



KBS.BKK 038/2022

February 21, 2022

Subject : Management Discussion and Analysis (MD&A) for Year 2021

To : President, The Stock Exchange of Thailand

Khonburi Sugar Public Company Limited and subsidiaries (“The Company”) would like to provide the explanation on the operating result for year 2021. For the year ended 31 December 2021, the Company had consolidated net loss amounting to THB 332.4 million which decreased net loss by THB 302.2 million or 47.6% compared with previous year. The Company had Earning before Finance Costs, Taxes, Depreciation and Amortization (EBITDA) of THB 573.3 million which was increased by THB 369.8 million or 181.8% from previous year. The change in operating result were as following main factors below:

- 1) Total gross profit from sales and service revenue increased by THB 458.1 million or 610.6%, compared with previous year. (2021: Gross profit THB 383.1 million, 2020: Gross loss THB 75 million) Sales and services revenue and gross profit by segment of Company were presented below:

Unit : Million Baht

	For the year ended 31 December 2021			For the year ended 31 December 2020		
	Sugar cane and services segment	Molasses and sugar trading segment	Utilities segment	Sugar cane and services segment	Molasses and sugar trading segment	Utilities segment
Sales and services revenue	5,224.9	213.0	1,285.9	3,768.4	187.1	1,018.4
Cost of sales and services	(5,017.3)	(197.8)	(1,125.5)	(3,962.2)	(169.1)	(917.5)
Gross profit (loss)	207.6	15.2	160.4	(193.8)	18.0	100.9
% Gross profit (loss)	4.0%	7.1%	12.5%	(5.14)%	9.6%	9.9%

Note: The numbers on above table have not yet been eliminated inter-companies transactions.

**บริษัท น้ำตาลครบุรี จำกัด (มหาชน)**

สำนักงานใหญ่ : 5 ซอยสุขุมวิท 57 แขวงคลองตันเหนือ เขตวัฒนา กรุงเทพมหานคร 10110 โทรศัพท์ (662) 725 4888 โทรสาร (622) 725 4877 ทะเบียนเลขที่ 0107553000191  
โรงงาน : 289 หมู่ที่ 13 ตำบลจรเข้มะเหิน อำเภอครบุรี จังหวัดนครราชสีมา 30250 โทรศัพท์ (6644) 448 338 โทรสาร (6644) 448 500

**Khonburi Sugar Public Company Limited**

Head office : 5 Soi Sukhumvit 57 Klongton-Nue Wattana Bangkok 10110 Tel (662) 725 4888 Fax (662) 725 4877 Registration No.0107553000191  
Factory : 289 Moo 13 Jarakhe-Hin Khonburi Nakhonratchasima 30250 Tel (6644) 448 338 Fax (6644) 448 500





- 1.1) Gross profit from sugar cane and services segment increased by THB 401.4 million or 207.1%, compared with previous year because of the following factors below:
- Sales sugar revenue increased by THB 1,171.8 million or 38.9% compared with previous year mainly due to increase in sugar average selling price by 22.0%. In addition, sale sugar volume increased by 13.8%.
  - Sales molasses revenue increased by THB 129.1 million or 33.8% compared with previous year mainly due to increase in sales molasses volume by 9.8%. In addition, molasses average selling price also increased by 21.9%.
  - Sales of agricultural products, gasoline and agriculture service increased by THB 154.5 million or 41.2% because of higher in sugar cane volume production and higher in cane promotion to farmers.
  - The Company had the cane crushed in total 1.97 million ton cane for Crop year 2020/21 which increased by 0.27 million ton cane or increased by 15.7%. The average cost of sugarcane transportation for Crop year 2020/21 also increased from higher cane volume production.
  - The final sugar cane price in Crop year 2020/21 was THB 1,010.7 per ton cane at a sweetness of 10 C.C.S. that increased by 171.0 Baht per ton cane or 20.4% from Crop year 2019/20. Then, the cost of material was higher from previous year.
- 1.2) Gross profit from molasses and sugar trading segment increased by THB 2.8 million or 15.6%, compared with previous year because of the following factors.
- A subsidiary had increased in sales molasses revenue by THB 52.7 million or 32.9% that increased in sales molasses volume by 9.9%. In addition, the average molasses selling price also increased by 20.9%.
  - A subsidiary had increased in cost of sale molasses by THB 28.7 million or 17.0%.





- 1.3) Gross profit from Utilities segment increased by THB 59.5 million or 58.9%, compared with previous year because of the following factors:
- A subsidiary had increased in electricity sales to government by THB 103.5 million or 14.9%, due to increase in the number of units sold electricity by 12.2 million kWh or 5.6%. In addition, electricity average selling price also increased by 2.6% compared with previous year.
- 2) The Company had loss on exchange amounting to THB 42.6 million increased by THB 66.1 million compared with previous year (2020: Gain on exchange by THB 23.6 million) However, the Company had gain on changes in fair value of sugar swap contracts amounting to THB 25.6 million increased by THB 45.6 million compared with previous year. (2020: Loss on changes in fair value of sugar swap contracts by THB 20.0 million)
- 3) The Company had dividend income amounting to THB 45.7 million that increased by THB 34.6 million compared with previous year. It was increased in dividend income from Khonburi Sugar Power Plant Infrastructure Fund ("KBSPIF").
- 4) The selling and distribution expenses increased by THB 16.3 million or 6.8%, which increased in sugar transportation expenses and export expenses. The administrative expenses increased by THB 24.0 million or 9.9%, mainly due to increase in personnel expenses.
- 5) Finance expenses increased by THB 98 million, compared with previous year. The major finance expenses increased in a subsidiary that was occurred from liabilities under Revenue Transfers Agreement to KBSPIF.

Please be informed accordingly,

Sincerely Yours,

(Mr. Rakkiti Tanglamlert)

Chief Financial Officer