



Inspire Better Living



# Q1/2023 Operating Results

TOA Paint (Thailand) PCL.



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# AGENDAS

**1** CORPORATE UPDATE

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**2** EXECUTIVE SUMMARY

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**3** FINANCIAL SUMMARY

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**4** TOA GOING FORWARD

**5** DIRECTION AND STRATEGY

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**6** KEY SUSTAINABLE GROWTH  
& AWARDS





# CORPORATE UPDATES



# Q1/23 Marketing and Sales Activities (1)

1. "Rally TOA New Fandek X Metal Expert" – TOA New Fandek Rally to introduce a new Fandek – Color Inspired 1,986 shades with 9 main color tones , New functions "Transparence sheet" and "Background window"



2. TOA Color World Expert Fandek – TOA launches a new color fandek with top architect designers, the event at the new TOA tile showroom warehouse 26.





# Q1/23 Marketing and Sales Activities (2)



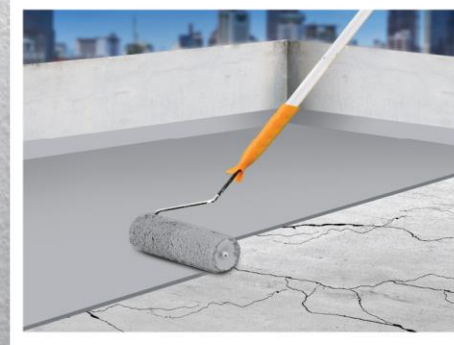
3. 4Seasons Summer Campaign - 4Seasons new upgrade, new packaging design, new selling point, advance titanium Technology. New Advertising Campaign on TVC, Out off home and online channels.



4.TOA X Sammakorn – The power of volunteer employees together , to be a part in creating a good quality of life and environment for educational institutions “Wat Kred Udom School” Pathum Thani province







# EXECUTIVE SUMMARY

# Q1/23 Executive Summary

New high quarterly sales were driven by a recovery in sales volume and the pricing effect, as well as the satisfying increased net profit by the gross profit recovery.

## Sales

**5,654<sup>MB</sup>**

+13.9% YoY  
+3.8% QoQ

## Selling Expenses

**660<sup>MB</sup>**

% to sales  
**11.7%** | -0.0 p.p. YoY  
-1.6 p.p. QoQ

## EBITDA

**1,035<sup>MB</sup>** | +47.0% YoY  
+68.2% QoQ

% to total revenues  
**18.1%**

## Net Profit

**632<sup>MB</sup>** | +54.4% YoY  
+116.4% QoQ

% to total revenues  
**11.1%**

## Gross Profit

**1,859<sup>MB</sup>**

%GP  
**32.9%** | +3.6 p.p. YoY  
+3.6 p.p. QoQ

## Admin Expenses

**380<sup>MB</sup>**

% to sales  
**6.7%** | -0.2 p.p. YoY  
-0.0 p.p. QoQ

## Core EBITDA

**1,053<sup>MB</sup>** | +42.1% YoY  
+44.7% QoQ

% to total revenues  
**18.5%**

## Core Net Profit

**651<sup>MB</sup>** | +45.8% YoY  
+60.8% QoQ

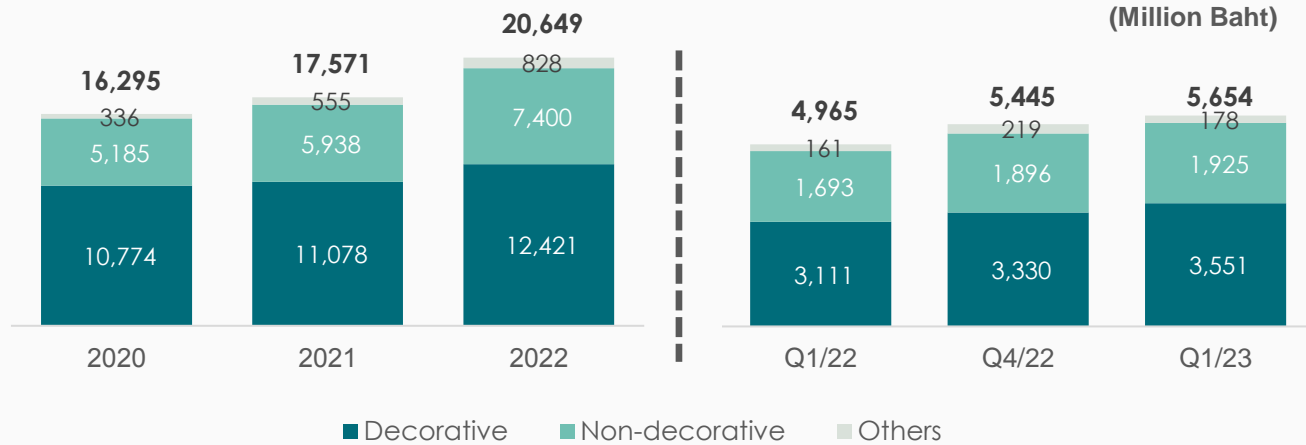
% to total revenues  
**11.4%**



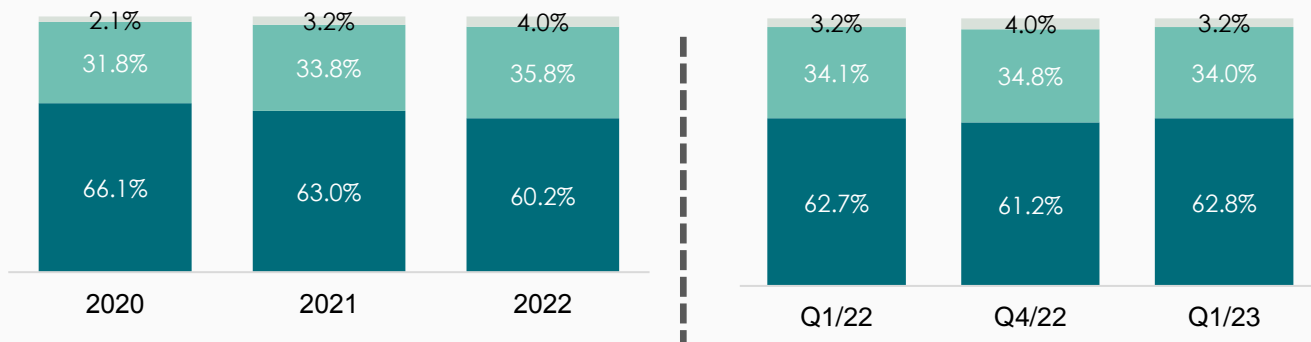
# Group Sales Breakdown : By Product Categories



2020	2021	2022	%Growth	QoQ	YoY
-4.0%	+7.8%	+17.5%	<b>Total</b>	<b>3.8%</b>	<b>13.9%</b>
-7.4%	+2.8%	+12.1%	Decorative	6.6%	14.2%
+6.6%	+14.5%	+24.6%	Non-Dec	1.5%	13.7%
-29.5%	+64.7%	+49.4%	Others	-19.2%	9.1%



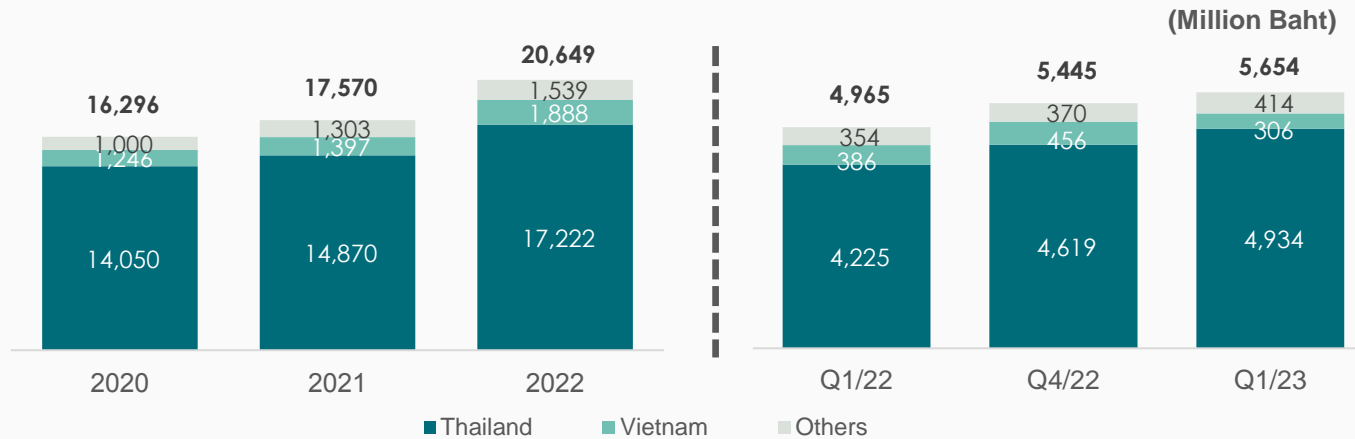
Sales Contribution (% to Total Sales Revenue)



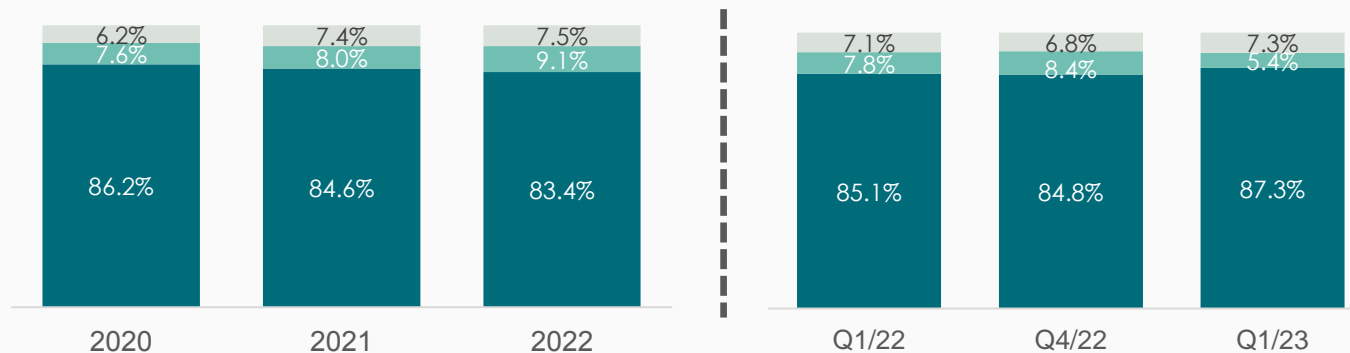
- In Q1/23, sales revenue increased by **13.9% YoY**, driven by higher sales across all product categories.
- Compared to Q4/22, sales revenue increased by **3.8%**, driven by higher decorative sales in Thailand.

# Group Sales Breakdown : By Geography

2020	2021	2022	%Growth	QoQ	YoY
-4.0%	+7.8%	+17.5%	<b>Total</b>	<b>3.8%</b>	<b>13.9%</b>
-4.1%	+5.8%	+15.8%	Thailand	6.8%	16.8%
-11.6%	+12.1%	+35.1%	Vietnam	-32.9%	-20.7%
+8.8%	+30.5%	+18.1%	Others	11.7%	16.6%



Sales Contribution (% to Total Sales Revenue)

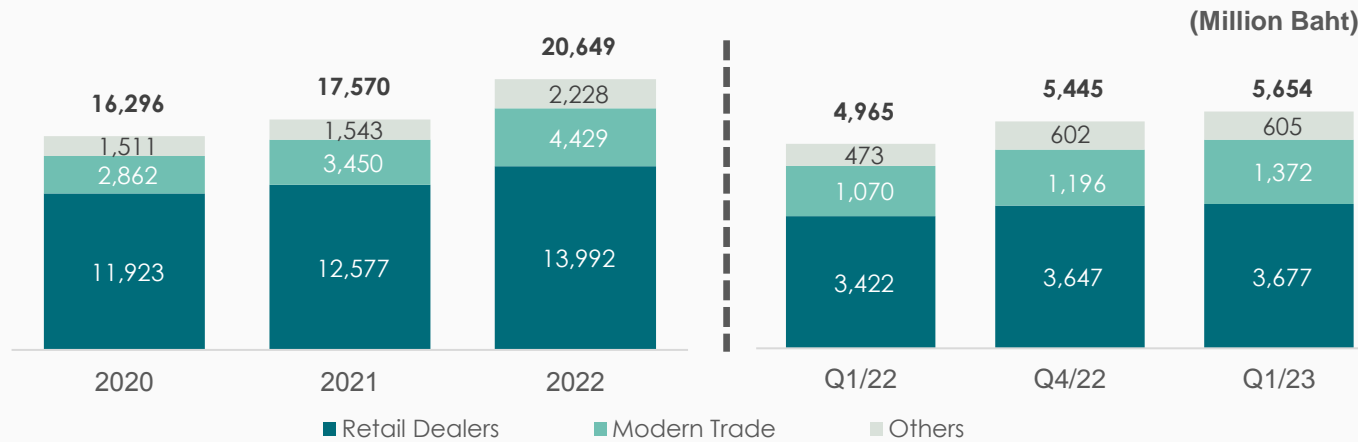


- **In Q1/23, sales revenue in Thailand increased by 13.9% YoY and 3.8% QoQ**, as the economy and real estate recovered from Covid-19, leading to higher sales in Decorative and Non-Decorative products, respectively.
- **Vietnam's sales** were slowed by 20.7% YoY due to the slowdown in the real estate market, as well as the long holiday for Chinese New Year in Q1, which impacted sales when compared to Q4/22.
- **Other countries' sales** slightly increased YoY and QoQ mainly from higher sales in Myanmar and Malaysia.

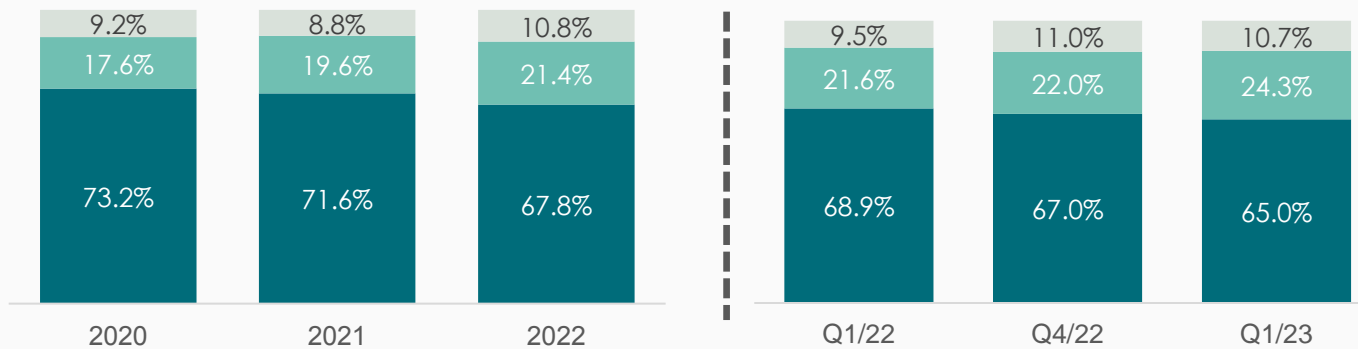


# Group Sales Breakdown : By Distribution Channel

2020	2021	2022	%Growth	QoQ	YoY
-4.0%	+7.8%	+17.5%	<b>Total</b>	<b>3.8%</b>	<b>13.9%</b>
+0.5%	+5.5%	+11.2%	Retail Dealers	0.8%	7.5%
-11.1%	+20.6%	+28.4%	Modern Trade	14.7%	28.2%
-20.2%	+2.1%	+44.4%	Others	0.5%	27.5%



Sales Contribution (% to Total Sales Revenue)



- In Q1/23, sales revenue in the retail dealer channel increased by 7.5% YoY mostly from as the economy recovered, respectively, whereas slightly increased by 0.8% QoQ.
- The modern trade channel's sales revenue increased both YoY and QoQ. This was mostly due to sales growth in both decorative and non-decorative items, as well as an increase in the number of stores.



# Financial Summary



# Q1/2023 Key Financial Highlights

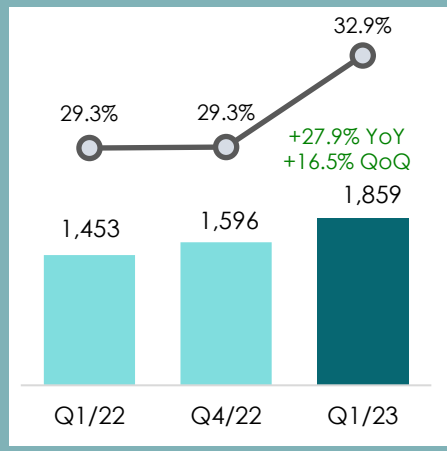
## Sales Revenue

(Mil. Baht)



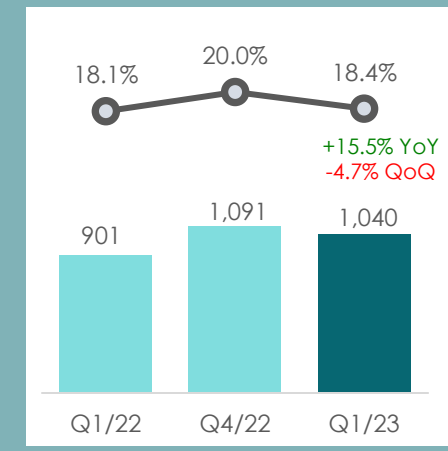
## Gross Profit

(Mil. Baht and % to sales)



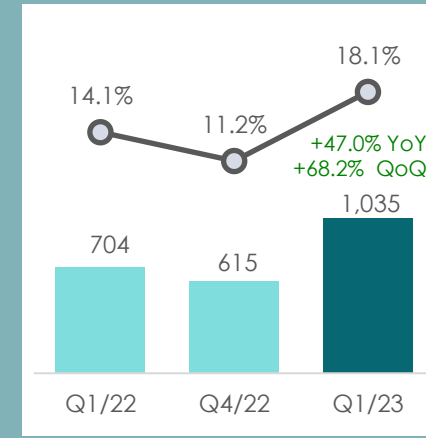
## SG&A

(Mil. Baht and % to sales)



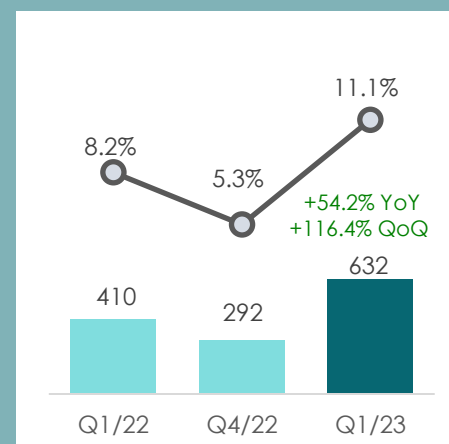
## EBITDA

(Mil. Baht and % to total revenues)



## Net Profit

(Mil. Baht and % to total revenues)



### Q1/23 compared to Q1/22

**Sales revenue rose by 13.9%** due to higher sales in Thailand in all channels and product categories, supported by price increase and volume growth.

**Gross profit recovered by 32.9%** as a result of higher decorative sales growth especially in premium segment.

**SG&A increased by 15.5%**, mainly due to higher selling expenses from sales employee cost, commission and incentive, and freight expenses.

**Net profit increased by 54.2%**, mainly from higher sales and gross margin.

### Q1/23 compared to Q4/23

**Sales revenue rose by 3.8%**, mainly due to higher sales in Thailand, supported by volume growth offset by lower sales in Vietnam.

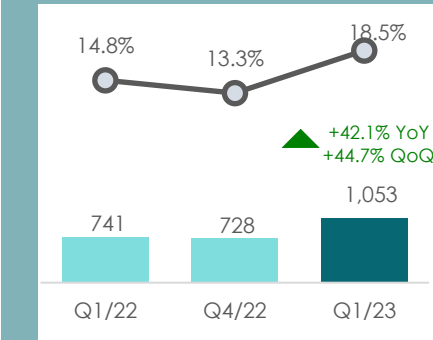
**Gross profit grew by 16.5%** as a result of higher decorative sales growth especially in premium segment.

**SG&A decreased by 4.7%**, mostly due to lower selling expenses from advertising and sale promotion.

**Net profit increase by 116.4%**, mainly higher sales and gross margin as well as the lower loss on exchange rates.

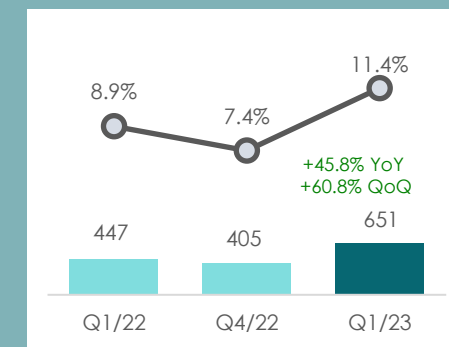
### EBITDA Excl. Extraordinary Items

(Mil. Baht and % to total revenues)



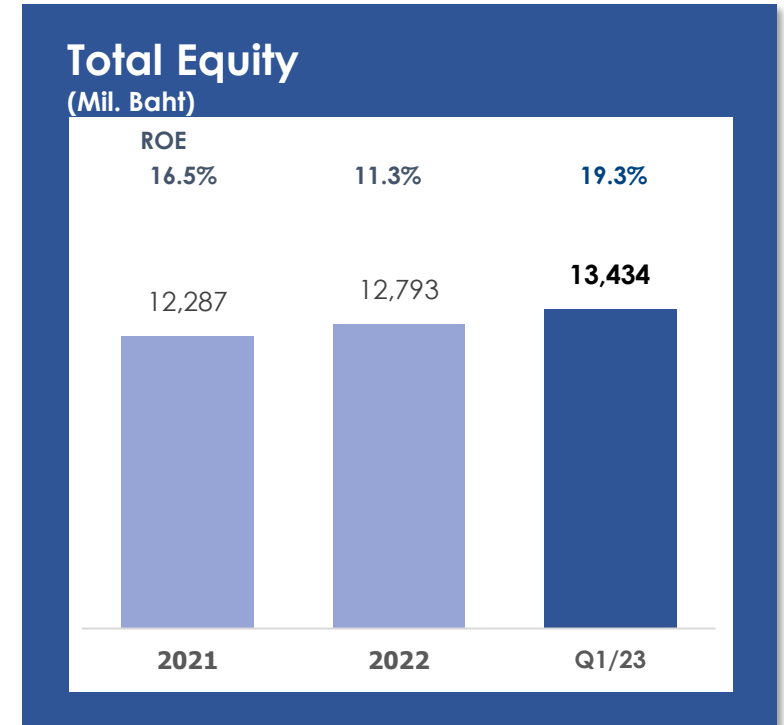
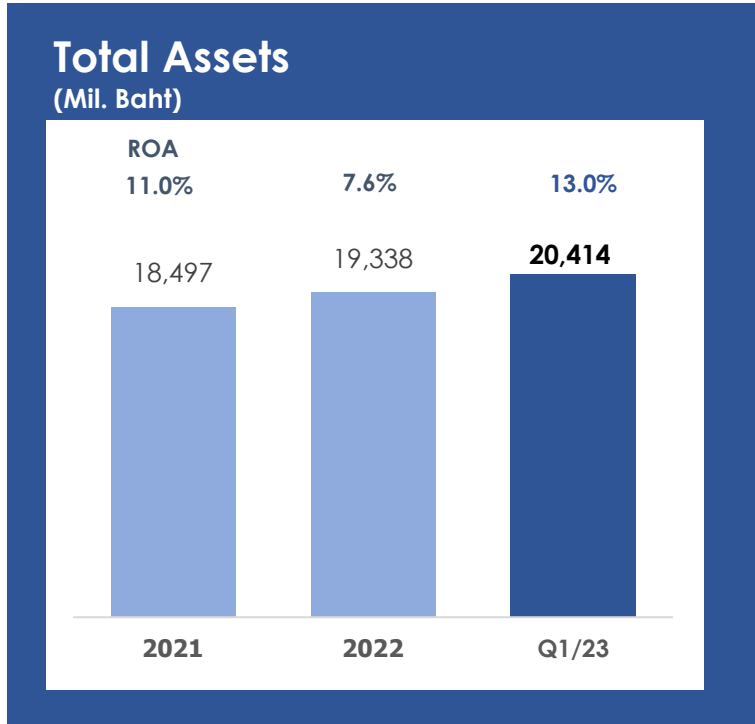
### Net Profit Excl. Extraordinary Items

(Mil. Baht and % to total revenues)



Extraordinary Items (MB)	Q1/22	Q4/22	Q1/23
Gain/(Loss) on exchange rates	(6)	(179)	(19)
Gain/(Loss) from fair value of financial assets	(31)	66	0

# Statement of Financial Position



- **At the end of Q1/23, total assets increased by 1,076 MB from the end of 2022** mainly from
  - an increase of financial assets 1,181 MB and AR by 227 MB and
  - offset by a decrease in inventories by 295 MB and PPE by 63 MB.
- **In Q1/23, ROA** increased from 2022 due to the recovery of annualized net profit.

- **At the end of Q1/23, total liabilities increased by 423 MB from the end of 2022** mainly from
- an increase in AP by 195 MB and Tax account payable of 172 MB, lease liabilities (current and long-term) by 44 MB.

- **At the end of Q1/23, total equity increased by 641 MB from the end of 2022** mainly from an increase in unappropriated retained earnings by 632 MB from our operating profit.
- In Q1/23, ROE increased from 2022, resulting from higher annualized net profit.

Note:

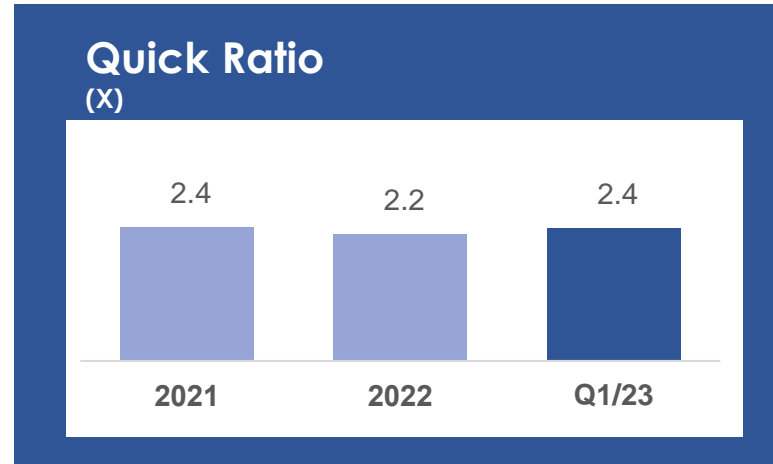
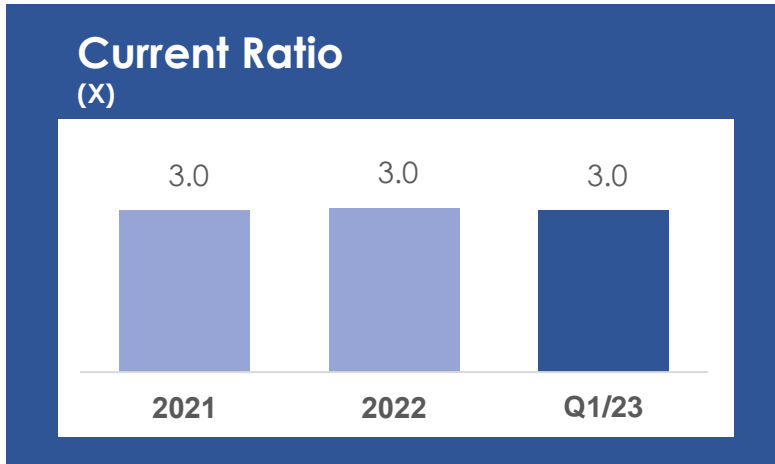
ROA = Annualized net profit divided by average total assets.

ROE = Annualized net profit divided by average shareholders' equity.

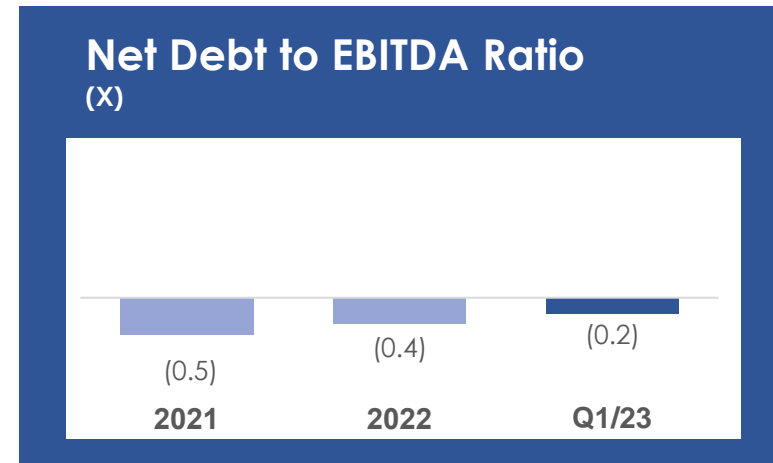
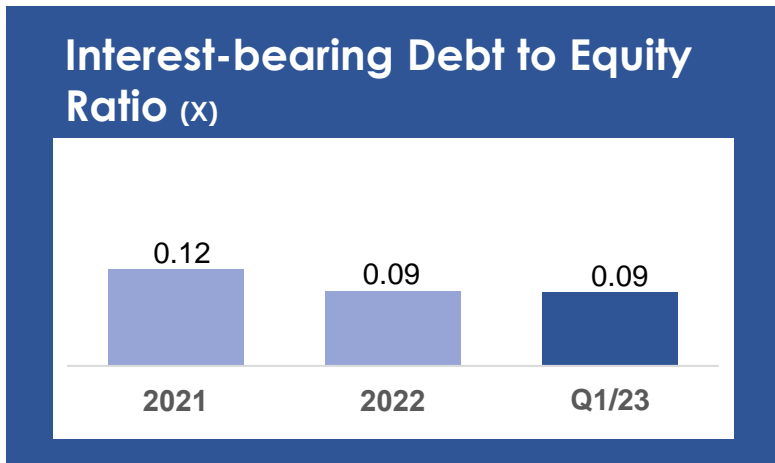


# Liquidity & Leverage Ratios

## Ability to Maintain Our Robust Financial Position



- **Current Ratio and Quick Ratio were still at a healthy level.** They were similar when compared to the last year.



- **Interest-bearing debt to equity ratio** remained the same from last year.
- **Net Debt to EBITDA ratio** was still negative, showing its strong ability to cover the debt.

Note:

Current Ratio = Current assets / Current liabilities.

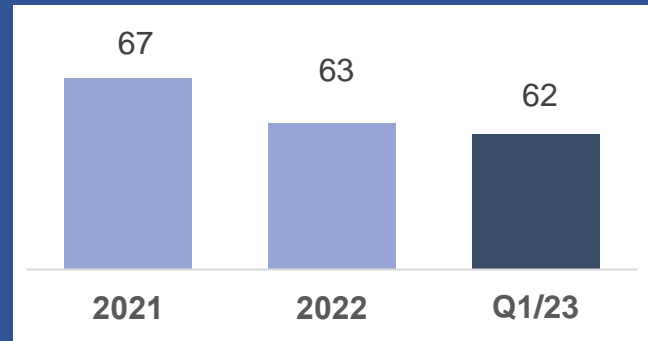
Quick Ratio = (Cash + Investment in trading securities + Trade receivables) / Current liabilities.

Interest-bearing debt to equity = Interest-bearing debt / Total shareholders' equity.

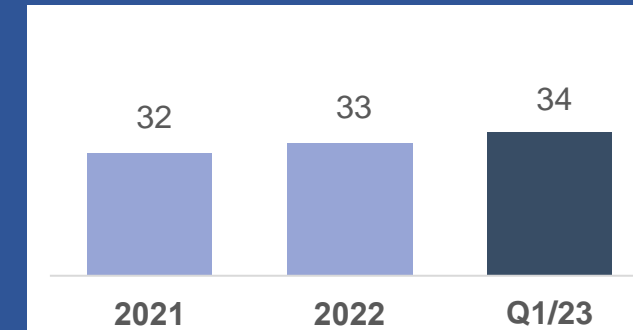
Net debt to EBITDA = (Total borrowings – Cash and cash equivalent) / Annualized EBITDA.

# Cash Cycle Days

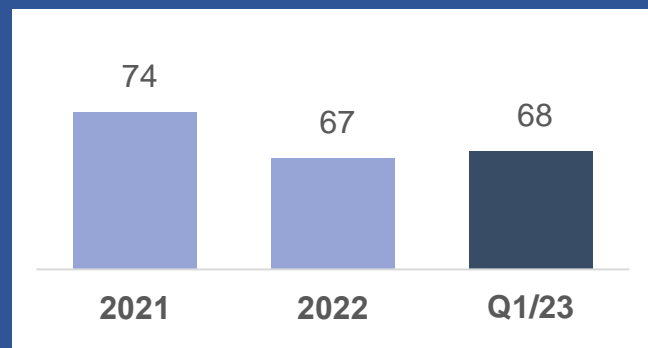
## Average Collection Period (days)



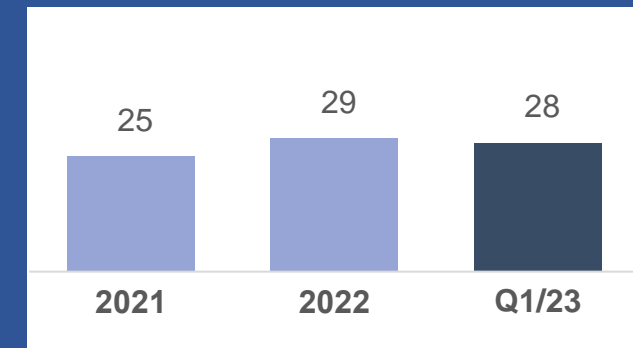
## Inventory Days (days)



## Account Payable Days (days)



## Cash Cycle (days)



Q1/23 cash cycle days were shorter than at the end of 2022 by 1 day due to;

- **Avg. collection days** were shortly than 2022 by 1 day, resulting from the higher sales **and Account payable days** were longer by 1 day, due to the higher account payable.
- **Offset by the Inventory days**, which were longer by 1 day, due to higher COGS.

Note:

Cash cycle day = avg. inventory days + avg. collection days – avg. payment days

Average inventory days =  $360 / (\text{annualized cost of sales} / \text{avg. finished goods inventory after net of allowance of obsolete stocks})$

Average collection days =  $360 / (\text{annualized sales} / \text{avg. trade receivables before allowance for doubtful accounts})$

Average payable days =  $360 / (\text{annualized cost of sales} / \text{avg. trade payables})$

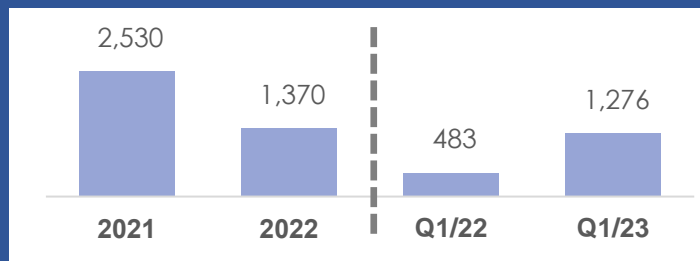


# Statement of Cash Flows & Capex



## Operating Cash Flow

(Million Baht)

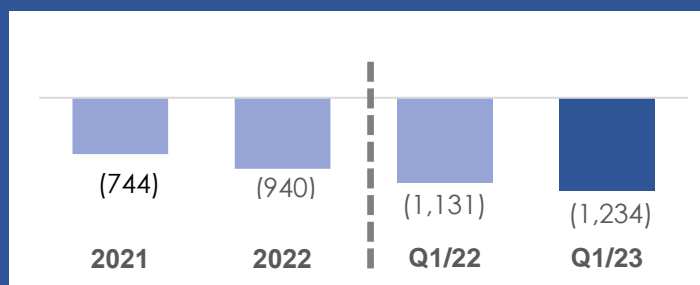


Q1/23, Net cash generated from operating activities increased YoY by 792 MB due to

- Profit before tax increased by 296 MB.
- The higher cash was received from working capital, which was mainly from inventories 249 MB and AP 212 MB.

## Investing Cash Flow

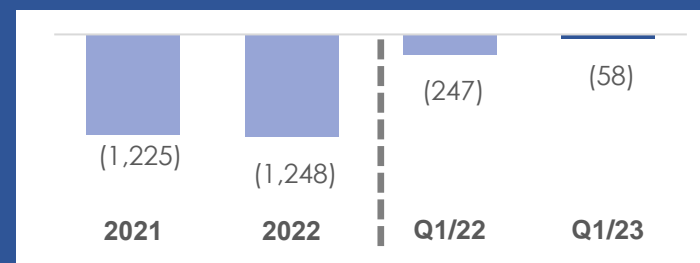
(Million Baht)



Q1/23, Net cash used in investing activities increased by 102 MB, primarily from an increase in net cash payment for financial assets of 889 MB, offset by lower payments for acquisition of subsidiaries of 753 MB.

## Financial Cash Flow

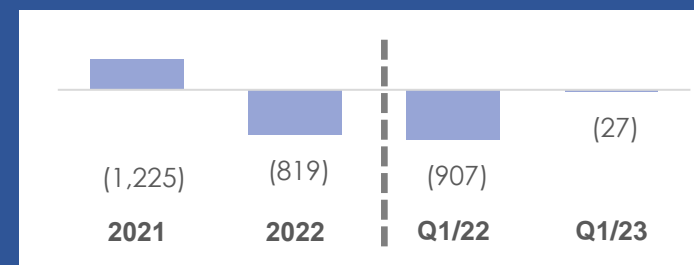
(Million Baht)



Q1/23, Net cash used in financial activities decreased YoY by 188 MB, primarily from the lower net cash repayment for long-term loans by 289 MB offset by higher net cash repayment for short-term loans by 100 MB.

## Net Cash Flow

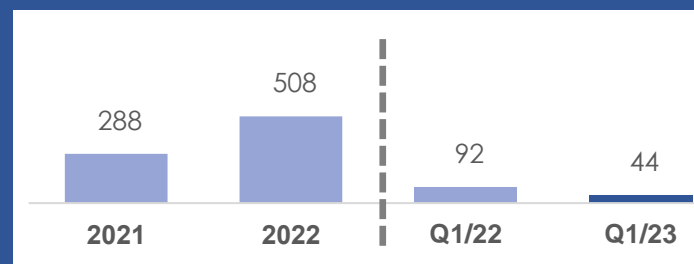
(Million Baht)



Q1/23, Net cash flow increased from last year by 880 MB mainly from the higher net cash from operating activities.

## Capital Expenditures

(Million Baht)



- CAPEX for Q1/23 was mostly made up of investments in machinery and plant upgrades in Thailand.



**TOA WOOD EXPERT**  
ผู้เชี่ยวชาญผลิตภัณฑ์ไม้ธรรมชาติ



**TOA GOING FORWARD**



# 2023 Outlooks



## Opportunities

- The recovery of the tourism industry
- The material prices gradually decline
- The Thai Baht appreciation
- The Relocation of Production Base from China
- A pause of rising interest rates from the Fed.



## Challenges

- Hyperinflation
- Exports decline
- The government's propensity to be stricter with mortgages
- Drought by El Niño
- Uncertainty from geopolitical conflicts



# Expansion Project Timeline (Projected)

## Q3/23

### To complete

- expansion of the new DC in Ho chi minh City, Vietnam.
- modernization and automation of the Bangna plant for the enamel and emulsion processes.

## Q4/23

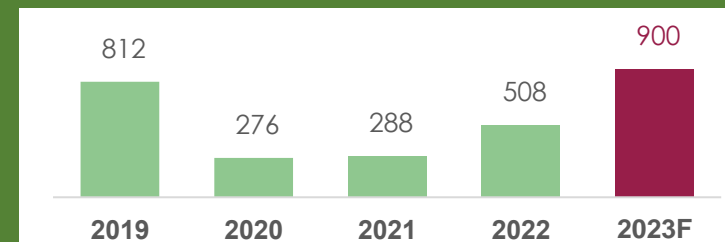
### To complete

- modernization of the Samrong plant to use more automation and increase the production batch size
- expansion of construction chemical capacity for cement base products.

## Others in pipeline

- Factory expansion in Vietnam
- Factory relocation in Malaysia

## Capital Expenditures (Million Baht)



the Bangna plant



the Vietnam plant



Cement Waterproof

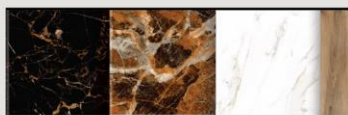


Skim Coat Powder





**TILE**  
COLLECTION  
Interior & Exterior | Wall & Floor Tiles



**TOA GypsuM**  
เบากว่า ทนกว่า แกร่งที่สุด



# DIRECTION AND STRATEGY



**Our Vision :** No. 1 in AEC through a wide range of product portfolio of coating and light construction materials with value creation and sustainability

**Mission :** To innovatively create the products with enhancing life quality of customer and building aesthetic beauty





## Decorative Products

Enhance brand engagement  
TO BE **No.1** in the customer's mind



## Non-Decorative Products

### Construction Chemical



## Services

### Auto Tinting Machine

by TOA Color World Solution Services



A Corner Showcase our Construction  
Chemical Products



A One-stop Service Shop with a Wider  
Range of Products and Solutions



A modernize hardware shop



โซลูชันงานบ้าน ครบ จบ ที่เดียว



Online Platform for Professional Home Improvement and Repair





# SUSTAINABILITY DEVELOPMENT & CORPORATE GOVERNANCE





## TOWARDS NET ZERO CARBON EMISSIONS BY 2050



**TOA** does not just focus on operation toward business's stability only, but we are also conscious of the need to return to society and environment with a strong emphasis on advancement of sustainability in society and environment across all dimensions.

**TOA drives the greenhouse gas emissions reduction to Net Zero with the following main strategies:**

- 1. Implementation on greenhouse gas emissions reduction** that focuses on improving operational efficiency and adjustments for better.
- 2. Implementation to absorb greenhouse gases** with reforestation activities

### TOA GOAL

- 1. Reduce greenhouse gas emissions at least 20% by 2025 (2021 baseline)**
- 2. Reduce net greenhouse gas emissions to 0 (Net Zero) by 2050**

# NET ZERO

# OUR SUSTAINABILITY VISION

“To be a leader in the paint industry and construction in ASEAN by offering integrated products and services, creating business stability and sustainability as well as participating in creating better environment and society”  
under the following three-dimensional framework namely:

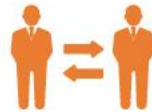


## Economy and CG

- Good corporate governances
- Customers and Products Stewardship
- Customer Relationship management
- Supply chain management

Response to

SDGs



## Society

- Human Capital Management
- Human rights, and Health and Safety
- Improving quality of life for Community and Society
- Drive society towards sustainability



## Environmental

- Resources Management (energy, water)
- Climate Change Management
- Waste Management
- Innovation development





# OUR SUSTAINABILITY ACTIVITIES

## Economy and CG

Excellent level for Corporate Governance



5 stars – CGR assessment



ASEAN Asset Class PLCs Award

## Customers and Products Stewardship



Providing various quality products that resonate with all customers' demands



Collaboration with Developers

## Society

Executive Workshop

### TOA Core Value

**Topic 1** เปลี่ยนแนวคิดอยู่กับ "COVID" ได้เป็น  
 "COVID" ทำให้ทุกอย่างเปลี่ยนแปลงไปจากเดิมมาก สิ่งสำคัญที่ทำให้เราได้ "เรียนรู้อัน" และ "ปรับเปลี่ยน" ในองค์กรที่ต้องอยู่กับ "COVID" ได้ดี สิ่งนี้ทุกคนต้องดูแลและต้องเรียนรู้ถึงสังคมรอบข้างให้ดี และยังคงต้องปฏิบัติตามมาตรฐาน / แนวทางการป้องกันโรค เช่น สวมหน้ากาก หมั่นล้างมือ และรักษาระยะห่าง อย่างต่อเนื่องและสม่ำเสมอ



Human Capital Management



Improving Quality of Life for Community and Society

## Environmental



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Innovation Development for health and environmentally friendly products



Energy saving and carbon reduction with the installation of Solar Rooftop



Green house absorb through reforestation



# Q & A



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