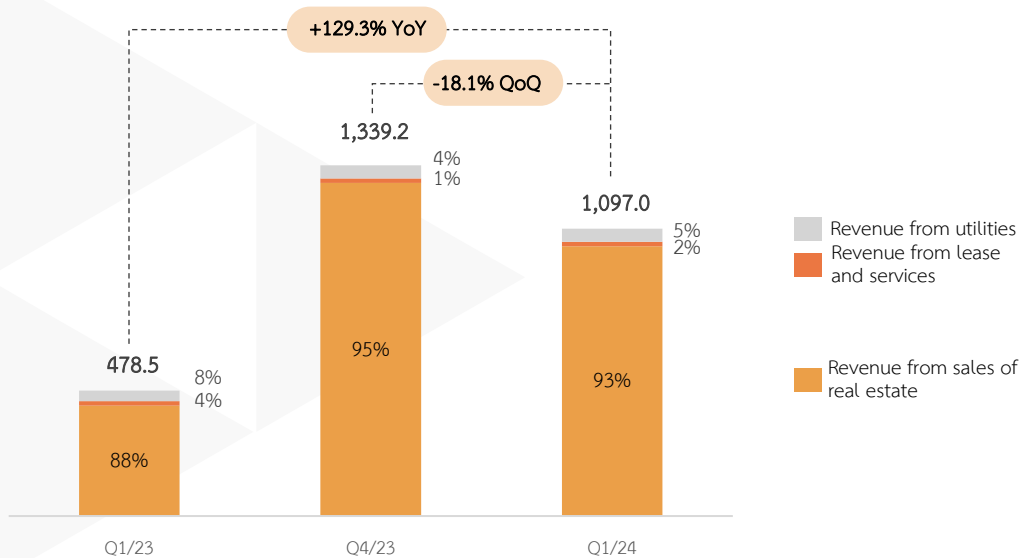
# Operating Result

Revenue Structure	Q1/23	Q4/23	Q1/24	Change +/-	
Unit: Million THB				%YoY	%QoQ
<b>Operating Revenue</b>					
Revenue from Sales of Real Estate	422.2	1,272.2	1,030.5	144.1%	(19.0%)
Revenue from Lease and Services	16.9	17.4	17.4	3.0%	0.0%
Revenue from Utilities	39.4	49.6	49.1	24.6%	(1.0%)
<b>Total Operating Revenue</b>	<b>478.5</b>	<b>1,339.2</b>	<b>1,097.0</b>	<b>129.3%</b>	<b>(18.1%)</b>
Other Income	11.4	12.6	16.9	47.9%	34.2%
<b>Total Revenue</b>	<b>489.9</b>	<b>1,351.7</b>	<b>1,113.8</b>	<b>127.4%</b>	<b>(17.6%)</b>

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

## 1 Operating Revenue

Unit : Million THB,%



### YoY Q1/2024 vs Q1/2023

**+129.3%**

In Q1/2024, the Company reported consolidated operating revenue of Baht 1,097.0 million, increased by Baht 618.5 million, or 129.3% from Q1/2023, mainly due to:

- **Revenue from Real Estate Sales** was Baht 1,030.5 million in Q1/2024, increased by Baht 608.3 million or 144.1% due to the increase in the land transfer volumes. In Q1/2024, the total land transfers was 242.9 Rai, compared to 94.0 Rai in Q1/2023, displaying the increase of 148.9 Rai both from domestic and international customers, especially Chinese customers in the automotive and electronics parts manufacturing sectors. This was due to the Company's strategic location in the EEC area which has basic infrastructures including of public utilities and efficient transportation system near Leam Chabang Port and Suvarnabhumi Airport. In addition, the Company benefitted from the positive economic growth trend, as well as the supportive government policies and Board of Investment (BOI) investment policies.
- **Revenue from Lease and Services** was Baht 17.4 million in Q1/2024, increased by Baht 0.5 million, or 3.0% due to the Company's ability to secure new tenants, which caused the average leased area to increase by 1,100 sq. m., resulting in the occupancy rate to achieve 100.0% at the end of the period.
- **Revenue from Utilities** was Baht 49.1 million in Q1/2024, increased by Baht 9.7 million, or 24.6% from Q1/2023 due to the increase in sale of water supply, wastewater treatment revenue, and common area service fees following the increase in customer production activities and the number of customers in the industrial estate. In addition, the revenue also came from the fiber optic service to new customers, service fees from water quality testing, solar cell installation service fee and the recognition of revenue from the construction management service in Q4/2023.

**QoQ Q1/2024 vs Q4/2023**

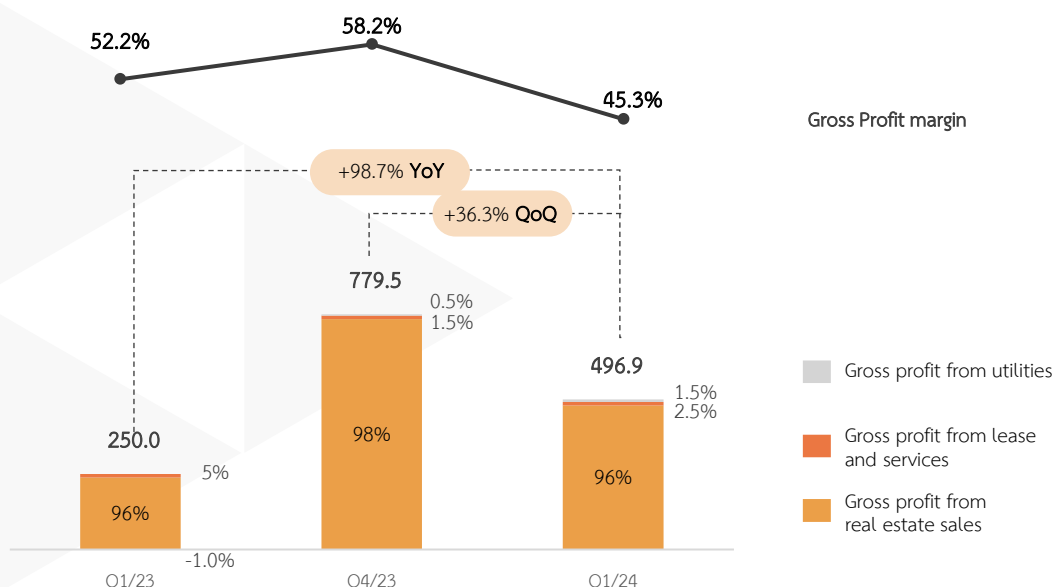
**-18.1%**

In Q1/2024, the Company reported consolidated operating revenue of Baht 1,097.0 million, decreased by Baht 242.2 million, or 18.1% compared to Q4/2023, mainly due to:

- **Revenue from Real Estate Sales** was Baht 1,030.5 million, decreased by Baht 241.7 million, or 19.0% due to the decrease in land transfer volumes. However, the Company have additional revenues to be recognized including a backlog of 203.3 Rai and pre-sale of 93.1 Rai which will be recognized within 2024, indicating a positive outlook trend for revenue.
- **Revenue from Lease and Services** was Baht 17.4 million in Q1/2024, remain unchanged from Q4/2023 due to the Company's 100% occupancy rate of the warehouse/ factories of approximately 31,084 sq. m. since Q4/2023, resulting in the occupancy rate at the end of the period to remain at 100%.
- **Revenue from Utilities** was Baht 49.1 million in Q1/2023, slightly decreased by Baht 0.5 million, or 1.0%

**2 Gross Profit and Gross Profit Margin**

Unit : Million THB, %



**YoY Q1/2024 vs Q1/2023**

**+98.7%**

**Gross Profit:** In Q1/2024, the Company reported consolidated Gross Profit of Baht 496.9 million, increased by Baht 246.8 million, or 98.7% compared to Q1/2023, mainly due to:

- **Gross profit from real estate sales** was Baht 476.8 million in Q1/2024, increased by Baht 238.0 million, or 99.7% compared to Q1/2023, corresponding to the increase in real estate sales from the increase in land transfers. This was supported by the Company's strategic location in the EEC area which has basic infrastructures including of public utilities and efficient transportation system near Leam Chabang Port and Suvarnabhumi Airport. In addition, the Company benefitted from the positive economic growth trend, as well as the supportive government policies and Board of Investment (BOI) investment policies.
- **Gross profit from lease and service** was Baht 12.2 million in Q1/2024, increased by Baht 0.5 million, or 4.5% compared to Q1/2023, corresponding to the increase in new tenants.
- **Gross profit from utilities** was Baht 7.8 million in Q1/2024, increased by Baht 8.3 million, or 1,754.1% compared to Q1/2023, due to the increase of revenue in every business; especially in water supply and wastewater treatment, as well as common area service fees following the increase in customer production activities and the number of customers in the industrial estate.

**Gross Profit Margin:** was 45.3%, decreased from 52.2% in Q1/2023, due to the majority of the Company's land sales during Q1/2024 came from Pinthong 6 Industrial Estate, which has a higher average land development cost than other industrial estates. As a result, the Company experienced a higher proportion of cost of goods sold from real estate sales during this quarter.

**QoQ Q1/2024 vs Q4/2023**

**-36.3%**

**Gross Profit:** In Q1/2024, the Company reported consolidated Gross Profit of Baht 496.9 million, decreased by Baht 282.7 million, or 36.3% compared to Q4/2023, mainly due to:

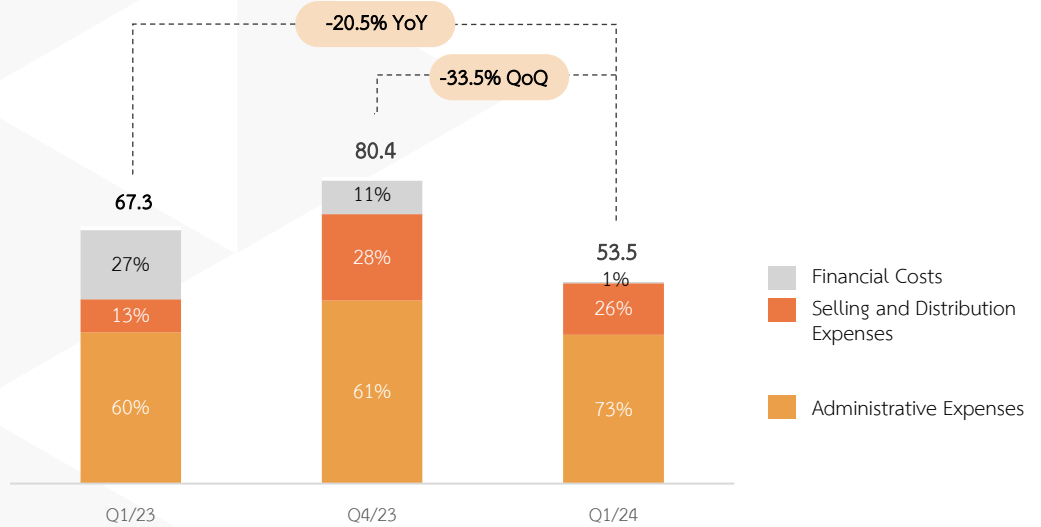
- **Gross profit from real estate sales** was Baht 476.8 million in Q1/2024, decreased by Baht 286.7 million, or 37.6%, mainly due to the decrease in real estate sales, as well as the majority of the Company's land sales in Q1/2024 came from Pinthong 6 Industrial Estate, which has a higher average land development cost than other industrial estates. As a result, the Company experienced a higher proportion of cost of goods sold from real estate sales in this quarter. However, the Company has a backlog of 203.3 Rai and pre-sales of 93.1 Rai that are expected to be recognized in 2024, indicating a positive outlook trend for revenue.
- **Gross profit from lease and service** was Baht 12.2 million in Q1/2024, slightly increased by Baht 0.3 million, or 2.6%.
- **Gross profit from utilities** was Baht 7.8 million in Q1/2024, increased by Baht 3.7 million, or 90.2%, due to the decrease in common area road maintenance expenses.

**Gross Profit Margin:** was 45.3%, decreased from 58.2% in Q1/2023, due to the majority of the Company's land sales during Q1/2024 came from Pinthong 6 Industrial Estate, which has a higher average land development cost than other industrial estates. As a result, the Company experienced a higher proportion of cost of goods sold from real estate sales in this quarter.

**3**

**Selling and Administrative Expenses and Financial costs**

Unit: Million THB, %



**YoY Q1/2024 vs Q1/2023**

**-20.5%**

**Selling and Distribution Expenses:** In Q1/2024, the Company reported consolidated Selling and Distribution Expenses of Baht 13.7 million, increased by Baht 5.0 million, or 56.7% compared to Q1/2023, due to the increase in marketing expenses corresponding to the increase in sales, and public relations expenses through online channels to reach Chinese customers.

**Administrative Expenses:** In Q1/2024, the Company reported consolidated Administrative Expenses of Baht 39.5 million, slightly decreased by Baht 0.7 million, or 1.6% compared to Q1/2023.

**Financial Costs:** In Q1/2024, the Company reported consolidated Financial Costs of Baht 0.3 million, decreased by Baht 18.1 million, or 98.5% from Q1/2023, due to the ability to repay loans to financial institutions.

**QoQ Q1/2024 vs Q4/2023**
**-33.5%**

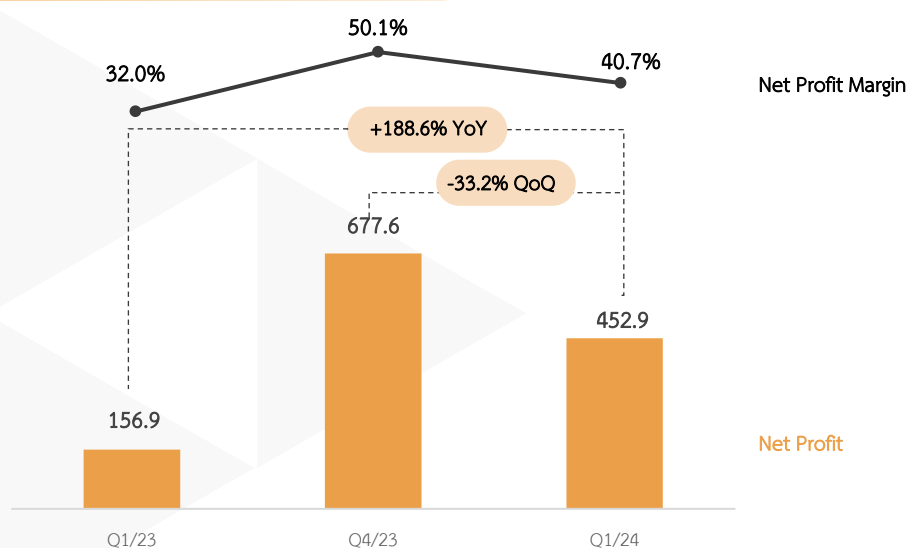
**Selling and Distribution Expenses:** In Q1/2024, the Company reported consolidated Selling and Distribution Expenses of Baht 13.7 million, decreased by Baht 9.2 million, or 40.2% compared to Q4/2023, corresponding to the decrease in real estate sales, as well as the Company's ability to manage expenses effectively.

**Administrative Expenses:** In Q1/2024, the Company reported consolidated Administrative Expenses of Baht 39.5 million, decreased by Baht 9.1 million, or 18.8% compared to Q4/2023, mainly due to the recognition of property and land tax expenses, employee benefit expenses, and business consulting fees in Q4/2023. In addition, the Company has shown the ability to manage expenses effectively.

**Financial Costs:** In Q1/2024, the Company reported consolidated Financial Costs of Baht 0.3 million, decreased by Baht 8.7 million, or 97.0% compared to Q4/2023, due to the ability to repay loans to financial institutions.

**4**
**Net Profit and Net Profit Margin**

Unit: Million THB, %


**YoY Q1/2024 vs Q1/2023**
**+188.6%**

**Net Profit:** In Q1/2024, the Company reported consolidated Net Profit of Baht 452.9 million, increased by Baht 295.9 million, or 188.6% from Q1/2023, corresponding to the increase in real estate sales from the increase in land transfers. This was supported by the Company's strategic location in the EEC area, having a world-class infrastructure for both public utilities and transportation, the growth trend of the economy, the attractive investment policies from the government and the policies from the Board of Investment (BOI). In addition, the improvement in net profit also came from the increase in revenues from other businesses, the decrease in financial costs from the Company's ability to repay loans to financial institutions, and the Company's ability to manage costs efficiently.

**Net Profit Margin:** was 40.7% in Q1/2024, improved from 32.0% in Q1/2023, corresponding to the increase in revenue from all business units, as well as the Company's ability to manage expenses efficiently.

**QoQ Q1/2024 vs Q4/2023**
**-33.2%**

**Net Profit:** In Q1/2024, the Company reported consolidated Net Profit of Baht 452.9 million, decreased by Baht 224.7 million, or 33.2% from Q4/2023, corresponding to the decrease in real estate sales from the decrease in land transfers. This was mainly due to the majority of the Company's land sales during Q1/2024 came from Pinthong 6 Industrial Estate, which has a higher average land development cost than other industrial estates. As a result, the Company experienced a higher proportion of cost of goods sold from real estate sales in this quarter. However, the Company has a backlog of 203.3 Rai and pre-sales of 93.1 Rai that are expected to be recognized in 2024, indicating a positive outlook trend for revenue.

**Net Profit Margin:** was 40.7% in Q1/2024, decreased from 50.1% in Q4/2023, mainly due to the majority of the Company's land sales in Q1/2024 came from Pinthong 6 Industrial Estate, which has a higher average land development cost than other industrial estates. As a result, the Company experienced a higher proportion of cost of goods sold from real estate sales in this quarter.

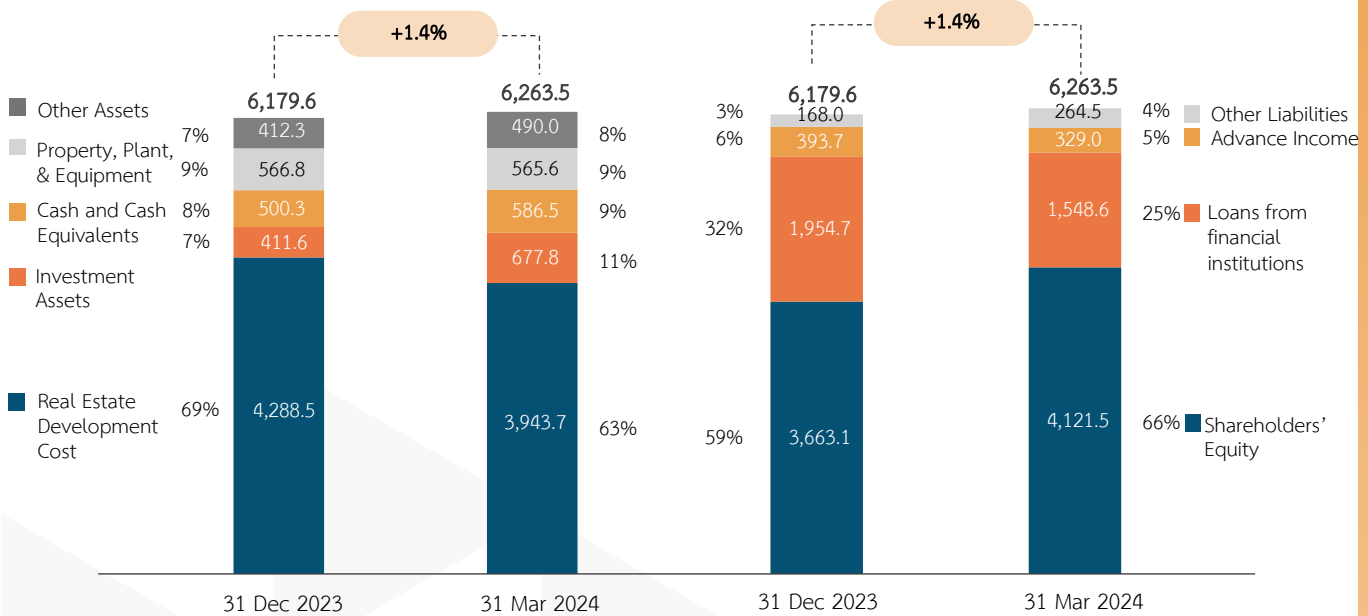


# Statement of Financial Position

Unit: million THB, %

## Assets

## Liabilities and Equity



### Total Assets

**+1.4%**

As of 31 March 2024, the Total Assets of the Company were Baht 6,263.5 million, increased by Baht 83.9 million, or 1.4% from 31 December 2023 mainly due to:

- **Cash and Cash Equivalent:** was Baht 586.5 million, increased by Baht 86.2 million, from normal operations from the sale and transfer of land.
- **Investment Assets:** was Baht 677.8 million, increased by Baht 266.2 million, from the construction of the Logistic Park warehouse
- **Real Estate Development Cost:** was Baht 3,943.7 million decreased by Baht 344.8 million, from the sale and transfer of land during the period.



### Total Liabilities

**-14.9%**

As of 31 March 2024, the Total Liabilities of the Company were Baht 2,142.0 million, decreased by Baht 374.4 million, or 14.9% from 31 December 2023 mainly due to:

- **Advanced income:** was Baht 329.0 million, decreased by Baht 64.7 million, from the sale and transfer of land during the period.
- **Loan from Financial Institutions:** was Baht 1,548.6 million, decreased by Baht 406.1 million, due to the repayment of short-term and long-term loans to financial institutions.



### Total Shareholders' Equity

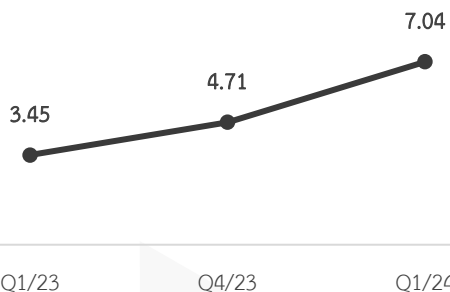
**+12.5%**

As of 31 March 2024, the Total shareholders' equity of the Company were Baht 4,121.5 million, increased by Baht 458.4 million, or 12.5% from 31 December 2023, due to the Company's operating results during the period.

## Key Financial Ratios

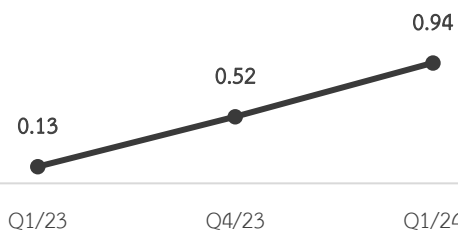
### Current Ratio

Unit: Times



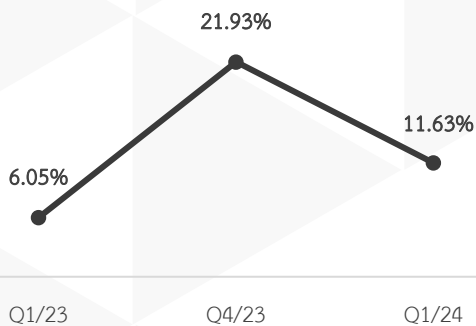
### Quick Ratio

Unit: Times



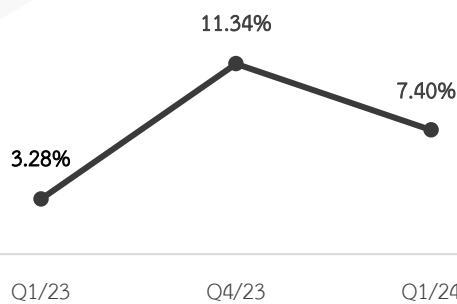
### ROE

Unit : %



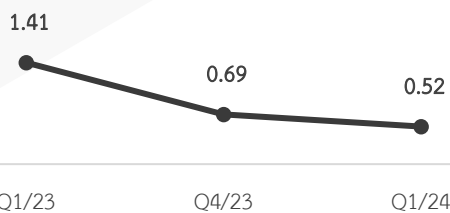
### ROA

Unit : %



### D/E Ratio

Unit: Times



### Interest Bearing Debt to Equity Ratio

Unit: Times

