

Q2/2023 Operating Results

Inspire Better Living

TOA Paint (Thailand) PCL.

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AGENDAS



2 EXECUTIVE SUMMARY

5 DIRECTION AND STRATEGY

3 FINANCIAL SUMMARY

6 KEY SUSTAINABLE GROWTH & AWARDS





CORPORATE UPDATES

Q2/23 Marketing and Sales Activities (1)



1. Massive Booth at Architect Expo 2023 – TOA showed off its complete quality product line from decorative paint, heavy duty paint, chemical construction, gypsum, and tile with new concept of "Inspire Better Living". Moreover, TOA won the BEST Innovation Award (2 year consecutively) with TOA Aqua Shield 2in1



2. TOA PU WATERPROOF campaign – TOA launched a big campaign for TOA PU Waterproof, which is the highest TOA Waterproof product to uplift

homeowner purchase behavior to higher, better product grade



Q2/23 Marketing and Sales Activities (2)



3. "TOA celebrate Pride month" – TOA, together with Frasers Property and Property management office Chulalongkorn, has created areas in Samyan Mitrtown to be a check-in photo point and the pride crosswalk using high quality TOA roadline paint for crosswalk, and new TOA Aqua Shield 2in1 for outdoor seats.



4. MOU between TOA and The office of the Vocational Education Commission – To be continue educational project for the 3rd edition (2023-2026)

and encouraging vocational student to become a new generation business owner.



Q2/23 Marketing and Sales Activities (3)



5. Dinner Talk with CEO @ Showroom Sukhumvit 26 - Four times have been arranged; from April to July 2023, 79 stores attended this event Objective : To invite our customers all around the country to get to know and share their own ideas on running a business and adaptation of traditional trading store for changes and competition in the market. This included adding a new line of products for material substitution in the future and officially showing our new office and tile showroom to our customers.







EXECUTIVE SUMMARY



Q2/23 Executive Summary

Achieved the all-time high of quarterly net profit, driven by the gross profit recovery and a higher proportion of premium products. Sales grew YoY while softening QoQ due to the rainy season factor.

Sales	Selling Expenses	EBITDA	Net Profit
5,458 ^{MB}	691 ^{MB}	1,121 ^{MB+71.9% YoY} +8.4% QoQ	741 ^{MB} +103.0% YoY +17.3% QoQ
+4.9% YoY -3.5% QoQ	% to sales 12.7% +0.2 p.p. YoY +1.0 p.p. QoQ	% to total revenues 20.4 %	% to total revenues 13.5 %
Gross Profit	Admin Expenses	Core EBITDA	Core Net Profit
1,885 ^{MB}	334 MB	1,074 ^{MB} +41.8% YoY +2.0% QoQ	694 ^{MB} +47.6% YoY +6.7% QoQ
%GP 34.5% +4.6 p.p. YoY +1.6 p.p. QoQ	% to sales 6.1% -0.6 p.p. YoY -0.6 p.p. QoQ	% to total revenues 19.5 %	% to total revenues 12.6 %



1H/23 Executive Summary

Higher sales driven by volume and the pricing effect, as well as the impressive net profit driven by the gross profit recovery, all contributed to the remarkable growth in 1H/2023 sales.

Sales	Selling Expenses	EBITDA	Net Profit
11,111 ^{MB}	1,351 ^{MB}	2,155 ^{MB} +58.9% YoY	1,373 ^{MB} +77.3% YoY
+9.3% YoY	% to sales 12.2% +0.1 p.p. YoY	% to total revenues 19.2 %	% to total revenues 12.2 %
Gross Profit	Admin Expenses	Core EBITDA	
	Admin Expenses	COLE FRIDA	Core Net Profit
3,743 MB	714 ^{MB}	2,126 ^{MB} +41.9% YoY	1,345 ^{MB} +46.6% YoY

Group Sales Breakdown : By Product Categories





In Q2/23, sales revenue increased by 4.9% YoY, driven by higher sales for decorative products from higher volume and pricing, respectively.

Compared to Q1/23, sales revenue decreased by 3.5%, mostly from lower decorative sales due to the rainy season factor.

In 1H/23, sales revenue increased by 9.3%, driven by 10.7% growth in decorative sales due to higher volume and pricing, respectively. Nondecorative sales grew by 8.9% driven by higher sales of construction chemicals and gypsum products.



Group Sales Breakdown : By Geography







- In Q2/23, sales revenue in Thailand increased by 8.5% YoY, as the economy and tourism recovered. However, sales revenue slightly decreased QoQ due to seasonal factor.
- Vietnam's sales decreased by 13.7% YoY due to the slowdown in the real estate market. However, Vietnam showed strong growth QoQ, with a 51% increase in sales revenue.
- Other countries' sales slightly decreased YoY and QoQ, mainly due to the hyperinflation and economic slowdown.
- In 1H/23, sales revenue in Thailand increased by 12.6% YoY, due to higher demand for paint and construction materials as the economy and tourism recovered.
- Sales revenue from Vietnam decreased 16.7%, due to economic slowdown causing stricter property market.
- Other countries' sales revenue slightly increased, driven by higher sales in Myanmar.



Group Sales Breakdown : By Distribution Channel



Sales Contribution (% to Total Sales Revenue) 10.1% 11.5% 10.7% 9.2% 8.8% 10.8% 10.2% 10.4% 22.2% 24.3% 73.2% 71.6% 67.1% 67.7% 67.8% 65.0% 68.0% 66.4% Q2/22 Q1/23 Q2/23 1H/22 1H/23 2020 2021 2022



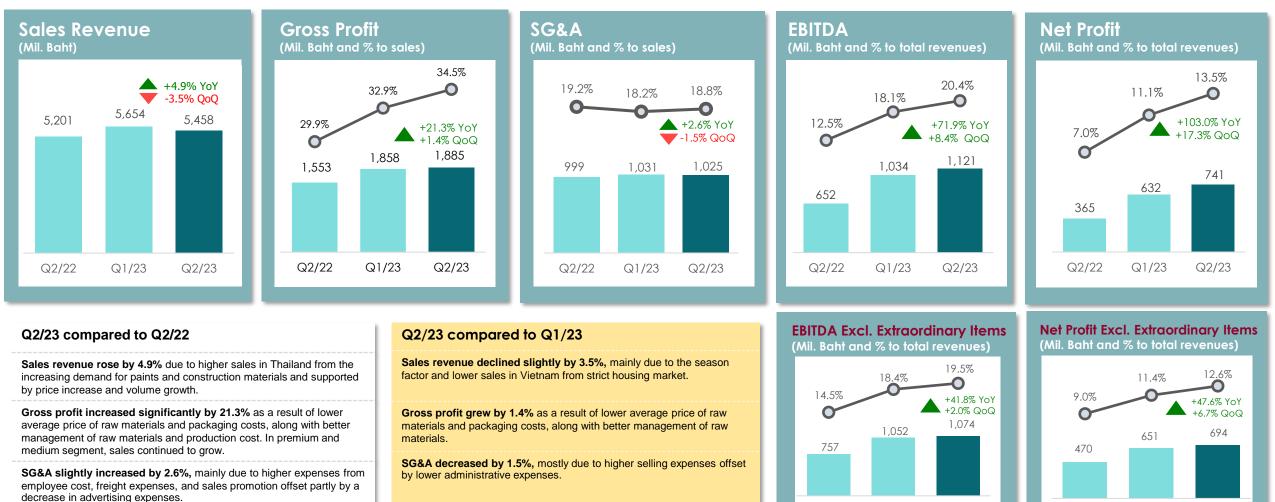
- In Q2/23, sales revenue in the retail channel, increased by 5.9% YoY, due to the tourist recovery in Thailand. While a slight increase of 0.6% QoQ, supported by construction chemicals product sales, which saw strong growth during the rainy season.
- The modern trade channel's sales revenue increased YoY, attributed to higher sales of the same stores and new stores in Thailand. However, sales revenue decreased QoQ, due to the lower decorative sales.
- In 1H/23, sales revenue increased by 9.3% mostly from recovery of economy and tourism in Thailand. Overall, sales revenue increased in all distribution channels.



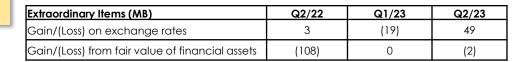


Financial Summary

Q2/2023 Key Financial Highlights



Net profit increase by 17.3%, mainly higher gross profit margin, lower SG&A expenses and higher gain on exchange rates.



Q2/22

Q1/23

Q2/22

Q1/23

Q2/23

resulted in a gain of THB 2.0 million.

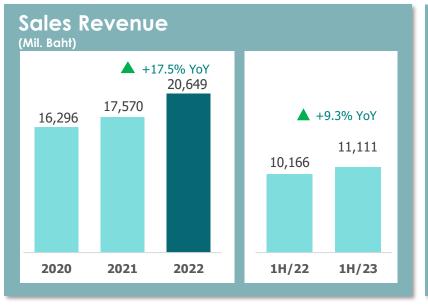
Net profit increased significantly by 103.3%, mainly from higher sales

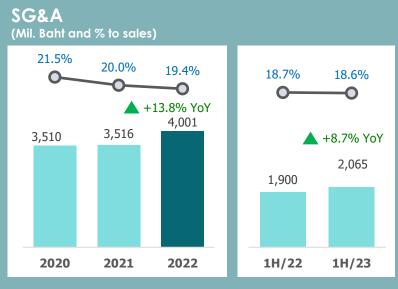
and gross margin. Moreover, the result of losses from the fair value of financial assets was THB 103 million in Q2/2022, while Q2/2023

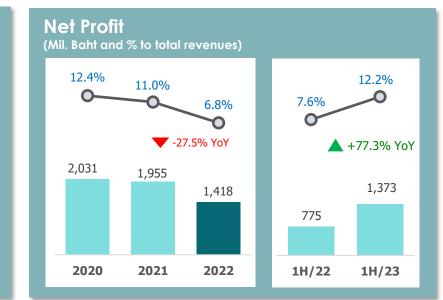
Q2/23

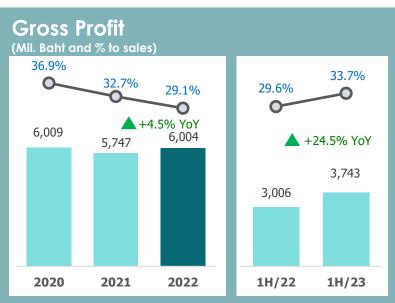


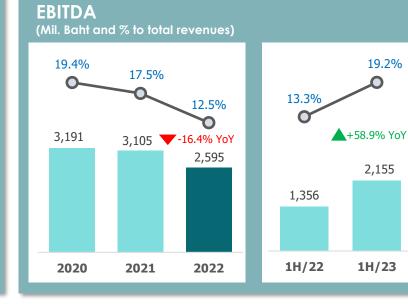
1H/2023 Key Financial Highlights

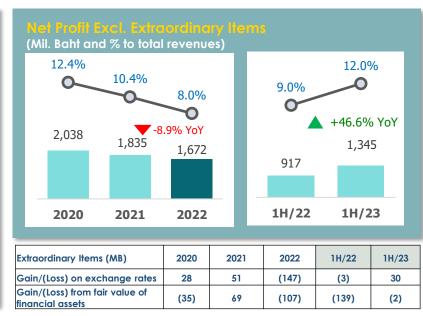








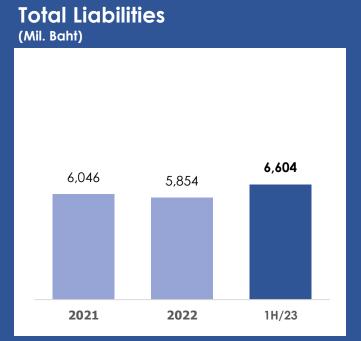




Statement of Financial Position







- At the end of 1H/23, total assets increased by 1,660 MB from the end of 2022 mainly from
 - an increase of other financial assets, cash and cash equivalents, advance payments for properties, while inventories decreased.
 - In 1H/23, ROA increased from 2022 due to the strongly growth of annualized net profit.
- At the end of 1H/23, total liabilities increased by 742 MB from the end of 2022 mainly from an increase in trade and other payables, corporate income tax payable, and lease liabilities (current and long-term).



- At the end of 1H/23, total equity increased by 908 MB from the end of 2022 mainly from an increase in unappropriated retained earnings by 232 MB from our operating profit.
- In 1H/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

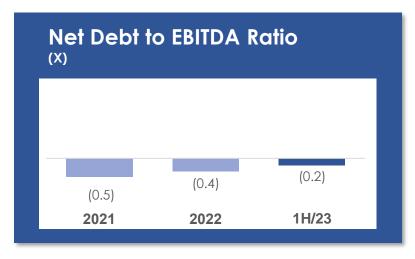




• Current Ratio and Quick Ratio were still at a healthy level. They were similar when compared to the last year.

Interest-bearing Debt to Equity Ratio (X)





- The interest-bearing debt-to-equity ratio shows a low level of financial loans compared to shareholders' equity.
- Net Debt to EBITDA ratio was still negative, showing its strong ability to cover the debt.

Note:

Current Ratio = Current assets / Current liabilities.

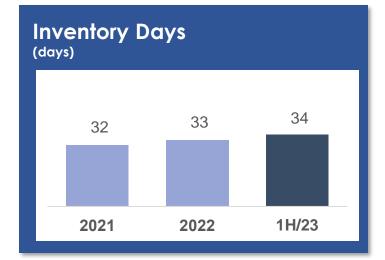
Quick Ratio = (Cash + Investment in trading securities + Trade receivables) / Current liabilities. Interest-bearing debt to equity = Interest-bearing debt / Total shareholders' equity. Net debt to EBITDA = (Total borrowings – Cash and cash equivalent) / Annualized EBITDA.

Cash Cycle Days





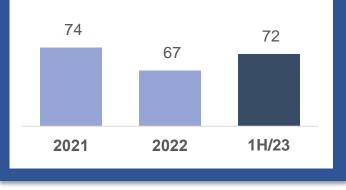


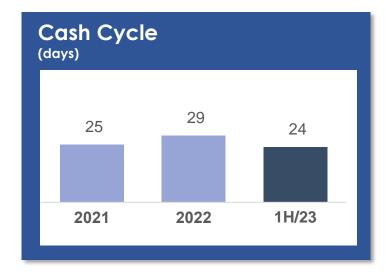


1H/23 cash cycle days were shorter than at the end of 2022 by 5 days due to;

- Cash cycle days <u>shortened</u> as a result of efficient management of AR collection and AP payments.
- Longer Inventory days were due to higher COGS.







Note:

Cash cycle day = avg. inventory days + avg. collection days – avg. payment days Average inventory days = 360 / (annualized cost of sales/ avg. finished goods inventory after net of allowance of obsolete stocks Average collection days = 360 / (annualized sales / avg. trade receivables before allowance for doubtful accounts) Average payable days = 360 / (annualized cost of sales/ avg. trade payables)

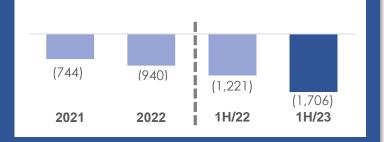
Statement of Cash Flows & Capex



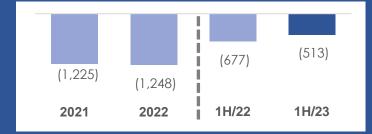
Operating Cash Flow (Million Baht)



Investing Cash Flow (Million Baht)



Financial Cash Flow (Million Baht)



1H/23, Net cash generated from operating activities increased YoY by 1,364 MB due to

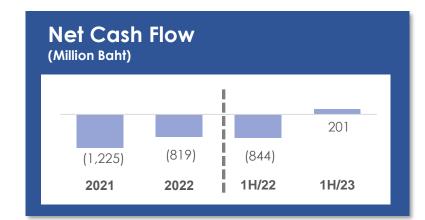
- Profit before tax increased by 776 MB.
- The higher cash was received from working capital, which was mainly from Inventories by 605 MB and AR 189 MB.

1H/23, Net cash used in investing activities increased by 484 MB, primarily from

- an increase in net cash payment for financial assets by 747 MB and advance payments for fixed assets by 297 MB
- offset by a decrease in net cash payment for acquisition of subsidiaries by 753 MB.

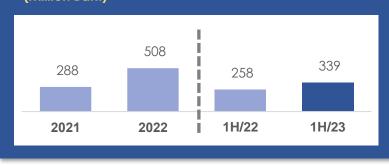
1H/23, Net cash used in financial activities decreased YoY by 165 MB, primarily from

- the lower net cash repayment for shortterm loans by 156 MB and long-term loans by 109 MB
- offset an increased of dividend paid by 139 MB.



1H/23, Net cash flow increased from last year by 1,045 MB mainly from the higher net cash from operating activities.

Capital Expenditures (Million Baht)



• **CAPEX for 1H/23** was mostly made up of investments in machinery and plant upgrades in Thailand.







TOA GOING FORWARD

2023 Outlooks





- The Recovery of the Tourism Industry
- Higher Demand of Old House Renovation
- The relocation of production base from China
- <u>The higher possibility of the Fed</u> stopping rising interest rates

- Hyperinflation and <u>High Level of</u> <u>Household Debt</u>
- Exports decline
- Drought by El Niño
- Fluctuation of Thai Baht
- Fluctuation of Energy Cost
- Political Uncertainty

Expansion Project Timeline (Projected)

lacksquare

 (\bullet)



the Bangna Plant



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.

Others in pipeline

Factory expansion in Vietnam

Q4/23

To complete

(Million Baht)

- Modernization of the Samrong plant to use more automation and increase the production batch size
- Expansion of construction chemical capacity for cement base products.
- Factory relocation in Malaysia.

Capital Expenditures



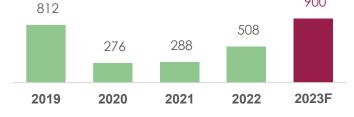
Cement Waterproof



Skim Coat Powder

the Vietnam Plant & DC

900







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











Total Solution



Construction Chemical



Services

Auto Tinting Machine by TOA Color World Solution Services



A Corner Showcase our Construction **Chemical Products**

MEGA PAINT & HOME

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



A modernize hardware shop















Online Platform for Professional Home Improvement and Repair

SUSTAINABILITY DEVELOPMENT & CORPORATE GOVERNANCE

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:







Good corporate governances



Customers and Products Stewardship



Customer Relationship management



Response to

SDGs





- Improving quality of life for *** 遊 **Community and Society**
 - Drive society towards sustainability





Resources Management (energy, water)



Climate Change Management



Waste Management



Innovation development





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

TOWARDS NET ZER® CARBON EMISSIONS BY 2050

03 LEAN&

04

AUTOMATION PROCESS

ปรับปรุงกระบวนการดำเนินงาน

และการพลิตด้วยเทคโนโลยี

ให้เกิดประโยชน์สูงสุด

TOA

TOA

Environment

Sustainability



01

RENEWABLE ENERGY

เพิ่มการใช้พลังงานสะอาด

MISSION ROAD TO \longrightarrow NET ZER



02 GREENOVATION คิดค้นพลิตกัณฑ์และนวัตกรรม ที่เป็นมิตรต่อสิ่งแวดล้อม อย่างต่อเนื่อง

อนุรักษ์ป่า เพื่อเพิ่มพื้นที่สีเขียว ให้กับชุมชนและโลกของเรา

REFORESTATION



TOA

TOA

TOA Greenovation ผู้นำนวัตกรรมความยั่งยืน

Sustainability

GREEN CERTIFIED

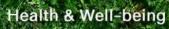
Selected for Better Living



LEED & WELL Building Standard











TOA Inspire

HEATLH AND WELLNESS · มาตรฐาน Indoor Environmental Quality, LEED 4.1 และ WELL สารระเทยอินทรีย์ (VOC) ค่ำ ปราศจาก โละหนัก สารปรอก คะกั่ว แคคเมี่ยม และ สารอันตรายกลุ่มอัลคิลฟีนอลเอกอกซิเลก (APEO) ยันยั้งแบคทีเรียและไวรัสได้ 99% ลดการเกิดเชื้อรา ตะไคร่น้ำ และครามสกปรก



GREEN PRODUCTION ลดการปล่อยก็าชเรือนกระจก (Carbon Footprint) ใช้พลังงานที่เป็นมิครค่อสิ่งแวคล้อม ในกระบวนการผลิค ลดของเสียจากกระบวบการผลิต





GREEN INNOVATION AND SOLUTION นวัตกรรมที่ตอบโจทย์การใช้งานที่คีกว่า และเป็นมิตรต่อสิ่งแวคล้อมมากขึ้น

Certified product: 7 product groups

GREEN

CERTIFIED

GREEN MATERIAL AND PACKAGING ลดการใช้วัดฤดิบที่ส่งผลกระทบต่อสิ่งแวดล้อม สามารถเวียนบรรจภัณฑ์กลับมาใช้ใหม่ การใช้วัตถุดิบจากธรรมชาติ



 ช่วยประหยัดพลังงาน ลดความร้อนในอาคาร เพิ่มอายุการใช้งงาน ลดกรัพยากรและค่าใช้จ่ายในการ ดแลรักษาอาคาร ลดขั้นตอน ประหยัดเวลาการกาสี

40 products

Track Record of Achievements



Thailand's Top Corporate Brands 2022

(construction material category) 2 consecutive years



Best Innovative Company Awards at from SET Awards 2022



CSR-DIW Continuous Award 2022

8 consecutive years for Bangna Plant 7 consecutive years for Samrong Plant by Department of Industrial Works, Ministry of Industry



No.1 Brand Thailand 2022 10 consecutive years for decorative paint and coating category by Brand Age



Best Innovation Award -Architect Expo 2023 2 consecutive years



CG SCORE: 5/5

listed within SET THIS Index (SETTHSI) under the Stock Exchange of Thailand for 3 consecutive years

> 5 stars – excellent level for CGR assessment results (IOD)



Brand Age 2023 Thailand's Most Admired Brand

Magazine

12 consecutive years for the construction materials by Brand Age Magazine



Best Innovation Award 2022



ASEAN Asset Class PLCs

Award by Capital Markets Forum (ACMF) and Asian Development Bank (ADB)

