



February 25, 2025

Subject : Management Discussion and Analysis for the year ended December 31, 2024

To : The President,
The Stock Exchange of Thailand

Applied DB Public Company Limited (the “Company” or “we” or “our”) would like to submit the management discussion and analysis for the Company results of operations for the year ended December 31, 2024 as follows;

**Management Discussion and Analysis for the year
Ended December 31, 2024**

Applied DB Public Company Limited (the “Company”) or (“ADB”) is one of the leading manufacturers and distributors of plastic compound and industrial adhesive and sealant products to our main customers located in Thailand and overseas. The main customers are from the industrial sectors, located in ASEAN, Middle East, Africa, Europe and South America, that use our products in their production process. Besides, the Company also manufactures and sells the products under the Company’s brands and also under customers’ brands. Our revenue depends highly on an industrial growth leading by each industrial sector that uses the Company’s products in the production process such as wire and cable industry, real estate and construction industry, shoes and leathers industry. In addition, the demand of products also leads by the economic condition, private sector investments and government bidding projects. In 2022, the Company has implemented corporate restructuring plan with the transfer of a portion of the Company business to ADB Sealant Co., Ltd. (ADBS). The business segments that were transferred to the new company include adhesive segment and Sealant & DIY segment in order to increase the efficiency of the operation in the company as well as increasing competitiveness. After restructuring, the business operation can be classified into 2 major categories, 1) Applied DB Public Company Limited, operated in Compound Business. The compound business segment can be classified into 3 subcategories including 1.1) Wire and Cable PVC (Plastic compound used in wire and cable industry); 1.2) General Grade PVC (Plastic compound used in general applications, Rigid PVC, and Polypropylene Split Yarn (PPY) and 1.3) Medical Grade PVC). 2) ADB Sealant Co., Ltd. operated in Adhesive & Sealant Business. The Sealant business segment can be classified into 3 subcategories including 2.1) Adhesive for customers in shoe and leather and furniture business. 2.2) Silicone Business for both cartridges and commercial use and 2.3) DIY Products

On September 19, 2024, ADB’ Board of Directors’ Meeting approved the increase in the registered capital of ADB of THB 595,098,040 from the existing registered capital of THB 50,000,000 to the registered capital of 645,098,040 by issuing the newly issued ordinary shares amounting to 58,694,706 shares and 645,098 newly issued preference shares. Additionally, they also approved the partial waiver of right to subscribe for newly issued shares in ADBS, whereby the Company will subscribe for only 27,900,000 ordinary shares, equivalent to 279,000,000 and the Aica Asia



Pacific Holding Pte. Ltd., a wholly-owned subsidiary of AICA Kogyo Co., Ltd., (listed company in the Tokyo Stock Exchange). After the Waiver of Rights to Subscribe for the Newly Issued Shares of ADBS for 30,964,706 ordinary shares and 645,098 preference shares, the Company's voting rights in ADBS will decrease from 99.99% to 49.00%, resulting in ADBS no longer being a subsidiary of the Company. However, ADBS will remain an associate company of ADB.

In addition, the Extraordinary General Meeting of Shareholders dated 27 November, 2024 also approved the disposition of the Company's assets used in manufacturing and distribution of adhesives and sealants, i.e., lands, factories, office buildings, and various equipment including intellectual property. The total purchase price of those transactions was THB 279,000,000 of which, those transactions were not considered a connected transaction. In this regards, the Company recognized gain from sale of assets disposal in consolidated income statement of THB 34.65 million. After this subscription for newly issued shares in ADBS, the Company's shareholding interests in ADBS decreased from 99.99% to 49.00%. Therefore, ADB is classified the remaining investment in ADBS to investment in joint venture and recognized gain/loss in subsidiary in the consolidated income statement according to the percentage of interest in subsidiary.

Performance Analysis

Table 1 : Financial Performance Financial Position as at 31 December 2023 and 2024

	2023		2024		Changes +,-	
	MB	%	MB	%	MB	%
Revenue from Sales	961.53	99.14	925.91	92.26	(35.62)	(3.70)
Cost of Sales	912.75	94.11	867.28	86.42	(45.47)	(4.98)
Gross Profit	48.78	5.03	58.63	5.84	9.85	20.19
Other Income	8.34	0.86	75.11	7.48	66.77	800.60
Net Foreign Exchange Gain	0.00	0.00	2.54	0.25	2.54	0.00
Profit Before Expenses	57.12	5.89	136.28	13.58	79.16	138.59
Distribution Costs	39.79	4.10	40.02	3.99	0.23	0.58
Administrative Expenses	87.83	9.06	98.14	9.78	10.31	11.74
Total SG&A	127.62	13.16	138.16	13.77	10.54	8.26
Earnings before interest and tax	(70.49)	(7.27)	(1.87)	(0.19)	68.62	97.35
Financial Costs	17.27	1.78	16.68	1.66	(0.59)	(3.42)
Profit sharing from associated company	0.00	0.00	1.30	0.13	1.30	n/a
Profit before tax expenses	(87.76)	(9.05)	(17.25)	(1.72)	70.51	80.34
Tax expenses	6.47	0.67	7.01	0.70	2.38	51.40
Net Income	(94.23)	(9.72)	(24.26)	(2.42)	68.13	73.74
Other Comprehensive Income	47.53	4.90	58.47	5.83	12.79	28.00
Total Comprehensive Income for the period	(46.71)	(4.82)	34.22	3.41	80.93	173.26

*% is the proportion to the total revenue



Sales Revenue

For the year ended December 31, 2023 and 2024, our total revenue was THB 969.88 million and THB 1,003.57 million, respectively. From those amounts, revenue from sales was accounted of THB 961.53 million and THB 625.91 million, respectively, which represented the decrease of THB (35.62) million, or (3.70%). The revenue of plastic compound business has been decreasing during 2024. The lower revenue led by less orders of customers from Wire & Cable PVC for THB (2.93) million or (0.59%) compared to the same period of FY2023. The majority revenue of Wire & Cable segments is to target to large wire and cable manufacturers, which supply the products to both government projects invested in the infrastructure and electrical during FY2024. For General Grade PVC, it also experienced weaken demand of THB (16.84) million, or went down of (10.28%) from its revenue FY2023 due to less demand from one of the major customers from oversea markets; while pharmaceutical graded compound products to be used for medical applications such as blood infusion tube, bleeding bag sold to our partner, Showa Global (Thailand) Co., Ltd. also decreased for THB (15.86) million. respectively with the details below. When we combined our revenue from 3 product categories, the revenue of Wire & Cable, General Grade PVC and Medical Graded Products were 53:16:31, respectively.

Table 2 : Revenue breakdown by Business – for the year ending December 31

Revenue of Business	For the year ended				Increase (decrease)	
	Jan-Dec 2023		Jan-Dec 2024			
	MB	%	MB	%	MB	%
Wire and Cable PVC	495.84	51.12	492.91	49.12	(2.93)	(0.59)
General Grade PVC	163.82	16.89	146.98	14.65	(16.84)	(11.46)
Medical Graded PVC	301.88	31.13	286.02	28.50	(15.86)	(5.55)
Total Plastic Compound Business	961.53	99.14	925.91	92.26	(35.62)	(3.70)
F/X Gain Loss	0.00	0.00	2.54	0.25	0.00	0.00
Profits from transfer of business	0.00	0.00	0.00	0.00	0.00	0.00
Profits from fair value of investment	0.00	0.00	30.44	3.03	0.00	0.00
Profits from disposal of assets	1.37	0.14	34.66	3.45	33.27	2,429.93
Other revenue	6.98	0.72	10.02	1.00	3.04	43.65
Total Revenue	969.88	100.00	1,003.57	100.00	33.69	3.36

Cost of Sales and Gross Profit

In 2023 and 2024, cost of sales decreased from THB 912.75 million to THB 867.28 million, respectively. The cost of sales consists of cost of Plastic Compound Wire & Cable PVC for THB 472.12 million; cost of For General Grade PVC and Medical PVC for THB 440.64 million in FY2023 and Wire & Cable PVC for THB 458.86 million and General Grade PVC and Medical PVC for THB 408.42 million in FY2024. With less fluctuation of chemical material costs in all, the company reported an increase in gross profit from 5.07% in FY2023 to 6.33% in FY2024. The following table indicates the breakdown of cost of sales in Plastic Compound segment.



Table 5 : Cost of sales and Gross Profit

Cost of sales and Gross Profit	Jan-Dec 2023	Jan-Dec 2024
	MB	MB
Cost of Sales : Plastic Compound Business	912.75	867.28
Gross Profit : Plastic Compound Business	48.78	58.63
Gross Profit Margin : Plastic Compound	5.07%	6.33

Overall performance, gross margin of plastic compound business slightly increased in 2024 caused by the material costs of production, including PVC Resin and Plasticizers to be used as additive solutions, has been lower due to less demand of petrochemical products around the world; while the global oil price has also impacted to the plastics manufacturers during 2024. However, the volume of wire & cable segment led the turnaround of overall gross margin of our compound business.

Selling & Administrative Expenses

Total selling and administrative expenses in 2024 increased THB +10.54 million, or +12.32% from 2023 The increase in selling and administrative costs was mainly due to the following reasons;

Table 6 : Selling & Administrative Expenses

Selling & Administrative Expenses	Jan-Dec 2023		Jan-Dec 2024		Increase (decrease)	
	MB	%	MB	%	MB	%
Selling Expenses	39.79	31.18	40.02	28.97	0.23	0.58
Administrative Expenses	87.83	68.82	98.14	71.03	10.31	11.74
Selling & Administrative Expenses	127.62	100.00	138.16	100.00	10.54	12.32

Selling Expenses

Total selling expenses increased for THB +0.23 million or +0.58% from THB 39.79 million in 2023 to THB 40.02 million in 2024. The increase of selling expenses was primarily due to the higher transportation costs both local and oversea logistics activities especially from the rising of global shipping costs due to the port congestions problems and product compensation to our Compound customer for THB 5.00 million.

Administrative Expenses

Total administrative expenses in 2024 increased for THB +10.31 million or +11.74% from THB 87.83 million to THB 98.14 million during the same period of last year. The significant increase of administrative expenses was mainly related to the Assets Transfer Fees, Special Business Tax, and additional expenses associated to the operational expenses associated to the corporate restructuring process.



Finance Costs

When compared to the finance costs between 2023 and 2024, total finance costs decreased from THB 17.26 million to THB 16.68 million, respectively. decrease of finance costs for THB (0.59) million or (3.42%) was mainly due to the lower market interest rates of commercial bank loans compared to the same period of last year and less bank loans from financial institutions after sales of assets disposal to ADBS.

Net Profit

The Company had a net profit of 2024 for THB 34.22 million, from net loss of THB (46.71) million of 2023. Although material costs used for production, including PVC Resin and Plasticizers to be used as additive solutions still influenced on the impact to the plastics manufacturers in 2024 as it is by products of petroleum. However, the Company recognized gain of assets disposal to ADB Sealant Co., Ltd., for THB 34.65 million, and gained from discontinued operation of ADBS to contribute to ADB Net Profit in 2024.

Financial Position

Total Assets

As at December 31, 2023 and 2024, the Company had total assets of THB 1,410.69 million and THB 1,053.57 million, respectively. The company's main assets were mainly consist of trade accounts receivable and other receivables, inventories, and property, plant and equipment. Among these assets; it can be classified as current assets for THB 880.14 million and THB 519.96 million and non-current assets for THB 530.55 million and THB 533.60 million, respectively.

Significant changes in assets in 2024 are summarized below;

1. Current Assets

Cash and cash equivalents as at December 31, 2023 and December 31, 2024, the overall cash and cash equivalents increase of THB +50.62 million was attribute to the 3 major transactions, operating activities, investment activities and financing activities. In 2024, our net cash flow received from operating activities for THB +387.12 million, mainly attributed to the decrease of inventories for THB +241.82 million and decrease of accounts receivable for THB +129.21 million. As the ADB recognized the sale of assets and those assets have no longer been recorded in ADB consolidated financial report. In addition, the cash has also been used for the investment of fixed assets as machines and factory equipment for THB (71.46) million. In financing activities, the company has net cashflow used in financing activities for THB (265.28) million mostly to repay of short-term and long-term bank loans after ADBS already repay all outstanding balance associated with previous assets transfer to ADBS.



- *Trade accounts receivable* as at December 31, 2023, and December 31, 2024, trade accounts receivable decrease of THB (126.48) million was led by the assets disposal and those items have no longer been recorded in ADB consolidated financial report.

	Unit (MB)	For year ended	
		31 December 2023	31 December 2024
Related parties		0.49	.06
Other receivables		382.35	252.07
Total Receivables		382.84	252.13
Less allowance for doubtful accounts		(5.17)	(0.94)
Net Accounts Receivable		377.67	251.18

The allowance for doubtful accounts was set by considering ability to collect cash by using the percentage of outstanding balance over the different period of time. In addition, fully reserve 100% will be set once there are factors trigger to the potential credit defaults of any receivables. The decrease of allowance for doubtful accounts derived from the payment received from overdue payment operated under ADB Sealant Co., Ltd. The overall collection period decreased from 154 days as at December 31, 2023 to 122 days as at December 31, 2024

- *Inventories* as at December 31, 2023, and December 31, 2024, a decrease in inventory of THB (245.81) million was primarily the result of assets disposal and those items have no longer been recorded in ADB consolidated financial report, the decreasing stocking level of finished products and materials as well as lower material costs of finished products and materials compared to last year.

	Unit (MB)	For year ended	
		31 December 2023	31 December 2024
Finished goods		113.65	48.84
Raw materials		186.53	67.96
Work in process		23.77	0.02
Factory supplies		31.97	8.75
Goods in transit		37.18	14.48
Allowance for decline in value		(10.15)	(2.92)
Net Total		382.95	137.13



2. Non-current Assets

- Property, plant and equipment as at December 31, 2023, and December 31, 2024, a decrease in property, plant and equipment of THB (284.28) million and sale of fixed assets that has not been used for THB (279) million.

Total Liabilities & Shareholders' Equity

As at December 31, 2023 and December 31, 2024, the Company had total liabilities of THB 810.09 million and THB 418.73 million, respectively. The company's major liabilities were consisting of bank overdrafts and short-term borrowings from financial institutions, trade accounts payable, and other payables. During this period, the Company had shareholders' equity of THB 600.60 million and THB 634.84 million, respectively. At the end of 2024, the Company's shareholders' equity consisted of paid-up capital of THB 363.00 million. The other shareholders' equity included share premium of THB 202.20 million, surplus on share-base payment of THB 0.31 million, appropriated to legal reserve of THB 21.96 million, unappropriated reserve of THB 47.29 million and other component of shareholders' equity of THB 0.08 million.

Significant changes in liabilities and shareholders' equity of 2024 are summarized below;

1. Current Liabilities

- Short-term borrowings from financial institutions as at December 31, 2023, and December 31, 2024, a decrease of short-term loan of THB (231.62) million was the result of the cash received from outstanding balance associated with previous assets transfer to ADBS.
- Trade accounts payable as at December 31, 2023, and December 31, 2024, an decrease of accounts payable of THB (99) million was mainly due to less materials procurement. During 2024, the average accounts payable period decreased from 95 days at the end of 2023 to 80 days at the end of 2024.

2. Non-current liabilities

- As at December 31, 2024, the Company's non-current liabilities consisted of long-term loan of THB 14.62 million, or a decrease of THB (21.56) million, and a decrease of non-current provisions for employee benefit of THB (27.11) million with the reference of the actuarial report from the actuarial experts after those items have no longer been recorded in ADB consolidated financial report.

3. Shareholders' equity

As at December 31, 2024, the Company's shareholders' equity of THB 634.84 or an increase of THB +34.24 million, was the results of the profit from operation during 2024.



Table 7 : Key Financial Ratios

Financial Ratio	Unit	For the year ended 31 Dec 23	For the year ended 31 Dec 24
Liquidity Ratio			
Current Ratio	Times	1.20	1.38
Collection Period	days	154	122
Inventory Period	days	176	108
Accounts Payable Period	days	95	80
Profitability Ratio			
Gross Profit Margin	%	5.07	6.33
Net Profit Margin	%	(4.82)	3.41
Return On Equity	%	(7.51)	5.54
Turnover Ratio			
Return on Assets	%	(3.08)	2.78
Asset Turnover	Times	0.64	0.81
Financial Policy			
Debt to Equity	Times	1.35	0.66
Interest Coverage Ratio	Times	0.22	2.35

1. Current Ratio

As at December 31, 2024, our liquidity ratio remained at 1.38 times in 2024. For Liquidity management, the collection period increased from 154 days in 2023 to 122 days in 2024, as the company has implemented the policy to follow up the payment of customers to be within the customers' credit terms. In addition, our inventory period decreased from 176 days in 2023 to 108 days in 2024 because of the nature of Compound Business inventory, which has better turnover compared to the Adhesives and Sealant business in the past. Our accounts payable days increased from 95 days to 80 days in 2024 compared to the same period of 2023.

2. Profitability Ratio

The Company gross profit margin slightly increased from 5.07% in 2023 to 6.33% in 2024. Although the gross margin of plastic compound business slightly increased in 2024 caused by rising production costs of PVC production and fluctuation of raw material price from the global energy crisis around the world. In addition, our selling & administrative has been increasing related to the Assets Transfer Fees, Special Business Tax, and additional expenses associated to the operational expenses associated to the corporate restructuring process as well as costs associated with employees, and organization management. However, the Company recognized gain of assets disposal to ADB Sealant Co., Ltd., for THB 34.65 million, and gained from discontinued operation of ADBS to contribute to ADB Net Profit in 2024. As a results, the net profit margin increased from (4.82%) in 2023 to 3.41% in 2024. Additionally, Return on Equity also increased from (7.51%) in 2023 to 5.54% in 2024.



3. Turnover Ratio

As at December 31, 2024, the Company return on assets increased from (3.08%) in 2023 to 2.78% in 2024. In addition, our asset turnover decreased from 0.64 times to 0.81 times in 2024. While the assets decreased from assets disposal to ADBS, we have been experiencing slightly lower in revenue generated from Compound Business compared to significant reduction of assets after disposal to ADBS and those assets are no longer recorded under ADB.

4. Financial Policy

Debt to Equity ratio decreased from 1.35 times in 2023 to 0.66 times in 2024 due to significant reduction of short-term bank loans from financial institutions after debt repayment from ADBS; while the decreasing market interest rate are the major factor to drive the increasing of interest expenses from THB 17.26 million to THB 16.68 million in 2024. With the increase of earnings before interest and tax and rising interest expenses, our interest coverage ratio increased from 0.22 times in 2023 to 2.35 times in 2024.

Please be informed accordingly.

Yours Sincerely,



(Mr. Wang Wanapaisorn)
Chief Executive Officer