



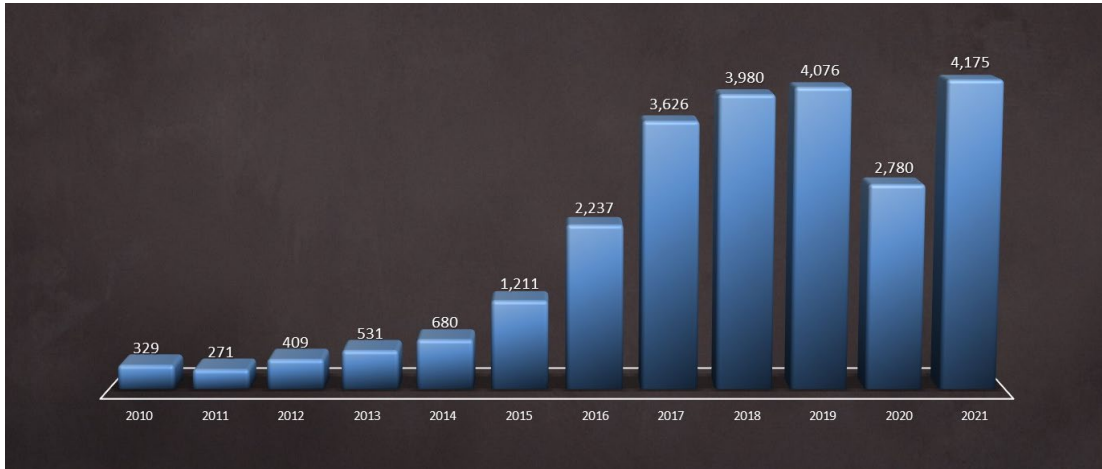
APO PRODUCTION UNIT, INC.

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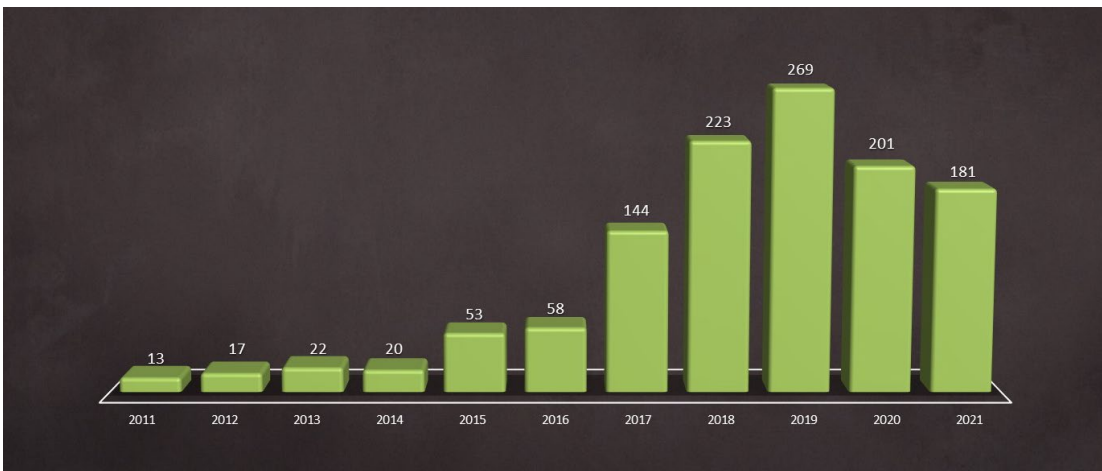
ANNUAL REPORT

2021

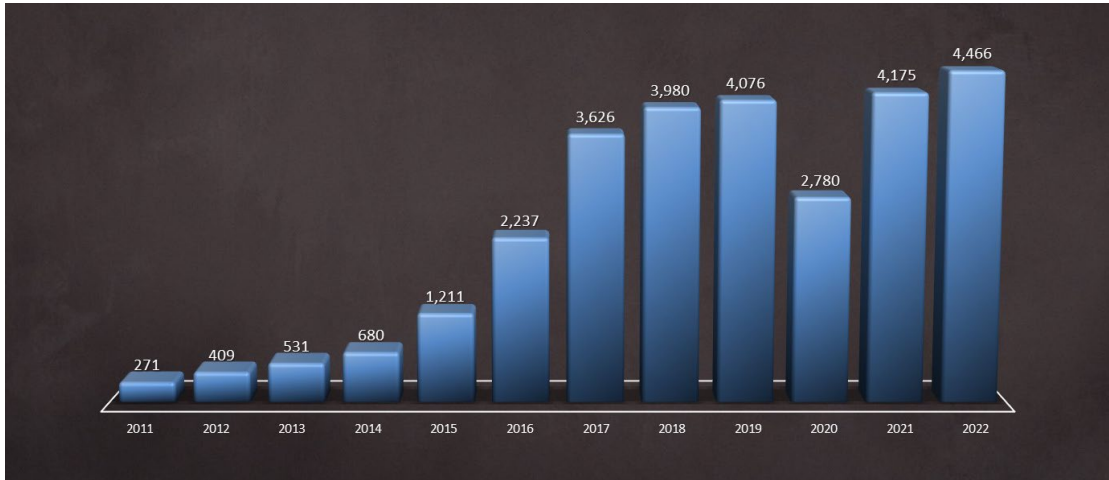
APO Production Unit's total revenue increased by 50% in 2021. Revenue of the Quezon City Plant doubled in the period primarily driven by the DEPED project for the printing of educational modules. QC Plant posted a total revenue of P1.8B in 2021. Revenue from the JV likewise went up 37% to P1.85B, which was double that of the forecasted amount. Revenue from the printing of tax stamps slightly recovered in 2021, posting sales of P515M.



Despite the increase in revenue in 2021, net income after tax declined by 10% due to an increase in production costs related to the production of educational modules. Compared to traditional accountable forms, educational modules net APO reduced profit which resulted in lower overall profitability.



In 2022, APO Production Unit is projecting a 7% growth from the previous year. Revenue from the JV company for the printing of passports, is projected to continue to recover in 2022. The volume projected in 2022, however, is 25% short of the 2019 volume, the highest volume recorded so far. Revenue from the printing of tax stamps is also projected to go up due to the price adjustment that will be implemented this year. This price adjustment is long overdue as the cost of paper and ink has eaten into the profitability of the project.



In 2022, net income is projected to increase by 49% to P270M as we shift our marketing focus more on higher margin projects such as traditional accountable forms. An increase in passport enrollment will also result in higher revenue for the Joint Venture netting APO higher dividends in 2022.

