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MGT FNC 2022/004

10 November 2022

Subject: Management Discussion and Analysis for Operating results for the third quarter and the 9-month period of 2022

To: Director and Manager of the Stock Exchange of Thailand
 Megachem (Thailand) Public Company Limited ("The Company") would like to clarify the operating result for the third quarter and the 9-month period ended September 30, 2022 as follows:

Description	Q3 2022	Q3 2021	Var	% Var	9M 2022	9M 2021	Var	% Var
Sale of Goods	271.41	249.52	21.89	8.77	838.68	682.17	156.51	22.94
Less Cost of sales	205.66	183.14	22.52	12.30	619.44	483.91	135.53	28.01
Gross Profit	65.75	66.38	(0.63)	(0.95)	219.24	198.26	20.98	10.58
Other income	4.63	3.04	1.59	52.30	8.64	6.93	1.71	24.68
Selling & distribution & Administrative expenses	44.02	31.47	12.55	39.88	128.37	94.52	33.85	35.81
Profit for the Period	20.69	29.85	(9.16)	(30.69)	76.93	88.11	(11.18)	(12.69)

Sales Revenue

In the third quarter FY2022, the Company's sales revenue increased by 21.89 million baht or accounted for an increase of 8.77%, due to the increase in sales of the Company and subsidiaries.

In the nine-month period of FY2022, the Company's sales revenue increased by 156.51 million baht or equivalent to an increase of 22.94%, due to the increase in sales of the Company and subsidiaries.

Gross profit

In the third quarter of FY2022, the Company's gross profit decreased by 0.63 million baht, representing a decrease of 0.95%.

For the 9-month period of FY2022, the Company's gross profit increased by 20.98 million baht, representing an increase of 10.58% due to the increase in sales of the Company and subsidiaries.

Selling, distribution and administrative expenses

In Q3/2022, the Company's selling, distribution and administrative expenses increased by 12.55 million baht or accounted for 39.88 percent.

For the 9-month period of FY2022, the Company's selling, distribution and administrative expenses increased by 33.85 million baht, representing an increase of 35.81%.

However, the increased in expenses came from the subsidiary that the Company acquired in Q4/ 2021, while the company and subsidiaries' expenses decreased from the previous year

Net Profit

In the third quarter of 2022, the Company's net profit decreased by 9.16 million baht, representing a decrease of 30.69%.

For the 9-month period, the Company's net profit decreased by 11.18 million baht, representing a decrease of 12.69% due to the subsidiary's sales revenue in 2021 higher than the normal market conditions, caused by the COVID-19 crisis that had spread during that period. As a result, consumer demand is higher than usual, but in 2022, the subsidiary's sales revenue has returned to normal. Therefore, the Company overview in 2022 has decreased in net profit.

From the Company's operating results in the 3rd quarter and the 9-month period for the year 2022, the overall economic condition of the country continues to recover, headline inflation remained high and the exchange rate of baht against the dollar is still depreciating, but the Company has closely monitored the impacts and risks for the best benefit of the Company and investors. The Company determined to find business opportunities to increase revenue, manage expenses effectively and consistently increasing profitability.

Sincerely Yours



(Mrs. Busaraporn Prathoomrat)

Deputy Chief Executive Officer