

## Overall Business Performance

For the first quarter of 2024, the economy has shown signs of significant recovery. GDP expansion is notable in each country compared to the previous year, driven primarily by the service sector. Manufacturing has also improved, expanding further after a contraction in the previous year. Inflationary pressures have eased somewhat, but geopolitical tensions remain stretched and may escalate further.

According to data from the Federation of Thai Industries, automobile production for the period of January to March decreased from the previous year, from 507,787 units to 414,123 units, representing a reduction of approximately 18%. This decline is attributed to the ongoing economic recovery, resulting in subdued consumer purchasing power. Additionally, intensified competition from Chinese car manufacturers entering the Thai market has contributed to the decline.

For the first quarter of 2024, total revenue amounted to 235.7 million baht, a decrease from the previous year's 255.1 million baht, marking a decline of 19.5 million baht or 8%. This reduction stems from a decrease in consumer goods, attributed to delayed orders due to customer marketing strategy adjustments. Additionally, revenue in the automotive industry decreased by 3.3 million baht or 2% due to a contraction in domestic car production. However, medical equipment sales showed significant growth, increasing by 8 million baht or 26%.

For the first quarter of 2024, net profit amounted to 46.2 million baht, increased 18.3 million baht the previous year, with a net profit margin of 19.6%. This growth contrasts with the decrease in revenue, driven by higher gross profit margins on sold products. Specifically, high-tech automotive products and medical equipment, which typically yield higher margins due to their complexity, contributed significantly. Improved production efficiency and cost reduction initiatives also played a role in boosting profitability despite the decline in revenue.

## Key Events

- Minimum wage adjustment starting January 1, 2024, increased from 353 to 363 baht or 2.8% increased.
- Overall energy costs remained lower than in 2023, with the current Ft value at 0.40 THB per unit compared to the previous year's 1.55 THB per unit for January to March.
- In March, POLY received the Value Analysis and Value Engineering award from Toyota Daihatsu Engineering & Manufacturing (TDEM) for cost reduction efforts through engineering principles applied to process analysis.

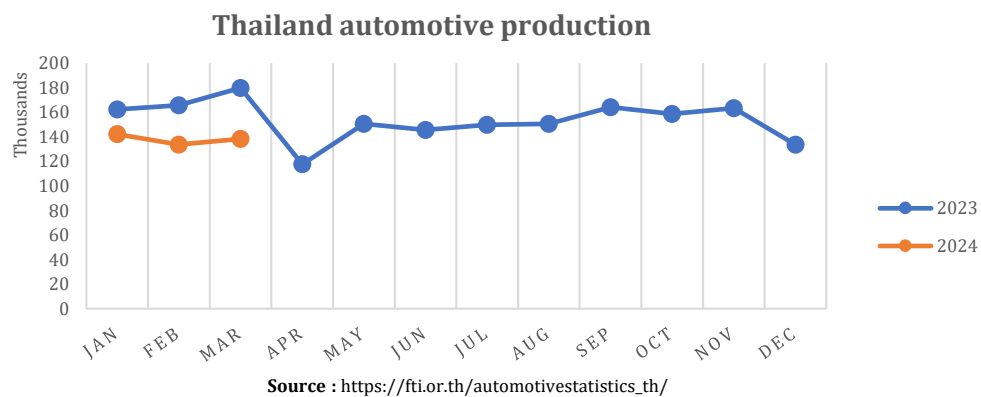
## Performance and Profitability

Revenue By Segments	3M2023		3M2024		Increase (Decrease)	% Increase (Decrease)
	Million Baht	%	Million Baht	%		
<b>Sale Revenues</b>						
Automotives	149.3	58.5%	146.0	61.9%	(3.3)	(2.2%)
Consumer products	73.3	28.7%	48.1	20.4%	(25.2)	(34.4%)
Medical devices	32.2	12.6%	40.5	17.2%	8.3	25.7%
<b>Total</b>	<b>254.8</b>	<b>99.9%</b>	<b>234.6</b>	<b>99.5%</b>	<b>(20.2)</b>	<b>(7.9%)</b>
<b>Other income</b>	0.3	0.1%	1.1	0.5%	0.8	250.1%
<b>Total revenues</b>	<b>255.1</b>	<b>100.0%</b>	<b>235.7</b>	<b>100.0%</b>	<b>(19.4)</b>	<b>(7.6%)</b>

### Revenue from sales

For the 1st quarter of 2024, total sales revenue decreased by 19.4 million baht, or 7.6%, compared to the same period last year. The main reason for this decline was a 25.2 million baht decrease, or 34.4%, in sales of consumer goods, attributed to economic challenges in America. Customers adjusted sales estimates, leading to clearance of inventory and postpone the purchase orders.

Sales of automotive components also decreased by 3.3 million baht, or 2.2%, due to reduced domestic car production. Revenue from unsold molds will be recognized upon completion and delivery, expected in the 3rd to 4th quarter of 2024.



While medical equipment sales grew by 8.3 million baht, or 25.7%, expanding customer bases in America contributed significantly. Rising medical costs in America have driven a trend toward home care, as it offers a more cost-effective solution. Additionally, the introduction of new medical equipment products has diversified the product portfolio, further boosting revenue.

### Other income

Other income amounted to 1.1 million baht, up from 0.8 million baht the previous year. This includes income from the sale of raw materials scraps and interest income from fixed deposits resulting from the company's cash flow management.

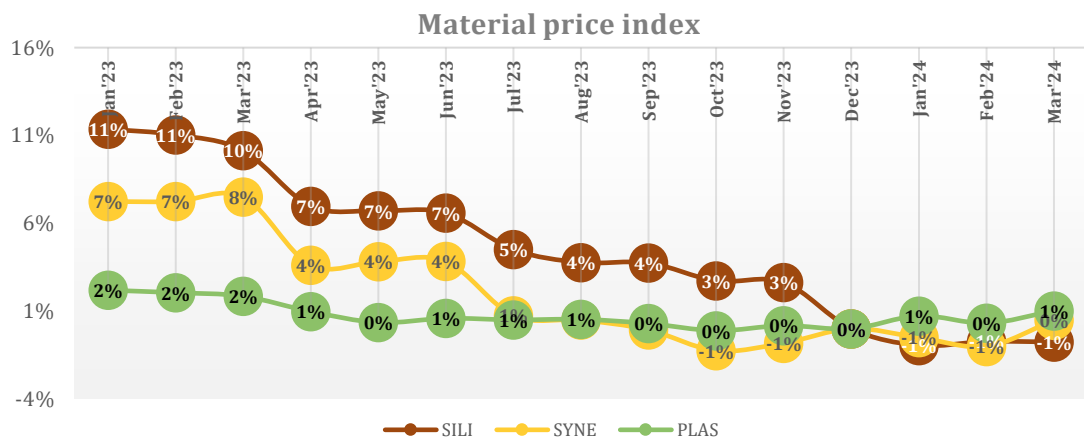
### Cost of sales and gross profit margin

Unit: Million Baht	3M2023	3M2024	Increase (Decrease)	% Increase (Decrease)
Revenue from sales and services	254.8	234.6	(20.2)	(7.9%)
Cost of Sales	199.9	166.2	(33.7)	(16.9%)
Gross Profit	54.9	68.4	13.5	24.5%
<b>Gross Profit Margin (%)</b>	<b>21.5%</b>	<b>29.1%</b>	<b>7.6%</b>	

For the 3M2024 period, the gross profit amounted to 68.4 million baht, an increase of 13.5 million baht from the same period last year, representing a 24.5% increase. The gross profit margin also increased from 21.5% to 29.1%, up from 7.6% the previous year. The cost structure details are as follows:

Cost of Sales	3M2023		3M2024		Increase (Decrease)	% to revenue Increase (Decrease)
	Million Baht	% to revenue	Million Baht	% to revenue		
Raw Material	115.5	45.3%	87.5	37.1%	(28.0)	(8.1%)
Labor Cost	33.9	13.3%	31.2	13.3%	(2.7)	(0.0%)
Depreciation and Amortization	23.1	9.1%	23.2	9.8%	0.1	0.8%
Other overhead cost	27.4	10.7%	24.3	10.3%	(3.1)	(0.4%)
<b>Total cost of sales</b>	<b>199.9</b>	<b>78.4%</b>	<b>166.2</b>	<b>70.5%</b>	<b>(33.7)</b>	<b>(7.8%)</b>

#### Raw materials :



The raw material price index compares each month's prices using the prices in December 2566 as the base for calculation and comparison. It includes the main raw materials: silicon (SILI), plastic pellets (PLAS), and synthetic rubber (SYNE).

For the 3M2024 period, the proportion of raw material costs to revenue decreased from 45.3% to 37.1%. This was due to a change in the revenue structure, with a higher proportion of sales from the medical equipment and automotive product groups, which have lower raw material costs compared to their selling prices. Additionally, the continuous decrease in raw material prices since the first quarter of 2023, based on data from the 2023 and 2024 raw material price indices, particularly for silicone and synthetic rubber, which were approximately 10% and 7% lower, respectively, contributed to this decrease. Efficient raw material usage also played a role in reducing the proportion of raw material costs to revenue.

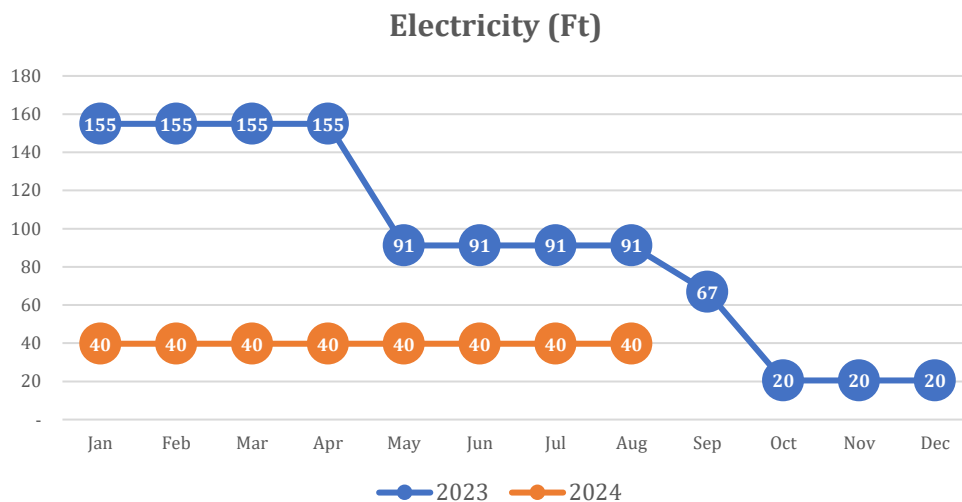
### Labor cost :

For the 3M2024 period, labor costs decreased by 2.7 million baht compared to the same period of the previous year. This reduction was due to a decrease in the number of employees, primarily impacted by the rescheduling of orders for the silicone packaging product group. Labor costs remained at 13.3% of revenue, consistent with the previous year. This was because the company exercised control over staffing levels, approved overtime pay, and implemented production planning and inventory management. Additionally, automation systems were utilized to replace some employees, streamlining workflows for maximum efficiency.

### Depreciation and amortization :

The depreciation and amortization expenses slightly increased compared to the previous year, while total revenue decreased due to delayed orders for consumer products. This led to a higher proportion of depreciation and amortization expenses to revenue, rising from 9.1% to 9.8%.

### Other overhead cost :



The other overhead cost decreased by 3.1 million Baht, with the proportion of these expenses to revenue decreasing by 0.4%, compared to the same period last year. The main reasons for this are:

1. The variable electricity tariff (Ft) decreased from 1.55 THB per unit in the same period last year to 0.40 THB per unit in the current year. This, coupled with the use of solar panel-generated electricity installed in the third quarter of 2023, resulted in a reduction in electricity costs for the 3M2024 period by approximately 5.2 million Baht.
2. Factory supplies increased by 1.4 million Baht compared to the previous year due to increased sales in the medical equipment group, as well as in the automotive headlight group. These product groups require higher packaging and factory supplies usage rates compared to other products.

Revenue analysis, cost of goods sold, and gross profit margin for each product group can be shown as follows:

Automotives

Unit: Million Baht	3M2023	3M2024	Increase (Decrease)
Revenue from sales	149.3	146.0	(3.3)
Cost of sales	133.6	115.9	(17.7)
Gross profit	15.7	30.1	14.6
% Gross profit margin	10.5%	20.6%	10.1%

For the 3M2024 period, revenue from the automotive components group decreased by 3.3 million Baht, or 2.2%, reflecting the decrease in domestic car production. Additionally, revenue from the automotive molds group has not been recognized yet, expected to be realized in quarters 2-4 of 2024.

However, the gross profit margin for the automotive components group increased from the previous year's 10.5% to 20.6%, or a decrease of 10.1%. This is attributed to the proportion of revenue from products with more complex manufacturing processes, which belong to a product group with fewer competitors. These products require advanced manufacturing technologies and quality control, resulting in higher gross profit margins compared to general components. Continuous process improvement has also contributed to reducing losses and improving production efficiency.

Consumer products

Unit: Million Baht	3M2023	3M2024	Increase (Decrease)
Revenue from sales	73.3	48.0	(25.3)
Cost of sales	54.1	32.9	(21.2)
Gross profit	19.2	15.1	(4.1)
% Gross profit margin	26.2%	31.5%	5.3%

Revenue from the consumer products group was impacted by the economic challenges in America as mentioned earlier, resulting in a decrease of 25.2 million Baht or 34.4% compared to the previous year. However, the gross profit margin has seen an increase from 26.2% to 31.5%. This adjustment can be attributed to process improvements, particularly the increased use of automation systems and the development of manufacturing processes to reduce losses. These enhancements have led to higher gross profit margins.

Medical devices

Unit: Million Baht	3M2023	3M2024	Increase (Decrease)
Revenue from sales	32.2	40.5	8.3
Cost of sales	12.2	17.4	5.2
Gross profit	20.0	23.1	3.1
% Gross profit margin	62.2%	57.0%	(5.2%)

For 3M2024, the medical equipment group continues to maintain a high gross profit margin. Revenue from the medical equipment group increased by 8.3 million Baht from the previous year, attributed to the success of penetrating broader markets through various distribution channels. However, there was a slight adjustment in the gross profit margin due to increased product diversity. The products in question have slightly lower gross profit margins compared to previously sold items

## Overall Expenses

Overall Expenses	3M2023		3M2024		Increase (Decrease)	% to revenue Increase (Decrease)
	Million Baht	% to revenue	Million Baht	% to revenue		
Selling Expense	3.8	1.5%	5.1	2.2%	1.3	0.7%
Administrative Expense	14.8	5.8%	14.5	6.2%	(0.3)	0.4%
(Reversal) Expected Credit Losses	0.2	0.1%	(0.1)	(0.1%)	(0.3)	(0.1%)
Other (Gain) losses	0.1	0.1%	0.6	0.2%	0.5	0.2%
<b>Total Expenses</b>	<b>18.9</b>	<b>7.4%</b>	<b>20.1</b>	<b>8.5%</b>	<b>1.2</b>	<b>1.1%</b>

For the 3M2024 period, the total expenses amounted to 20.1 million Baht, increasing by 1.2 million Baht compared to the previous year. The proportion of expenses to revenue was 8.5%, increasing by 1.1%. The main reasons for this increase include higher sales expenses and increased other losses compared to the previous year as follows:

### Selling Expenses

Selling Expenses	3M2023		3M2024		Increase (Decrease)	% to revenue Increase (Decrease)
	Million Baht	% to revenue	Million Baht	% to revenue		
Salary and Remuneration	2.7	1.0%	2.9	1.2%	0.2	0.2%
Marketing Expense	0.1	0.0%	1.0	0.4%	0.9	0.4%
Other Selling Expense	1.0	0.4%	1.2	0.5%	0.2	0.1%
<b>Total Selling Expense</b>	<b>3.8</b>	<b>1.5%</b>	<b>5.1</b>	<b>2.2%</b>	<b>1.3</b>	<b>0.7%</b>

For the 3M2024 period, sales expenses amounted to 5.1 million Baht, representing 2.2% of the revenue, an increase from 1.3 million Baht in the 3M2023 period. The main reason for this increase is the marketing expenses due to the development and sale of products in new product categories. The majority of the marketing expenses consist of product testing costs and quality certification.

Salary and compensation expenses increased by 0.2 million Baht due to salary adjustments and an increase in the number of sales staff to accommodate the growth in the new product group. Other selling expenses increased by 0.2 million Baht from market research expenses for the new product group.

### Administrative Expenses

Administrative Expenses (Unit: Million Baht)	3M2023		3M2024		Increase (Decrease)	% to revenue Increase (Decrease)
	Million Baht	% to revenue	Million Baht	% to revenue		
Salary and Remuneration	7.6	3.0%	7.3	3.1%	(0.3)	0.1%
Consulting and Professional Fees	1.6	0.6%	1.8	0.8%	0.2	0.1%
Utilities and Maintenance	1.2	0.5%	1.2	0.5%	(0.0)	0.0%
Depreciation and Amortization	2.3	0.9%	2.3	1.0%	0.0	0.1%
Other Administrative Expenses	2.1	0.8%	1.9	0.8%	(0.2)	0.0%
<b>Total Administrative Expenses</b>	<b>14.8</b>	<b>5.8%</b>	<b>14.5</b>	<b>6.2%</b>	<b>(0.3)</b>	<b>0.4%</b>

For 3M2024, management expenses totaled 14.5 million Baht, slightly down by 0.3 million Baht from the previous period. However, the proportion of management expenses to revenue increased by 0.4%, mainly due to reduced employee and executive expenses by 0.3 million Baht, offset by a 0.2 million Baht rise in consultancy fees for new business exploration. Despite this, most administrative expenses are fixed costs, leading to a higher management expenses-to-revenue ratio when revenue decreases.

### Other income/expenses

Other income include gains/losses from unrealized exchange rates and gains/losses from asset sales. For the 3M2024 period, there was a loss of 0.6 million baht, which resulted from unrealized exchange rate losses due to the purchase of machinery from abroad, stemming from the weakening of the THB.

### Finance Costs

Finance Costs (Unit: Baht million)	3M2023	3M2024	Increase (Decrease)	% Increase (Decrease)
Loan Interest	2.5	0.1	(2.4)	(97.7%)
Hire Purchase Interest	1.2	1.0	(0.2)	(20.6%)
<b>Total finance costs</b>	<b>3.7</b>	<b>1.1</b>	<b>(2.6)</b>	<b>(71.6%)</b>

For the 3M2024 period, financial costs amounted to 1.1 million Baht, decreasing by 2.6 million Baht from the previous year, or approximately 71.6%. This reduction was primarily due to a decrease in interest expenses on borrowings. This decrease resulted from an additional repayment of long-term borrowings of approximately 160 million Baht in May 2023, aimed at reducing interest burden and risk.

### Net profit and net profit margin

Net profit and net profit margin (Unit: Baht million)	3M2023	3M2024	Increase (Decrease)	% Increase (Decrease)
Net profit	27.9	46.2	18.3	65.5%
Net profit margin (%)	10.9%	19.6%	8.7%	

For the 3M2024 period, the net profit amounted to 46.2 million Baht, increasing by 18.3 million Baht from the previous year, or approximately 65.5%. This significant increase was primarily due to the higher profit margin resulting from the proportion of products in the medical equipment and instrument group, which had increased as mention before.

## Statement of Financial Position

Statement of Financial Position (Unit: Million Baht)	31 Dec 2023	31 Mar 2024	Increase (Decrease)	% Increase (Decrease)
<b>Assets</b>				
Current Assets	587.7	644.9	57.2	9.7%
Non-current Assets	978.2	964.9	(13.3)	(1.4%)
<b>Total Assets</b>	<b>1,565.9</b>	<b>1,609.8</b>	<b>43.9</b>	<b>2.8%</b>
<b>Liability</b>				
Current Liabilities	169.7	307.4	137.7	81.1%
Non-Current Liabilities	94.3	85.1	(9.2)	(9.7%)
<b>Total Liabilities</b>	<b>264.0</b>	<b>392.5</b>	<b>128.5</b>	<b>48.7%</b>
<b>Equity</b>				
Shares Capital	450.0	450.0	0.0	0.0%
Retained Earnings	169.2	84.9	(84.3)	(49.8%)
Other components of equity	682.7	682.4	(0.3)	(0.0%)
<b>Total Equity</b>	<b>1,301.9</b>	<b>1,217.3</b>	<b>(84.6)</b>	<b>(6.5%)</b>

### Assets

As of March 31, 2024, the company's total assets amounted to 1,609.8 million Baht, increasing by 43.9 million Baht. This increase was attributed to an increase in current assets by 57.2 million Baht, while non-current assets decreased by 13.3 million Baht. The increase in current assets was primarily due to a increase in cash and cash equivalents by 132.2 million Baht, offset by a decrease in trade receivables and other receivables by 78.6 million Baht, resulting from debt collection during the period. The decrease in non-current assets was mainly from land, buildings, and equipment (net) due to depreciation between periods.

### Liabilities

As of March 31, 2024, the company's total liabilities amounted to 392.5 million Baht, increasing by 128.5 million Baht, or 48.7%. This increase can be broken down into an increase in current liabilities by 137.6 million Baht, resulting from the declaration of dividends on March 29, 2024, following the shareholders' meeting, and a decrease in non-current liabilities by 9.2 million Baht due to regular lease payments.

### Equity

As of March 31, 2024, the company's total equity amounted to 1,217.3 million Baht, decreasing by 84.6 million Baht. This decrease is attributed to the increase in retained earnings from the net profit between periods, amounting to 46 million Baht, offset by the declared dividend payments totaling 130.5 million Baht.



## Significant Financial Ratios

Financial Ratios	2023	3M2024	% Increase (Decrease)
Current ratio (times)	3.5	2.1	(1.4)
Gross profit margin	24.1	29.1	5.0
Net profit margin	17.9	19.6	1.7
Return on Equity	14.0	15.8	1.8
Return on Asset	10.7	11.7	1.0
Debt to Equity (time)	0.2	0.3	0.1
Interest-Bearing Debt to EBITDA Ratio (time)	0.4	0.3	(0.1)

\* Financial Ratio for three months period ended 31 March 2023 calculated from 12 months of statement of comprehensive income and base on financial position as at 31 December 2023 and 31 March 2024

### Net profit margin

For the period 3M2024, the net profit margin of the company increased from 17.9% to 19.6%, representing a 1.7% increase. This was primarily due to an increase in the gross profit margin, particularly in the group of medical equipment and devices, which saw higher profit margins. Additionally, components in the automotive group with more complexity and requiring advanced manufacturing technology also contributed to higher profits. Factors such as reduced raw material prices, improved production efficiency through tool development to reduce work time, and energy conservation by utilizing solar energy in the production process and minimizing losses all contributed to this improvement.

### Return on Equity

The return on equity increased from 14.0% to 15.8% compared to the previous year. This increase was due to the net profit rising during the period. However, the overall shareholder ownership decreased due to dividend payments throughout the year, resulting in a higher return rate for shareholders.

### Return on Asset

The return rate from assets increased from 10.7% to 11.7% compared to the previous year, representing a 1.0% increase. This rise was attributed to the increased net profit. Meanwhile, the total assets remained similar to the previous period since the majority of investments occurred in 2023, resulting in no significant additional high-value investments in 2024.

### Debt to Equity ratio

The debt-to-equity ratio increased from 0.2 to 0.3 times approximately 0.1 times. This increase was due to the announcement of a dividend payment totaling 130.5 million baht, which resulted in a reduction in shareholders' equity. With the increase in debt, the overall debt-to-equity ratio has consequently risen.

### IBD/EBITDA

The IBD/EBITDA ratio decreased from 0.4 times to 0.3 times. This decrease was due to the increase in EBITDA resulting from higher gross profit rates. Meanwhile, the interest-bearing debt decreased due to regular installment payments.

## Trends and Strategic Plans for the Future

The management team continues to monitor both domestic and international economic conditions continuously. This is to enhance and develop strategies in line with the current situation. The key points can be summarized as follows:

### **Seeking new business opportunities**

POLY has a comprehensive production process from start to finish, allowing it to participate in various supply chains across industries. Currently, POLY aims to increase sales by diversifying revenue streams beyond just the automotive industry. They have expanded their revenue into consumer goods and medical equipment sectors. Furthermore, POLY continue to explore opportunities for growth in other businesses moving forward.

### **Growth from existing customer**

Currently, POLY emphasizes timely delivery and high-quality products, along with product development and innovation aimed at enhancing product quality and competitiveness. This is to expand market share and competitive edge. Additionally, the company develops new products to meet consumer demands, resulting in the expansion of product offerings to existing customer bases.

### **Environmental, Social, and Governance (ESG) considerations.**

#### **Environmental Aspect:**

POLY prioritizes energy conservation and efficient energy management, along with efforts to reduce greenhouse gas emissions. This includes investing in clean energy projects such as solar energy. Furthermore, the company emphasizes environmental stewardship through the development of raw materials and products. This not only demonstrates environmental responsibility but also aligns with consumer awareness in today's era.

#### **Social Aspect:**

POLY considers stakeholders both within and outside the organization. Internally, POLY has implemented the 'Happy Workplace' initiative to provide employees with suitable and healthy working environments. This includes providing rest areas and ensuring workplace safety through the provision of safety equipment and regular training. Externally, POLY collaborates with expert organizations to develop high-quality and affordable medical equipment, ensuring accessibility for Thai citizens.

#### **Governance Aspect:**

POLY maintains effective internal control systems, including efficient oversight through governing committees and transparent performance evaluations. The company emphasizes clear and timely information disclosure, along with strict anti-corruption policies that promote compliance among employees.