

August 11, 2022

Subject : Management Discussion and Analysis for Six-month and 2nd quarter ended June 30, 2022

Attention : President

The Stock Exchange of Thailand

1. Operating Performance

1.1 Revenues

Consolidated financial statements							(Thousands Baht)	
	Six-month		Change		2 nd Quarter		Change	
	2022	2021	Amount	%	2022	2021	Amount	%
Revenue from sales	1,959,453	1,705,528	253,925	14.89%	912,262	960,281	-48,019	-5.00%
Other income	12,800	6,479	6,321	97.56%	1,004	3,032	-2,028	-66.89%
Total Revenue	1,972,253	1,712,007	260,246	15.20%	913,266	963,313	-50,047	-5.20%

Company total revenue and revenue from sales for the six-month of 2022 slightly increased 15.20 and 14.89 percent from the same period of last year, main attributions are higher selling price and Thai Baht depreciation, although the sales volume decreased. Other income on six-month of year 2022 significantly increased by 97.56 percent from the same period of last year, due to gains from foreign exchange. The total revenue and revenue from sales in 2nd quarter of 2022 slightly decreased 5.20 and 5.00 percent from the same period of last year, due to decrease in sales volume, although the selling price increased and Thai Baht depreciated. Other income on 2nd quarter of year 2022 significantly decreased by 66.89 percent from the same period of last year, mainly due to loss from foreign exchange.

1.2 Cost of goods sold and expenses

Consolidated financial statements								(Thousands Baht)	
	Six-month		Change		2 nd Quarter		Change		
	2022	2021	Amount	%	2022	2021	Amount	%	
Cost of goods sold	-1,106,582	-1,035,698	-70,884	6.84%	-539,757	-551,809	12,052	-2.18%	
Selling expenses	-369,657	-287,360	-82,297	28.64%	-166,791	-176,742	9,951	-5.63%	
Administrative expenses	-72,581	-79,055	6,474	-8.19%	-34,608	-35,447	839	-2.37%	
Finance Costs	-2,135	-7,234	5,099	-70.49%	-887	-3,483	2,596	-74.53%	
Total	-1,550,955	-1,409,347	-141,608	10.05%	-742,043	-767,481	25,438	-3.31%	

Cost of goods sold on six-month of 2022 slightly increased 6.84 percent from the same period of last year, this was caused by higher price of main raw material. For 2nd quarter of 2022, cost of goods sold slightly decreased 2.18 percent from the same period of last year, due to drop in sales volume. As a result, the cost of goods sold decreased slightly.

Selling expenses on six-month of 2022 significantly increased 28.64 percent from the same period of last year, due to higher freight prices, though sales volume in FOB was greater. For 2nd quarter of 2022, selling expenses slightly decreased 5.63 percent from the same period of last year, due to drop in sales volume and decrease in CFR sales volume. As a result, the selling expenses decreased slightly.

Administrative expenses on six-month and 2nd quarter of 2022 slightly decreased 8.19 and 2.37 percent from the same period of last year, due to decrease in administrative expenses from the subsidiary company: S.Kleber Chemical Co.,Ltd since the subsidiary company had finished construction and test run in first half of 2021.

Financial cost on six-month and 2nd quarter of 2022 significantly decreased 70.49 and 74.53 percent from the same period of last year, mainly due to long-term loans repayment.

As a result, cost of goods sold and expenses on six-month of 2022 slightly increased 10.05 percent from the same period of last year. And 2nd quarter of 2022 slightly decreased 3.31 percent from the same period of last year.

1.3 Profit

Consolidated financial statements								(Thousands Baht)	
	Six-month		Change		2 nd Quarter		Change		
	2022	2021	Amount	%	2022	2021	Amount	%	
Gross profit	852,871	669,830	183,041	27.33%	372,505	408,472	-35,967	-8.81%	
Profit before income tax	421,298	302,660	118,638	39.20%	171,223	195,832	-24,609	-12.57%	
Net profit for period	373,105	259,879	113,226	43.57%	148,607	173,383	-24,776	-14.29%	

From revenues, cost of goods sold and expenses factors, company profit before income tax of six-month 2022 was 421.30 million baht increased 39.20 percent and 2nd quarter 2022 was 171.22 million bath decreased 12.57 percent from the same period of last year. The net profit for the period ended June 30, 2022 was 373.11 million baht increased 43.57 percent from the same period of last year and 2nd quarter was 148.61 million baht decreased 14.29 percent from the same period of last year.

Sincerely Yours,

(Ms.Orawan Sangwongkit)

Chief Financial Officer