



Press Release

TPI Polene 3Q 2024 Performance

Weathering weak operating environment

TPIPL's normal operating profit in 3Q 2024 was down 32% Q/Q due to higher costs relating to maintenance, shutdown, ongoing projects and one-time expenses for new initiatives. For the first 9M of 2024, the reported profit* was THB1,667 million, down 57% Y/Y while the normal operating profit was THB2,201 million, down 41% Y/Y. EBITDA was THB6,385 million, down 21% Y/Y.

Despite the 4.6% Q/Q improvement sales in the 3rd quarter gross profit was down 9.8% Q/Q as COGS rose by 9.1%. The Construction Material segment saw a Q/Q improvement in domestic sales volume thanks to the continued push for Green Cement and Building Products but the average selling price was lower influenced by 1) the composition in the product sales portfolio and 2) competition. The Specialty Polymer/Chemicals saw further decline in margins in the polymer side offsetting the resilient nitrate business. As for the Energy/Utilities division, performance improved on higher power throughput but the reported net profit had flattish growth mainly because of higher tax after the expiry of investment privileges.

**referring to profit/(loss) for the period including minorities*

Some silver lining seen in gross capital formation

Construction Material is the largest segment of TPIPL and was affected by the delay in the release of the FY23/24 fiscal budget to May 2024 slowing the public sector construction roll out as well as overall economic activity. The situation begun to improve in September, underpinned by the government's capital expenditure hitting far above the 2017-2019 average and the 2023 level. However, it will take some time for the upward trend to take hold and would require that public capital spending be sustained for a bit longer. According to the 3Q 2024 GDP statistics released by NESDB, construction grew 15.5% Y/Y, contributing 0.4 to the 3.0% Y/Y quarterly GDP growth. However, behind the 15.5% Y/Y rebound the construction in the private sector contracted 6% Y/Y while that of the public sector construction was up 32% Y/Y. Public sector construction will have to continue growing until business confidence in the private sector returns and growth in the whole construction sector will be sustained and become more even. In 3Q 2024, private sector construction accounted for 36% of the total.

To weather the slowdown, TPIPL continued implementing its cost savings initiatives, efficiency programs and pushed harder its product innovation drive – increasing the sales participation of Green Cement & Building Products. This helped deliver sequential sales growth. However, the Construction Material EBITDA margin (excluding FX) was 11.5% down from 16.5% in 2Q 2024 due to higher plant expenses (maintenance-related). Continuing to be the weakest segment is the Specialty Polymer. By switching products around to catch demand, TPIPL managed to grow sales by 7.8% Q/Q but EBITDA margin turned slightly negative later in the quarter on lower spread and partly due to inventory adjustment. As for the Nitrate division, sales and EBITDA remained healthy. Partially offsetting the weak Construction Material and Specialty Polymer divisions is the resilient Energy/Utilities division whereby sales were stable and EBITDA rose 8.6% Q/Q.

Finances remain manageable

TPIPL's short term financial asset is still high at THB10.4 billion, equivalent to 29% of sales generating capacity based on annualized 9M 2024. Capex deployed in the 9M of 2024 (including advances for machinery) was THB7,636 million, exceeding our full year guidance of THB6,340 million due to acceleration of some programs and new ESG-related initiatives, which we communicated at the 2nd quarter performance review. Despite faster capex deployment, the gross interest bearing debt (IBD) decreased by THB4,024 million from the December 2023 position, while the net IBD increased THB6,280 million, still lower than the amount of capex deployed.

ESG Strides 9M 2024

The Company is committed to strengthening the business for sustainable growth under the development with consideration for environmental, social, and corporate governance dimension or ESG (Environmental, Social and Governance). ESG performance in the first nine-month period of the year 2024 is summarized as follows:

Environmental Management

The Company used 185,045.507 tons of waste fuel to replace coal in cement production process, or accounting for 12.12% of the required heat.

The Company reduced greenhouse gas emissions of cement plant by 1,100,219 tCO₂e to 5,310,214 tCO₂e in the first nine-month of 2024, a decrease of 17.16% from 6,410,433 tCO₂e in the first nine-months of 2023.

The Company is committed to creating sustainable business growth and pays attention to the development of environmental innovation with green innovation technologies throughout the value chain as follows:-

Green Mining/Green Quarry: Using a conveying system to transport raw materials instead of trucks, as well as replacing drilling trucks, loaders, dump trucks, excavators in mines that use internal combustion engines with all electric trucks. (As at September 30, 2024, total number of electric trucks was 71 units)

Green Cement Process: Set target for using waste as fuel to replace coal approximately 25% in cement production process as well as an increase in the consumption of biomass fuel and fuels from industrial waste to replace coal fuel.

Green Logistics: Converting diesel-fuel trucks into electric trucks to transport cement and ready-mixed concrete.

Green Manufacturing: Producing environmentally friendly construction materials that help reduce global warming.

Green Marketing/Management: Using electric cars for sales and marketing operations, including executive vehicles instead of combustion cars.

Green Packing Line/Warehouse: Using 100% electric forklift (as at September 30, 2024, total number of electric forklift was 65 units)

All of the above help to ensure stability for the organization, the community, and the nation as a whole for sustainable growth.

The Company reused the effluents from production process and re-filtered 911,104 cubic meters, representing 57.78% of the total water consumption of 1,576,973 cubic meters.

The Company aims to benefit from utilizing industrial waste $\geq 95\%$ of total industrial waste generated. In the first nine-month of 2024, the Company utilized 2,282.10 tons of industrial waste from cement production process as renewable fuels, alternative materials and recycled, representing 99.71% total quantity of industrial wastes, which is higher than the target set by the Company.

TPI Polene Group supports the conservation of natural resources and environment by carrying out the following activities:-

On June 14, 2024, the Company joined the activities of 2024 Muak Lek River Conservation Day with Muak Lek District, at Waterfall Chet Sao Noi National Park, Muak Lek district, Amphur Muak Lek, Saraburi Province.

On June 27, 2024, the Company participated in "Forest Restoration Project" with Thap Kwang Research Station, Faculty of Forestry, Kasetsart University, aiming to increase CO₂ absorption and for community benefits, on the Auspicious Occasion of His Majesty the King's 72nd Birthday Anniversary, by planting 1,000 trees within a total area of 25 Rai at the Thap Kwang Research Station, Thap Kwang district, Amphur Kaeng Khoi, Saraburi Province.

On July 11, 2024, the Company participated in "Tree Planting Project" on the Auspicious Occasion of His Majesty the King's 72nd Birthday Anniversary with Saraburi Provincial Office of Natural Resources and Environment by planting 1,100 trees (Bungor trees, Burmese rosewood trees, and Inthanin trees) within a total area

of 50 Rai in Khaoman Community Forest area, BanThai, Moo 3, Thap Kwang Subdistrict, Amphur Kaeng Khoi, Saraburi Province and supported the budget of THB250,000.

On August 5, 2024, the Company participated in “Nakarafa Joint Tree Planting Project to increase green areas” with the Nawamin Kasatiyathiraj Air Force Academy on the Auspicious Occasion of His Majesty the King's 72nd Birthday Anniversary by planting 2,567 trees (golden shower trees, yellow star trees, Peepul trees, Bungor trees and other trees) within a total area of 25 Rai at NawaminTakasatiyathiraj Air Force Academy, Amphur Muak Lek, Saraburi Province and supported the budget of THB200,000.

On September 7, 2024, the Company participated in Tree Planting Project to increase green areas with the Environment for Life Foundation by planting 2,000 trees (golden teak trees, Siamese rosewood trees, and bamboo trees) within a total area of 25 Rai at Home & Hill, the Company's guest house in Thap Kwang Subdistrict, Amphur Kaeng Khoi, Saraburi Province, and supported the budget of THB300,000.

Corporate Social Responsibility

The TPI Polene Group has supported various projects and activities for public benefit totaling approximately THB52.29 million to communities, academic institutions, temples, hospitals and government authorities and contributed healthcare products and construction material products of TPI Polene Group, such as cement, other construction materials, organic fertilizers, drinking water and healthcare products to prevent pathogens.

The Company provides equal opportunities for employment without discrimination in favor or against any person, covering employees with disabilities and other disadvantaged groups. In the first nine-month of 2024, 607 new employees were employed, comprised of 497 general staffs, 67 seniors and 43 employees with disabilities.

The Company has implemented human rights for stakeholders throughout the value chain by respecting human rights of employees, suppliers, customers, and local communities. In the first nine-month of 2024, there were no complaints of human rights violations.

The Company has implemented occupational health and safety in the working environment with an objective to become an accident-free and a zero-accident organization. Performance in the first nine-month period of the year 2024 is summarized as follows:

- The number of Fatal Occupational Injuries of employees and contractors was 0.
- Occupational Injuries rate (associated with high-impact jobs) of employees and contractors was 0.
- Occupational Illnesses rate of employees and contractors was 0.

The Company disposed of hazardous industrial wastes and non-hazardous industrial wastes of 24,664.12 tons and 16,998.34 tons respectively.

In Compliance with Good Corporate Governance Policy

The Company continues to operate its business with an emphasis on sustainable development and growth while creating sustainable values in environmental and social importance under a good corporate governance policy, disclosing information and operating results transparently, managing risks in all aspects. The Company pays attention to the potential negative impacts that can occur from business operations. Therefore, the Company has generates increasing revenue and profit from its business operations, underpinned sustainable development goals while creating growth potential and increasing good quality and environmentally friendly products. As a result, investors and shareholders will receive sustainable returns from investment in the Company's business.

The Company operates fully responsibly, creating value and benefits for all stakeholders in a wholistic, sustainable manner.

In the first nine-month of 2024, the Company received multiple citations, awards and certifications from recognized organizations for its effort to advance sustainable development as follows:-

International Awards

The Company received “Certificate of Achievement” from World's Leaders Magazine, UK as among the World's Best Companies to Work For in 2024 and was featured in World's Leaders Magazine Vol:02|Issue:06|February 2024 as *TPI Polene Plc: Leading the Way in Sustainable Industrial Materials*

The Company received “Certificate of Excellence 2024 and citation as among the” 30 Fabulous Companies of the Year” from The Silicon Review, USA published in April 2024

The Company received a Certificate of Spotlight on 5 Pioneering Companies in Thailand” by Insight Success, India and was Featured in Insight Success Magazine Vol:03|Issue:06|2024 as *TPI Polene Plc A Pioneering Force Shaping Thailand’s Sustainable Future*

The Company received “The Best ESG Practices for Sustainable Development in Thailand 2023 award” from The Global Economics Magazine, a leading financial magazine in the United Kingdom which was awarded on 26 January 2024.

On November 2, 2024, the Company received “Leading Industrial Conglomerate Group Thailand 2024 award” from World Business Outlook Magazine, Singapore.

National Awards

On March 23, 2024, the Company was certified ISO14064-1 (Carbon Footprint Verification or CFV), which is a standard for principles and requirements at corporate level for measuring and reporting greenhouse gas emissions and reductions, including requirements for design, development, management, reporting and verification of corporate greenhouse gas emissions and reductions from BSI Group (Thailand) Co., Ltd. ("BSI: British Standards Institution"), British Standards Institution

On July 12, 2024, Thaipat Institute announced that the Company has been ranked in the 2024 ESG100 list for the three consecutive years (in 2022, 2023 and 2024) with outstanding environmental performance in Environmental, Social and Governance (ESG) criteria in Property and Construction Material Sector.

The Company received an Honorary Plaque for "Organization with Outstanding Social Activities for the Year 2024" in the category of Business Organization on the occasion of National Social Work Day and Thai Volunteer Day 2024 from the Ministry of Social Development and Human Security.

On October 28, 2024, the Company achieved "Excellent CG Scoring, a 5-star corporate governance assessment” for two consecutive years in Corporate Governance Report of Thai Listed Companies (CGR) for the year 2024, operated by Thai Institute of Directors (IOD) in collaboration with the Stock Exchange of Thailand and the Office of Securities and Exchange Commission. This reflects the determined dedication of the companies' Board of Directors, top management and employees to the continuous development and enhancement of the good corporate governance practices of the companies.

Financial Performance Summary

THB million	9M 2024	9M 2023	% Y/Y	3Q/2024	2Q/2024	% Q/Q	3Q/2023	% Y/Y
Revenue from sale of goods	26,940	33,528	(20)	9,147	8,742	5	10,838	(16)
Cost of sales of goods	21,021	25,716	(18)	7,293	6,686	9	8,008	(9)
Gross Profit	5,919	7,813	(24)	1,854	2,056	(10)	2,830	(34)
SG& A	3,456	4,076	(15)	1,165	1,128	3	1,304	(11)
Finance cost	1,801	1,488	21	587	587	0	536	10
Tax income (expense)	(253)	(302)	(16)	(4)	(174)	(98)	(146)	(97)
Net foreign exchange gain (loss)	(281)	460	nm	(780)	99	nm	203	(484)
Normal operating profit	2,201	3,735	(41)	639	937	(32)	1,430	(55)
Profit attributable to owners of the parent	956	3054	(69)	(393)	606	nm	1,237	(132)
Profit for the period	1,667	3,893	(57)	(145)	862	nm	1,487	(110)
EBITDA (including FX)	6,385	8,127	(21)	1,328	2,554	(48)	2,985	(56)

Common Size

Revenue from sale of goods	100	100		100	100		100	
Cost of sales of goods	78.0	76.7		79.7	76.5		73.9	
Gross Profit	22.0	23.3		20.3	23.5		26.1	
SG& A	12.8	12.2		12.7	12.9		12.0	
Finance cost	6.7	4.4		6.4	6.7		4.9	
Tax income (expense)	(0.9)	(0.9)		0.0	(2.0)		(1.3)	
Net foreign exchange gain (loss)	(1.0)	1.4		(8.5)	1.1		1.9	
Normal operating profit	8.2	11.1		7.0	10.7		13.2	
Profit attributable to owners of the parent	3.5	9.1		(4.3)	6.9		11.4	
Profit for the period	6.2	11.6		(1.6)	9.9		13.7	
EBITDA (including FX)	23.7	24.2		14.5	29.2		27.5	

*nm – not meaningful

TPIPL's (Cement) GHG Reduction Strategies



Refer to: TPI Polene's Task Force on Climate-Related Financial Disclosure 2023

TPIPL Corporate Relations Department