

Executive Summary

In the first quarter of 2025, total revenue remained on par with that of Q1/2024. However, the business achieved higher levels of gross profit and net profit, despite continuing to experience indirect impacts from a sluggish post-COVID global economy, the ongoing conflict in Europe, and the energy crisis. Furthermore, economic conditions were exacerbated by heightened global trade tensions following the import tariff hike announced by the President of USA, resulting in a significant slowdown in both domestic and international economic activity.

Maintaining healthy gross profit margin and growing net profit amidst lagging economic outlook

PMC have been able to enhance both its gross profit margin and net profit through strategic negotiations on raw material costs, as well as by implementing effective and sustainable cost reduction measures.

Focusing on increasing sales of filmic and specialty products

PMC continues to focus on expanding its sales within the filmic and specialty product segments. The company has successfully maintained strong growth in these areas, which has contributed to an overall improvement in both gross profit margin and net profit. This positive impact is largely due to the favourable margin profile of these product groups.

Enhancing growth of products and markets essential for daily life

PMC is committed to driving sales growth and broadening its reach through essential consumer products, particularly those required for daily consumption and fundamental to everyday living.

Q1/2025 Financial Summary

- Total revenue was 221.06 million baht, with net sales of 220.78 million baht, an increase of 2.2% compared to Q4/2024, and an increase of 0.2% year-over-year (YoY).
- Gross profit was 47.28 million baht, an increase of 18.6% compared to Q4/2024, and an increase of 7.7% year-over-year (YoY). The company had managed to maintain a consistent gross profit margin of 21.4% throughout Q1/2025.
- EBITDA was 29.52 million baht, an increase of 39.6% compared to Q4/2024, and an increase of 19.1% year-over-year (YoY).
- Total net profit was 15.70 million baht, an increase of 72.9% compared to Q4/2024, and a growth of 31.6% year-over-year (YoY).

Consolidated Income Statement for Q1/2025

| Unit: Million Baht | Quarter | | | | | 3 Months | | |
|--|---------------|---------------|---------------|--------------|--------------|---------------|---------------|--------------|
| | Q1/2025 | Q4/2024 | Q1/2024 | % QoQ | % YoY | 3M 2025 | 3M 2024 | % YoY |
| Revenue from goods and services | 220.78 | 216.01 | 220.24 | 2.2% | 0.2% | 220.78 | 220.24 | 0.2% |
| Gain on exchange rate | - | - | - | -- | -- | 0.00 | 0.00 | -- |
| Other income | 0.29 | 0.35 | 0.77 | (18.0%) | (62.8%) | 0.29 | 0.77 | (62.8%) |
| Total Revenue | 221.06 | 216.36 | 221.01 | 2.2% | 0.0% | 221.06 | 221.01 | 0.0% |
| Cost of sales | 173.50 | 176.14 | 176.34 | (15%) | (1.6%) | 173.50 | 176.34 | (1.6%) |
| Gross Profit (excluding others) | 47.28 | 39.86 | 43.89 | 18.6% | 7.7% | 47.28 | 43.89 | 7.7% |
| Loss on exchange rate | 0.39 | 105 | 2.81 | (63.1%) | (86.3%) | 0.39 | 2.81 | (86.3%) |
| Selling expenses | 9.89 | 10.54 | 9.85 | (6.2%) | 0.5% | 9.89 | 9.85 | 0.5% |
| Administrative expenses | 14.46 | 14.02 | 13.70 | 3.1% | 5.6% | 14.46 | 13.70 | 5.6% |
| EBITDA | 29.52 | 21.15 | 24.78 | 39.6% | 19.1% | 29.52 | 24.78 | 19.1% |
| Depreciation | 6.69 | 6.55 | 6.48 | 2.1% | 3.2% | 6.69 | 6.48 | 3.2% |
| EBIT | 22.83 | 14.60 | 18.31 | 56.3% | 24.7% | 22.83 | 18.31 | 24.7% |
| Financial cost | 3.16 | 3.25 | 3.68 | (2.7%) | (14.0%) | 3.16 | 3.68 | (14.0%) |
| EBT | 19.67 | 11.35 | 14.63 | 73.3% | 34.4% | 19.67 | 14.63 | 34.4% |
| Income tax | 3.97 | 2.27 | 2.70 | 74.8% | 46.9% | 3.97 | 2.70 | 46.9% |
| Net Profit | 15.70 | 9.08 | 11.93 | 72.9% | 31.6% | 15.70 | 11.93 | 31.6% |

Financial Performance

Revenue

Revenue from sale of goods and services amounted to 220.78 million baht, representing a 0.2% increase compared to the same quarter of the previous year. This growth was driven by the sales team's efforts to expand the domestic market in order to offset ongoing uncertainties in international markets.

Sales & Services Revenue Structure

PMC's sales revenue is generated from the sales of goods from these 4 main product groups: Paper labels, Filmic labels, Specialty labels, and other products. The proportion of sales of paper, filmic, specialty and others labels is 54%, 22%, 19% and 5% respectively.

| Unit: Million Baht | Quarter | | | | | 3 Months | | |
|--------------------|---------------|---------------|---------------|-------------|-------------|---------------|---------------|-------------|
| | Q1/2025 | Q4/2024 | Q1/2024 | % QoQ | % YoY | 3M 2025 | 3M 2024 | % YoY |
| Paper | 119.63 | 119.74 | 140.61 | (0.1%) | (14.9%) | 119.63 | 140.61 | (14.9%) |
| Film | 49.39 | 48.19 | 51.81 | 2.5% | (4.7%) | 49.39 | 51.81 | (4.7%) |
| Others | 10.60 | 8.60 | 0.42 | 233% | 2,424.0% | 10.60 | 0.42 | 2,424.0% |
| Specialty | 41.15 | 39.47 | 27.40 | 4.3% | 50.2% | 41.15 | 27.40 | 50.2% |
| Total Sales | 220.78 | 216.01 | 220.24 | 2.2% | 0.2% | 220.78 | 220.24 | 0.2% |

Paper Labels: Revenue from sales of paper labels was 119.63 million baht in Q1/2025, a decrease of 0.1% compared to Q4/2024, and a decrease of 14.9% year-over-year (YoY).

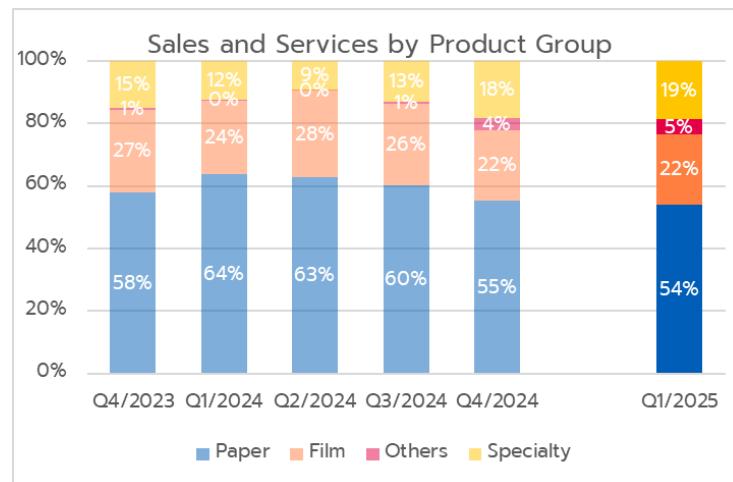
Filmic Labels: Revenue from sales of filmic labels was 49.39 million baht in Q1/2025, an increase of 2.5% compared to Q4/2024, and a decrease of 4.7% year-over-year (YoY) due to a shortage of some raw materials.

Specialty Labels: Revenue from sales of specialty labels was 41.15 million baht in Q1/2025, an increase of 4.3% compared to Q4/2024, and an increase of 50.2% year-over-year (YoY). This was primarily due to increased sales of specialty labels designed for specific temperature conditions, removable labels, as well as piggyback labels.

Other Products: "Other products" are categorised as products that do not fall within the other groups of labels mentioned above. This type of product is usually sold in much lower quantities when compared to the other groups of labels.

PMC Label Materials Public Company Limited

Management Discussion & Analysis Q1/2025

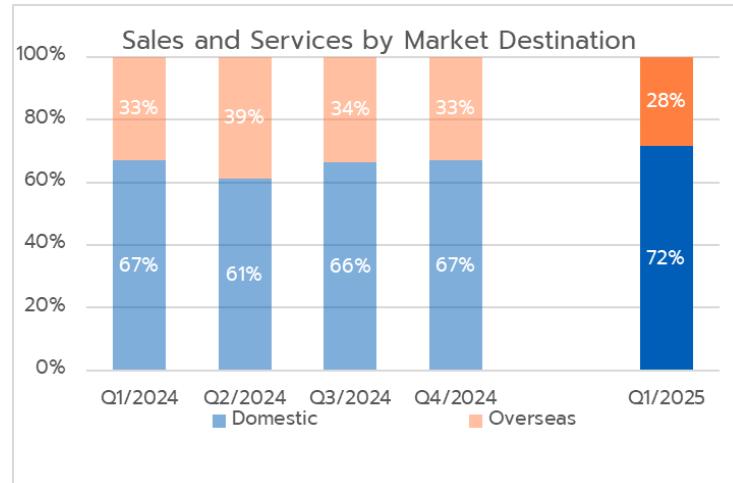


Revenue Structure by Region

The revenue structure can be divided into domestic revenue and revenue from overseas, which represent 72% and 28% of PMC's total sales revenue in Q1/2025, respectively. In this quarter, the proportion of sales in international markets faced pressure due to inflationary conditions and uncertainty surrounding U.S. tariff implications.

| Unit: Million Baht | Quarter | | | | | 3 Months | | |
|--------------------|---------------|---------------|---------------|-------------|-------------|---------------|---------------|-------------|
| | Q1/2025 | Q4/2024 | Q1/2024 | % QoQ | % YoY | 3M 2025 | 3M 2024 | % YoY |
| Domestic | 158.21 | 144.84 | 147.99 | 9.2% | 6.9% | 158.21 | 147.99 | 6.9% |
| Oversea | 62.57 | 71.17 | 72.24 | (12.1%) | (13.4%) | 62.57 | 72.24 | (13.4%) |
| Total Sales | 220.78 | 216.01 | 220.24 | 2.2% | 0.2% | 220.78 | 220.24 | 0.2% |

Remark: Intercompany transaction Elimination



Cost of Goods Sold and Gross Profit

Cost of goods sold in Q1/2025 was 173.5 million baht, a decrease of 1.5% from Q4/2024, and a decrease of 1.6% year-over-year (YoY). Gross profit for Q1/2025 was 21.4%, an increase of 18.5% compared to Q4/2024.

Operational Expenditure

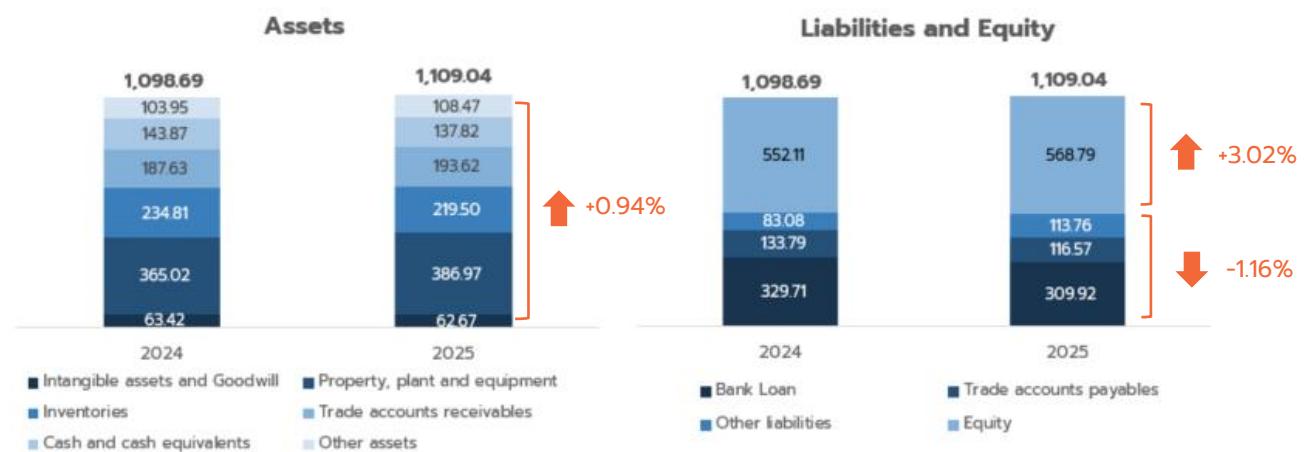
Operating expenses in Q1/2025 were 24.4 million baht, an increase of 3.4% year-over-year (YoY). This resulted from the adjustment of provisions for the EJIB project to reflect actual expenditures. Operating expenses comprised selling expenses of 9.89 million baht and administrative expenses, including net foreign exchange losses, totaling 14.85 million baht.

EBITDA & Net Profit

EBITDA for the Q1/2025 was 29.52 million baht, an increase of 39.6% from Q4/2024, and an increase of 19.1% year-over-year (YoY). As a result, the company's net profit for this quarter closed at 15.7 million baht, an increase of 72.9% from Q4/2024, and an increase of 31.6% year-over-year (YoY).

Statement of Financial Position Q1/2025

Unit: Million Baht



Assets

Total assets as of Q1/2025 amounted to 1,109.04 million baht, representing a 0.94% increase from 2024. This growth was primarily driven by an increase in trade accounts receivables and fixed assets, attributed to higher sales compared to Q4/2024, as well as investment in new machinery under fixed assets.

Liabilities

Total liabilities as of Q1/2025 stood at 540.25 million baht, marking a 1.16% decrease. This reduction was mainly due to a decline in trade payables and both short-term and long-term borrowings previously used to finance investment in new machinery.

Equity

Total shareholders' equity as of Q1/2025 amounted to 568.79 million baht, representing a 3.02% increase from 2024.

Business Outlook 2025

According to the National Economic and Social Development Council's forecast for Thailand's economic outlook in 2025, the Thai economy is expected to grow by 2.3% to 3.3%, supported by government stimulus measures, continued expansion in private sector investment, and the recovery of the tourism industry. Additionally, it is anticipated that the Bank of Thailand will lower the policy interest rate to 1.75% in the first quarter of 2025 to support economic recovery.

However, several risk factors remain, including lower-than-expected global economic growth, uncertainty surrounding U.S. economic policy, prolonged geopolitical tensions, and signs of a continued economic slowdown in China, one of the world's major economies. In light of these uncertainties, PMC continues to operate with caution. Nonetheless, should there be an improvement in consumer spending and overall economic growth, it would likely have a positive impact on the company's performance.

Maintaining Revenue and Profit Growth

PMC continues to implement its strategy of sustaining growth in the domestic market while focusing on expanding into international markets where economic conditions remain favourable. The company also remains committed to maintaining and improving its gross profit margin.

Cost and Expense Management to Support Gross and Net Profit Growth

PMC is enhancing and optimising its internal cost management through an efficient supply chain process. This includes selecting suitable suppliers, maintaining product quality and pricing levels, and minimising waste in the production process. These efforts are aimed at ensuring the continued development and growth of both gross profit and net profit.

Sustainable Development

Looking ahead in 2025, the company has continued to demonstrate its strong commitment to sustainable business practices. This is reflected in the renewal of its organisational carbon footprint certification by the Thailand Greenhouse Gas Management Organization (Public Organization), alongside its certification from The Association of Plastic Recyclers for producing recyclable products — a recognition the company has held since 2022.

PMC remains deeply aware of the importance of sustainable product development. It continues to focus on designing and producing products that incorporate recycled materials and on sourcing raw materials from suppliers certified for their sustainability practices.

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