

Translation

MD&A

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

For the year ended December 31, 2022

Major attributes to the Company's operating performance variations between 2022 and 2021 are:

1. Total sale revenues increased Baht 697.67 million (15.3%) from Baht 4,550.35 million to Baht 5,248.02 million due to continuing demands from customers in the Africa, Middle East and domestic. Moreover, the Company increased selling prices affected from cost of raw materials increased. Since 90% of Company's sales are export sales, the Company benefits from weaker value of Baht currency by 8%.
2. Cost of sales increased Baht 442.83 million (12.8%) from Baht 3,456.29 million to Baht 3,899.12 million in concurrent with an increase in total sale revenues. Cost increased due to an increase in raw material price (steel); however, the Company already adjusted selling price according to that price changed.
3. Gross profit increased Baht 254.84 million (23.3%) from Baht 1,094.06 million to Baht 1,348.90 million in concurrent with an increase in sale revenues. Gross profit margin of 2022 is at 25.7% which increased from 2021 at 24.0% due to an increase in sale revenue from selling price adjustment. Moreover, sale proportion of high value products increased. Finally, weaker value of Baht currency led to better profitability.
4. Administrative Expenses increased Baht 67.66 million (33.9%) from Baht 199.71 million to Baht 267.37 million because of increases in loss from exchange rate, professional fees and bonus paid in concurrent with an increase in operating income.
5. Financial costs increased Baht 13.27 million (124.3%) from Baht 10.68 million to Baht 23.95 million because liabilities from imported raw materials increased regarding to raw material price increased. At the same time, interest rate increased in concurrent with interest market rate.
6. Income Tax increased Baht 65.13 million (54.7%) from Baht 119.08 million to Baht 184.21 million in concurrent with an increase in operational profit. Moreover, in 2021 the Company granted for an exemption from corporate income tax from Board of Investment (BOI) amounting to Baht 48.03 million while in 2022, the granted amount outstanding is Baht 16.00 million.
7. Profit for the year increased Baht 101.10 million (13.9%) from Baht 727.78 million to Baht 828.88 million in concurrent with an increase in sale revenues and gross profit, net with an increase in administrative expenses financial costs and income tax.

Yours sincerely,

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Mr. Surasak Urpsirisuk

Chairman of the Executive Board and Managing Director