

# Press Release



## TPI Polene 1Q 2025 Performance

### Improved Operating Conditions

The operating outlook of the Thai construction industry started improving in late 4Q 2024 when the disbursement of the fiscal budget began normalizing. During January- March 2025 the disbursement of the government's capex budget was back to the 2022-2023 average, which was 2-3x above the spending in the same period last year. Cement demand for government infrastructure grew significantly. In addition, the price of clinker in the export market improved so exports resumed by February. The general improvement in local demand allowed reduction of discounts thus improving the profitability of the ConsMat segment.

The profitability of the power subsidiary, TPI Polene Power (TPIPP), also improved mainly due to higher power throughput, cost efficiency and to some extent some contribution from the newly-installed Green Power capacity. Meanwhile the situation in the polymer market remains soft, but margins of our Specialty Polymer products improved slightly compared to 4Q 2024 due to continued switching in product focus to where the spread is better.

### Higher Operating Profitability

In 1Q 2025 consolidated sales posted growth of 6% Y/Y to THB9,595 million. With the high operating leverage (OPL) nature of the business gross profit rose 22.1% Y/Y to THB2,453 million while normal operating profit rose further, by 90.2% Y/Y as SG&A dropped 4.5% Y/Y and finance cost dropped by 14.8% Y/Y. However, EBITDA was only up by 2.8% Y/Y to THB2,574 million. The growth from the operations was watered down by the 50.4% decline in other income. In 1Q 2024 the other income included a forex gain of THB399.9 million while in 1Q 2025 the forex gain was just THB21.6 million. Excluding the forex effects the EBITDA in 1Q 2025 grew 21.3% Y/Y to THB2,553 million. The total profit for the period was THB1,011 million, up just 6.4% Y/Y. However, excluding the forex effects the "adjusted" profit for the group would post a solid growth of 79.8% Y/Y to THB989 million.

Because of the high USD assets in 1Q 2024, forex was very prominent in the reported performance. In addition, the bulk of the forex gain was in the ConsMat division so the segment EBITDA in the Notes to the Financial Statement would show a drop of 22% Y/Y. However, taking out the forex effects the ConsMat EBITDA increased by 25% Y/Y. Once again the disproportionate growth in operating EBITDA relative to sales growth reaffirms the high OPL nature of the business. Note that high OPL exacerbates the effect of the trend in either direction.

As what we have highlighted in previous discussions, the earnings contribution from the Specialty Polymer division is already back to the historic norm since last year and so it would no longer be a drag in the Group's performance as the year-over-year comparison is already re-based. We note though that despite weak price/spread outlook in 1Q 2025, the segment was profitable, both in EBITDA and the bottom line, thanks to nimble operations and HVA positioning.

The consolidated sales and EBITDA generated in 1Q 2025 accounted for 24% and 26% of our full year guidance. We maintain the guidance, for now.

### Manageable Finances

The gross interest bearing debt (IBD) at the end of 1Q 2025 was THB77,360 million, 3.65% lower than the balance at the end of 2024. However, as cash & cash equivalents dropped to THB5,306 million from THB9,560 million at the end of 2024, the net IBD ended flat, at THB72,054 million. At the end of 1Q 2025, net IBD/Equity ratio was 1.09x while the net IBD/EBITDA ratio was 6.99x, based on annualized 1Q 2025 EBITDA. The Group's capex spending in 1Q 2025, including advances for machinery and equipment, was THB2,220 million; THB993.5 million was for TPIPP's projects and the remainder was for the parent TPIPL where we are bringing forward the 2025 capex program to de-risk execution given the turmoil in the global macro-environment. We maintain our capex guidance for 2025 as well as the expectation that the group will get off the capex ramp starting 2026.

In the April 2025 credit review, TRIS has maintained TPIPL's rating at A- with a Negative Outlook. We are in the midst of issuing THB4,000 million, 5-year unsecured debenture for refinancing at a coupon rate of 3.9%. The three-working-day subscription period begins on the 22<sup>nd</sup> of May.