



May 9, 2025

Subject : Management Discussion and Analysis for the 1st Quarter ended March 31, 2025
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 1st Quarter ended March 31, 2025 as follows;

**Management Discussion and Analysis for the 1st Quarter of 2025
Ended March 31, 2025**

Applied DB Public Company Limited (the “Company”) or (“ADB) is one of the leading manufacturers and distributors of plastic compound to our main customers located in Thailand. 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. In addition, the demand of products also leads by the economic condition, private sector investments and government bidding projects. In 2025, the Company has one local subsidiary, ADB Bio Co., Ltd., operated in providing biodegradable raw materials, and semi-finished product that can replace traditional plastic to support the development, production and distribution of bio products. ADB is currently holding 99.97% of shares in ADB Bio Co., Ltd. In 2024, ADB’ Board of Directors’ Meeting approved the increase in the registered capital of ADBS to ADB and the Aica Asia Pacific Holding Pte. Ltd., a wholly-owned subsidiary of AICA Kogyo Co., Ltd. In this regards, 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 is currently considered an associate company of ADB under “investments in associate”. ADB has recognized share of profit of associate accounted for using equity method since December 1, 2024 onwards. After restructuring, the business operation can be classified into 3 major categories under compound business segment including 1) Wire and Cable PVC (Plastic compound used in wire and cable industry); 2) General Grade PVC (Plastic compound used in general applications, Rigid PVC, and Polypropylene Split Yarn (PPY) and 3) Medical Grade PVC) with the following details;



Performance Analysis

Table 1: Financial Performance of Q1/2025 compared to Q1/2024

	Quarter 1/2024		Quarter 1/2025		Changes +,-	
	MB	%	MB	%	MB	%
Revenue from Sales	223.79	98.66	237.05	98.50	13.26	5.93
Cost of Sales	214.41	94.53	201.06	83.55	(13.35)	(6.23)
Gross Profit	9.38	4.14	35.99	14.96	26.61	283.69
Other Income	2.02	0.89	3.60	1.50	1.58	78.22
Net Foreign Exchange Gain	1.01	0.45	0.00	0.00	(1.01)	(100.00)
Profit Before Expenses	12.41	5.47	39.59	16.45	27.18	219.02
Distribution Costs	7.66	3.38	9.42	3.91	1.76	22.98
Administrative Expenses	18.45	8.13	21.55	8.95	3.10	16.80
Total SG&A	26.11	11.51	30.97	12.87	4.86	18.61
Earnings before interest and tax	(13.70)	(6.04)	8.62	3.58	22.32	162.92
Financial Costs	3.95	1.74	2.14	0.89	(1.81)	(45.82)
Share of profit of associate accounted for using equity method	0.00	0.00	5.55	2.31	5.55	0.00
Profit before tax expenses	(17.65)	(7.78)	12.03	5.00	29.68	168.16
Tax expenses	0.30	0.13	1.16	0.48	0.86	286.67
Profit(loss)for the year from discontinued operation net of tax	13.83	0.00	0.00	0.00	(13.83)	(100.00)
Net Income	(4.12)	(1.82)	10.87	4.52	14.99	363.83
Other Comprehensive Income	0.00	0.00	(0.02)	(0.01)	(0.02)	0.00
Total Comprehensive Income for the period	(4.12)	(1.82)	10.85	4.51	14.97	363.35

During the 1st quarter of 2024 and 2025, our total revenue was THB 226.82 million and THB 240.65 million, respectively. From those amounts, revenue from sales was accounted of THB 223.78 million and THB 237.05 million, respectively, which represented the increase of THB 13.26 million, or +5.93%. The increase in revenue was mainly attributed to the increase of revenue in wire and cable segments. The revenue of Wire & Cable PVC increased significantly for THB +25.36 million or +22.45% compared to the same period of Q1/2024. The main target customers are those wire & cable manufacturers who supply products to both government projects and industry group in Real Estate and Construction segments. However, our revenue from General Grade PVC decreased for THB (6.15) million, or went down of (15.66%) from its revenue Q1/2024 due to weaken demand from our major oversea customers. Besides, our demand for 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 (5.94) million; or dropped for (8.30%) from last year, respectively. The details of revenue breakdown by product categories are classified as below;



Table 2 : Revenue breakdown by product categories – for the three-month period ending March 31

Revenue of Business	For the three-month period					
	Jan-Mar 2024		Jan-Mar 2025		Increase (decrease)	
	MB	%	MB	%	MB	%
Wire and Cable PVC	112.95	50.48	138.31	58.34	25.36	22.45
General Grade PVC	39.26	17.54	33.11	13.97	(6.15)	(15.66)
Medical Graded PVC	71.57	31.98	65.63	27.69	(5.94)	(8.30)
Total Revenue	223.79	100.00	237.05	100.00	13.26	5.93

In terms of main customer types by industry, approximately 97% of our revenue was classified under Real Estate and construction. For the Plastic Compound group, the Company main targets are large wire and cable manufacturers who supply the products to both government projects and industry group in Real Estate and Construction segment. The rest of 3% was attributed to other industries.

Table 3 : Revenue by Industry – for the three-month period ending March 31

Revenue by Industry	For the three-month period			
	Jan-Mar 2024		Jan-Mar 2025	
	MB	%	MB	%
Real Estate and Construction	209.37	93.56%	230.14	97.09%
Automotives	0.27	0.12%	0.23	0.10%
Others	14.15	6.32%	6.68	2.82%
Total Revenue	223.79	100%	237.05	100%

Cost of Sales and Gross Profit

In the 1st quarter of 2024 and 2025, cost of sales decreased from THB 212.27 million to THB 203.46 million, respectively. Overall, gross margin of our Plastic Compound products has been increasing due to the overall material costs and petrochemical products has been decreasing in Q1/2025 compared to the same period of last year. As a results, our gross margin from Wire & Cable PVC, General Grade PVC, and Medical segment increased from THB 11.52 million, or 5.15% in Q1/2024 to THB 33.58 million, or 14.17% in Q1/2025, respectively. The following table indicates the breakdown of cost of sales by business segment.

Table 5 : Cost of sales and Gross Profit

Cost of sales and Gross Profit	Jan-Mar 2024	Jan-Mar 2025
	MB	MB
Cost of Sales : Plastic Compound Business	212.27	203.46
Gross Profit : Plastic Compound Business	11.52	33.58
Gross Profit Margin (%)	5.15%	14.17%
Total Gross Margin (%)	5.15%	14.17%



Overall performance, gross margin of plastic compound business significantly improved in Q1/2025 caused by lower major material costs of production, including PVC Resin and Plasticizers to be used as additive solutions, has been stable from less demand from petrochemical segment and less energy costs compared to the same period of last year. Additionally, ADB has set KPI to reduce waste during production process, and increased production efficiency. Therefore, the overall gross margin has been increasing in Q1/2025 compared to Q1/2024.

Selling & Administrative Expenses

Table 6 : Selling & Administrative Expenses

Selling & Administrative Expenses	Jan-Mar 2024		Jan-Mar 2025		Increase (decrease)	
	MB	%	MB	%	MB	%
Selling Expense	7.66	29.34	9.42	30.42	1.76	22.98
Administrative Expenses	18.45	70.66	21.55	69.58	3.10	16.80
Selling & Administrative Expenses	26.11	100.00	30.97	100.00	4.86	39.78

Total selling and administrative expenses in Q1/2025 increased THB +4.86 million, or +39.78% from Q1/2024. The increase in selling and administrative costs was mainly due to the following reasons;

Selling Expenses

Total selling expenses for Q1/25 increased THB 1.76 million or +22.98% from THB 7.66 million to THB 9.42 million. The increase of selling expenses was primarily due to increase of sales revenue from domestic customers leading the higher transportation expenses in both local & oversea logistics activities associated with the increase in sales volume. In addition, more commission was paid to sales person and sales team in accordance with increasing in sales revenue.

Administrative Expenses

Total administrative expenses for Q1/25 increased to THB 21.55 million from THB 18.45 million during the same period of last year or increased of THB +3.10 million, or +16.80% of Q1/2024. The Company recognized early retirement benefits of management and employees and travelling expenses during Q1/2025.

Finance Costs

When compared to the finance costs between Q1/2024 and Q1/2025, total finance costs decreased from THB 3.95 million to THB 2.14 million, respectively. A decrease of finance costs for THB (1.81) million or (45.82%) was mainly due to was mainly due to the decrease in market interest rates of commercial bank loans. Additionally, ADB' short-term loan was significantly less than the year before after receiving the payment from ADB Sealant Co., Ltd. for THB 352.41 million in Q4/2024 for settlement of outstanding assets transfer payment.



Net Profit

The Company had net profit for Q1/2025 for THB 10.87 million from net loss of THB (4.12) million of Q1/2024. The major factor led to the rebound of the net profit from Compound Business derived from lower major material costs of production, including PVC Resin and Plasticizers to be used as additive solutions and less energy costs compared to the same period of last year. Therefore, ADB and its subsidiary has net profit from Plastic Compound segment for THB 5.32 million. Additionally, ADB has gained from share of profit of associate accounted for using equity method for THB 5.55 million during Q1/2025 in our consolidated income. Therefore, our consolidated net profit was at THB 10.87 million in Q1/2025.

Financial Position

Total Assets

As at December 31, 2024 and March 31 2025, the Company had total assets of THB 1,053.57 million and THB 1,108.90 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 519.97 million and THB 575.72 million and non-current assets for THB 533.60 million and THB 533.18 million, respectively.

Significant changes in assets during the 1st Quarter of 2025 are summarized below;

1. Current Assets

Cash and cash equivalents as at December 31, 2024, and March 31, 2025, the overall cash and cash equivalents increase of THB +40.55 million was attribute to the 3 major transactions, operating activities, investment activities and financing activities. During Q1/2025, our net cash flow were received from operating activities for THB +6.99 million. Therefore, ADB had net cash inflow before changes in operating assets for THB 15.54 million. The major changes in operating assets and liabilities were mainly attributed to the decrease of accounts receivable and other receivable for THB +3.60 million, the increase of accounts payable for THB +11.28 million. And the increase of inventory for THB (19.32) million. In investing activities, the cash has also been used for the investment of fixed assets for THB (0.44) million. In financing activities, the company has net cashflow received in financing activities for THB +33.73 million mostly from short-term and long-term bank loans received from financing of inventory procurement.

- Trade accounts receivable and other receivable as at December 31, 2024, and March 31, 2025, trade accounts receivable and other receivable have total 287.73 decrease of THB (3.92) million compared to our revenue in Q1/2024. Our accounts receivable was classify as the following table;



	For the period ended	
	Unit (MB)	
	31 December 2024	31 March 2025
Related parties	0.06	1.31
Other receivables	252.07	249.86
Total Receivables	252.13	251.17
Less allowance for doubtful accounts	(0.94)	(0.78)
Net Accounts Receivable	251.18	250.39

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 will be set once there are factors trigger to the potential credit defaults of any receivables. However, the average collection period increased from 86 days as at Q1/2024 to 95 days as at Q1/2025 due to the credit term extension of some of our customers.

- *Inventories* as at December 31, 2024, and March 31, 2025, an increase in inventory of THB +19.13 million from THB 137.13 million to THB 156.26 million was primarily the result of our materials to be reserved for our customers' orders during the following period.

	For the period ended	
	Unit (MB)	
	31 December 2024	31 March 2025
Finished goods	48.84	64.35
Raw materials	67.96	58.81
Work in process	0.02	0.03
Factory supplies	8.75	7.72
Goods in transit	14.48	28.50
Allowance for decline in value	(2.92)	(3.12)
Net Total	137.13	156.29

2. Non-current Assets

- *Property, plant and equipment* as at December 31, 2024, and March 31, 2025, an increase in property, plant and equipment of THB +3.46 million as the Company has been setting up the new production lines for Wire & Cable business and Bio-based PVC Compound to support our subsidiary company.



Total Liabilities & Shareholders' Equity

As at December 31, 2024 and March 31 2025, the Company had total liabilities of THB 418.73 million and THB 463.21 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, and long-term loans from financial institutions. During this period, the Company had shareholders' equity of THB 634.84 million and THB 645.69 million, respectively. At the end of the 1st Quarter of 2025, 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 58.17 million and other component of shareholders' equity of THB 0.06 million.

Significant changes in liabilities and shareholders' equity during the 1st Quarter of 2025 are summarized below;

1. Current Liabilities

- Short-term borrowings from financial institutions as at December 31, 2024, and March 31, 2025, a increase in short-term loan of THB +37.06 million was the result of more materials purchased and during Q1/2025.
- Trade accounts payable and other payable as at December 31, 2024, and March 31, 2025, an increase in accounts payable of THB +11.40 million was mainly due to the increase in oversea accounts payable. During Q1/25, the average accounts payable period decreased from 74 days as at Q1/2024 to 67 days as at Q1/2025.

2. Non-current liabilities

As at March 31, 2025, the Company's non-current liabilities consisted of lease liabilities for THB 13.54 million, or a decrease of THB (1.08) from the year end. However, we accrued additional non-current provisions for employee benefit of THB +24.35 million with the reference of the actuarial report from the actuarial experts.

3. Shareholders' equity

As at March 31, 2025, the Company's shareholders' equity of THB 645.69 or an increase of THB +10.85 million, was the results of net profit from operation during Q1/2025.

Financial Ratio Analysis

Table 7 : Key Financial Ratios

Financial Ratio	Unit	For the year ended 31 Dec 24	For Q1/2024 Ended 31 Mar 24	For Q1/2025 Ended 31 Mar 25
<u>Liquidity Ratio</u>				
Current Ratio	Times	1.38	1.20	1.35
Collection Period	days	122	86	95
Inventory Period	days	108	66	66
Accounts Payable Period	days	80	74	67
<u>Profitability Ratio</u>				
Gross Profit Margin	%	6.33	4.19	15.18
Net Profit Margin	%	3.41	(1.82)	4.52
Return On Equity	%	5.54	(2.75)	6.79
<u>Turnover Ratio</u>				
Return on Assets	%	2.78	(1.17)	4.02
Asset Turnover	Times	0.81	0.63	0.88
<u>Financial Policy</u>				
Debt to Equity	Times	0.66	1.37	0.72
Interest Coverage Ratio	Times	2.35	(3.27)	4.03

1. Current Ratio

As at March 31, 2025, our liquidity ratio increased from 1.20 times in Q1/2024 to 1.35 times in Q1/2025. For Liquidity management, the collection period increased from 86 days in Q1/2024 to 95 days in Q1/2025 due to the credit term extension of some customers. For inventory turnover, our inventory period was stable at 66 days in Q1/2025 compared to the same period of last year. Our accounts payable days decreased from 74 days to 67 days in Q1/2025 compared to the same period of Q1/2024.

2. Profitability Ratio

The Company gross profit margin increased significantly from 4.19% to 15.18%. Our profit margin was rebound from last year due to the stability of major material costs of production, including PVC Resin and Plasticizers to be used as additive solutions. Those chemical materials have been directly impacted from less global demand of petrochemical products around the world. However, our selling & administrative expenses have been affected by the early retirement benefits of management and employees and travelling expenses during Q1/2025 and selling expenses associated to the increase of sales transaction such as sales benefits and transportation expenses. As a results, our net profit margin at 4.52 in Q1/2025. These better NPM led to the increase of Return on Equity to 6.79% in Q1/2025.



3. Turnover Ratio

As at March 31, 2025, the Company return on assets was rebound from (1.17%) in Q1/2024 to 4.02% in Q1/2025. Furthermore, our asset turnover decreased from 0.63 times to 0.88 times in Q1/2025 due to higher sales turnover of Plastic Compound Business especially from Wire & Cable segment with the +22% growth compared to the same period of last year.

4. Financial Policy

As at March 31, 2025, our debt-to-equity ratio slightly increased from 0.66 times in Q4/2024 to 0.72 times in Q1/2025 due to higher total liabilities in accordance with increasing in inventory procurement to be reserved for customers' orders. With the increase of earnings before interest and tax and lower interest expenses, the interest coverage ratio increased from (3.27) times in Q1/2025 to 4.03 times in Q1/2025.

Please be informed accordingly.

Yours Sincerely,




(Mr. Wang Wanapaisorn)
Chief Executive Officer