

November 11, 2022

Subject : Management Discussion and Analysis for Nine-month and 3rd quarter ended September 30, 2022

Attention : President

The Stock Exchange of Thailand

1. Operating Performance

1.1 Revenues

Consolidated financial statements							(Thousands Baht)	
	Nine-month		Change		3 rd Quarter		Change	
	2022	2021	Amount	%	2022	2021	Amount	%
Revenue from sales	2,832,154	2,575,296	256,858	9.97%	872,701	869,768	2,933	0.34%
Other income	8,972	9,117	-145	-1.59%	2,230	2,638	-408	-15.47%
Total Revenue	2,841,126	2,584,413	256,713	9.93%	874,931	872,406	2,525	0.29%

Revenue from sales for nine-month and 3rd quarter of 2022 slightly increased 9.97 and 0.34 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 for nine-month and 3rd quarter of year 2022 decreased by 1.59 and 15.47 percent from the same period of last year. As a result, the company's total revenue for nine-month and 3rd quarter of 2022 slightly increased 9.93 and 0.29 percent from the same period of last year.

1.2 Cost of goods sold and expenses

Consolidated financial statements							(Thousands Baht)	
	Nine-month		Change		3 rd Quarter		Change	
	2022	2021	Amount	%	2022	2021	Amount	%
Cost of goods sold	-1,618,314	-1,479,750	-138,564	9.36%	-511,732	-444,052	-67,680	15.24%
Selling expenses	-554,329	-436,503	-117,826	26.99%	-184,672	-149,143	-35,529	23.82%
Administrative expenses	-114,481	-129,932	15,451	-11.89%	-47,958	-50,877	2,919	-5.74%
Finance Costs	-3,020	-9,903	6,883	-69.50%	-885	-2,669	1,784	-66.84%
Total	-2,290,144	-2,056,088	-234,056	11.38%	-745,248	-646,741	-98,507	15.23%

Cost of goods sold for nine-month and 3rd quarter of 2022 increased 9.36 and 15.24 percent from the same period of last year, this was caused by higher price of main raw material.

Selling expenses for nine-month of 2022 significantly increased 26.99 percent from the same period of last year, due to higher freight prices, though sales volume in FOB was greater. And selling expenses for 3rd quarter of 2022 significantly increased 23.82 percent from the same period of last year, due to higher freight cost, along with sales volume in CFR was greater from the same period of last year, as a result the export expenses increased.

Administrative expenses for nine-month of 2022 decreased 11.89 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. For 3rd quarter of 2022 slightly decreased 5.74 percent from the same period of last year, due to decreases in estimated employee compensation and foreign exchange rate losses.

Financial cost for nine-month and 3rd quarter of 2022 significantly decreased 69.50 and 66.84 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 nine-month and 3rd quarter of 2022 slightly increased 11.38 and 15.23 percent from the same period of last year.

1.3 Profit

Consolidated financial statements							(Thousands Baht)	
	Nine-month		Change		3rd Quarter		Change	
	2022	2021	Amount	%	2022	2021	Amount	%
Gross profit	1,213,840	1,095,546	118,294	10.80%	360,969	425,716	-64,747	-15.21%
Profit before income tax	550,982	528,325	22,657	4.29%	129,684	225,665	-95,981	-42.54%
Net profit for period	498,157	460,657	37,500	8.14%	125,052	200,778	-75,726	-37.72%

From revenues, cost of goods sold and expenses factors, company profit before income tax of nine-month 2022 was 550.98 million baht increased 4.29 percent and 3rd quarter 2022 was 129.68 million bath decreased 42.54 percent from the same period of last year. The net profit for the period ended September 30, 2022 was 498.16 million baht increased 8.14 percent from the same period of last year and 3rd quarter was 125.05 million baht decreased 37.72 percent from the same period of last year.

Sincerely Yours,

(Ms.Orawan Sangwongkit)

Chief Financial Officer