



(Translation)

H.O. 3012/128/2022

February 9, 2023

Subject: Management Discussion and Analysis for the three-month
period ended December 31, 2022

Attention: President
The Stock Exchange of Thailand

Sermsuk Public Company Limited and its subsidiaries (“the Company”) clarify Consolidated Operating Result and Financial Position for three-month period ended December 31, 2022 as the following;

Financial Performance for the three-month period ended December 31, 2022 (Quarter 1/2022-2023)

Revenue from sales and services

Revenue from sales and services of the Company was Baht 2,875 million, increased by Baht 494 million or 20.7% from the same period of last year from sales growth of Crystal and est. Mainly due to simulated economic and consumer spending from an increase in foreign tourist arrivals after easing restrictions in international travel. In addition, the new campaign “est cola exploded the fizziness and fun with TinyTAN” brings animated characters of world class artist “BTS” into new packaging design, including limited box set to increase sales opportunities by reaching young generation.

Cost of sales and services

Cost of sales and services of the Company was Baht 2,094 million, increased by Baht 449 million or 27.3% which increased in higher proportion to sales due to an increase in cost of raw materials and packaging compared to the same period of last year. Nevertheless, the Company continues to implement cost saving in raw materials and packaging cost including improvement in production efficiency to mitigate those impact.

Distribution costs

Distribution costs of the Company was Baht 667 million, increased by Baht 70 million or 11.7% from an increase in the transportation costs, in line with higher sales growth and impact of higher fuel price compared to the same period of last year. Moreover, the Company continues to launch promotion activities to boost sales and invest in “Crystal” brand building, with launch of “Crystal x APEC” campaign



in this quarter to welcome the Asia-Pacific Economic Cooperation Forum in 2022 by presenting Thai identities in various dimensions. The positive feedback of this campaign enable Crystal continues to reinforced its leadership of drinking water category.

Administrative expenses

Administrative expenses of the Company were Baht 158 million, slightly increased by Baht 4 million or 2.6%, an insignificant change from the same period of last year.

Net profit

Net profit of the Company for Q1/2022-2023 was Baht 39 million, increased by Baht 6 million or 18.0% from net profit of Baht 33 million in the same period of last year, mainly from sales growth.

The Company earnings per share was Baht 0.15, increased by Baht 0.03 per share compared to earnings per share of Baht 0.12 in the same period of last year with aforementioned reasons.

Financial Position as at December 31, 2022

Assets

Total assets as of December 31, 2022 was Baht 13,543 million, decreased by Baht 128 million or 0.9% compared to total assets at the end of last year as describe below;

Current assets were Baht 3,425 million, decreased by Baht 82 million or 2.3% mainly from payment of current liabilities in normal operating activities partly offset by an increase in inventory to support sales growth.

Non-current assets were Baht 10,118 million, decreased by Baht 46 million or 0.5% mainly from a decrease in net value of building and equipment from depreciation partly offset by an increase in investment in an associate due to increase of sharing profit.

Liabilities

Total liabilities as of December 31, 2022 was Baht 4,189 million, decreased by Baht 167 million or 3.8% compared to total liabilities at the end of last year as describe below;

Current liabilities were Baht 2,140 million, decreased by Baht 154 million or 6.7% mainly due to a decrease in other payables from the payment of annual employee expense in this quarter.

Non-current liabilities were Baht 2,049 million, decreased by Baht 13 million or 0.6% mainly from a decrease in lease liabilities from payment.

Equity

Total equity as of December 31, 2022 was Baht 9,354 million, increased by Baht 39 million or 0.4% from September 30, 2022 mainly from additional net profit during the period.



Cash flows

Cash and cash equivalents as at 31 December 2022 were Baht 959 million. The net cash decreased from the beginning of the year Baht 362 million was mainly from cash used in operating activities of Baht 328 million from the payment of other payables. Cash used for purchase of machinery and equipment of Baht 58 million to increase operation's efficiency and the payment of lease liabilities of Baht 24 million partly offset by dividend and interest received of Baht 39 million. Overall, the Company has a strong financial position and remain no interest-bearing debt.

Please be informed accordingly.

Yours sincerely,

(Kosit Suksingha)

President