

November 10, 2021

Subject : Management Discussion and Analysis for Nine-month and 3<sup>rd</sup> quarter ended September 30, 2021

Attention : President

The Stock Exchange of Thailand

1. Operating Performance

1.1 Revenues

Consolidated financial statements							(Thousands Baht)		
	Nine-month		Change		3 <sup>rd</sup> Quarter		Change		
	2021	2020	Amount	%	2021	2020	Amount	%	
Revenue from sales	2,575,296	1,812,601	762,695	42.08%	869,768	647,352	222,416	34.36%	
Other income	9,117	10,041	-924	-9.20%	2,638	2,928	-290	-9.90%	
Total Revenue	2,584,413	1,822,642	761,771	41.79%	872,406	650,280	222,126	34.16%	

Company total revenue on nine-month and 3<sup>rd</sup> quarter of year 2021 significantly increased 41.79 and 34.16 percent from the same period of last year. Sale revenue on nine-month of 2021 increased 42.08 percent from the same period of last year, main attributions are increased in sales volume, higher selling price and higher sales volume in CNF incoterm. As for the revenue from sales in the 3<sup>rd</sup> quarter of 2021 increased 34.36 percent from the same period of last year, mainly due to the higher selling price and Thai baht depreciation. Although the sales volume decreased compared to the same period last year. Other income on nine-month and 3<sup>rd</sup> quarter of year 2021 decreased 9.20 and 9.90 percent from the same period of last year, due to decrease in sale of by-products as those by-products are able to reuse in production process.

## 1.2 Cost of goods sold and expenses

Consolidated financial statements							(Thousands Baht)	
	Nine-month		Change		3 <sup>rd</sup> Quarter		Change	
	2021	2020	Amount	%	2021	2020	Amount	%
Cost of goods sold	-1,479,750	-1,369,810	-109,940	8.03%	-444,052	-498,440	54,388	-10.91%
Selling expenses	-436,503	-218,589	-217,914	99.69%	-149,143	-78,278	-70,865	90.53%
Administrative expenses	-129,932	-79,383	-50,549	63.68%	-50,877	-31,247	-19,630	62.82%
Finance Costs	-9,903	-12,460	2,557	-20.52%	-2,669	-4,157	1,488	-35.80%
Total	-2,056,088	-1,680,242	-375,846	22.37%	-646,741	-612,122	-34,619	5.66%

Cost of goods sold on nine-month of 2021 slightly increased 8.03 percent and the 3<sup>rd</sup> quarter of 2021 slightly decreased 10.91 percent from the same period of last year, which corresponds to the increase in sales volume of nine-month and the decrease in sales volume of 3<sup>rd</sup> quarter. In addition, the price of main raw material has increased.

Selling expenses on nine-month and 3<sup>rd</sup> quarter of 2021 significantly increased 99.69 and 90.53 percent from the same period of last year, due to higher sales volume in CNF incoterm and higher freight prices, resulting in higher freight cost.

Administrative expenses on nine-month and 3<sup>rd</sup> quarter of 2021 significantly increased 63.68 and 62.82 percent from the same period of last year, The main reason is from loss from exchange rate, increase in estimated employee compensation and increase in administrative expenses of subsidiary company, since S. Kleber Chemical Co., Ltd., started test run and started commercial run during the first half of 2021. As a result, administrative expenses increased significantly.

Financial cost on nine-month and 3<sup>rd</sup> quarter of 2021 slightly decreased 20.52 and 35.80 percent from the same period of last year, mainly due to bank interest rate reduction and long-term loans repayment.

As a result, cost of goods sold and expenses on nine-month of 2021 significantly increased 22.37 and the 3<sup>rd</sup> quarter slightly increased 5.66 percent from the same period of last year.

### 1.3 Profit

Consolidated financial statements							(Thousands Baht)	
	Nine-month		Change		3 <sup>rd</sup> Quarter		Change	
	2021	2020	Amount	%	2021	2020	Amount	%
Gross profit	1,095,546	442,791	652,755	147.42%	425,716	148,912	276,804	185.88%
Profit before income tax	528,325	142,400	385,925	271.01%	225,666	38,158	187,508	491.40%
Net profit for period	460,657	125,431	335,226	267.26%	200,779	33,604	167,175	497.49%

From revenues, cost of goods sold and expenses factors, company profit before income tax of nine-month and 3<sup>rd</sup> quarter 2021 was 528.33 and 225.67 million baht increased 271.01 and 491.40 percent and net profit of nine-month and 3<sup>rd</sup> quarter ended September 30, 2021 was 460.66 and 200.78 million baht increased 267.26 and 497.49 percent from the same period of last year.

Sincerely Yours,

(Ms.Orawan Sangwongkit)

Chief Financial Officer