



KBS.BKK 308/2023

February 27, 2023

Subject : Management Discussion and Analysis (MD&A) for Year 2022

To : President, The Stock Exchange of Thailand

Khonburi Sugar Public Company Limited and its subsidiaries ("The Company") would like to provide an explanation of the operating result for the year 2022. For the year ended 31 December 2022, the Company had consolidated net profit amounting to THB 917 million which increased THB 1,249.4 million or 375.9% compared with the previous year which net loss of THB 332.4 million. The Company had Earning before Finance Costs, Taxes, Depreciation, and Amortization (EBITDA) of THB 2,033.8 million which was increased by THB 1,460.5 million or 254.7% from the previous year. The change in operating results was as following main factors below:

- 1) Total gross profit from sales and service revenue increased by THB 1,871.8 million or 488.6%, compared with the previous year. (2021: Gross profit 383.1 million) Sales and services revenue and gross profit by a segment of the Company were presented below:

Unit : million Baht

	For the year ended 31-Dec-22			For the year ended 31-Dec-21		
	Sugar cane and services segment	Molasses and sugar trading segment	Utilities segment	Sugar cane and services segment	Molasses and sugar trading segment	Utilities segment
Sales and services revenue	9,540.5	190.7	1,969.5	5,224.9	213.0	1,285.9
Cost of sales and services	(7,924.5)	(176.8)	(1,344.4)	(5,017.3)	(197.8)	(1,125.5)
Gross profit (loss)	1,616.0	13.9	625.1	207.6	15.2	160.4
% Gross profit (loss)	16.9%	7.3%	31.7%	4.0%	7.1%	12.5%

Note: The numbers on the above table have not yet been eliminated from inter-companies transactions.

บริษัท น้ำตาลนครบุรี จำกัด (มหาชน)

สำนักงานใหญ่ : 5 ซอยสุขุมวิท 57 แขวงคลองตันเหนือ เขตวัฒนา กรุงเทพมหานคร 10110 โทรศัพท์ (662) 725 4888 โทรสาร (622) 725 4877 ทะเบียนเลขที่ 0107553000191
โรงงาน : 289 หมู่ที่ 13 ตำบลจระเข้ดิน อำเภอนครบุรี จังหวัดนครราชสีมา 30250 โทรศัพท์ (6644) 448 338 โทรสาร (6644) 448 500

Khonburi Sugar Public Company Limited

Head office : 5 Soi Sukhumvit 57 Klongton-Nue Wattana Bangkok 10110 Tel (662) 725 4888 Fax (662) 725 4877 Registration No.0107553000191
Factory : 289 Moo 13 Jarakhe-Hin Khonburi Nakhonratchasima 30250 Tel (6644) 448 338 Fax (6644) 448 500



1.1) Gross profit from the sugar cane and services segment increased by THB 1,408.4 million or 678.4%, compared with the previous year. because of the following factors below:

- Sales sugar revenue increased by THB 3,871.7 million or 92.5% compared with the previous year mainly due to an increase in sugar average selling price by 17.4%. In addition, sale of sugar volume increased by 64.0%.
- Sales molasses revenue increased by THB 290.8 million or 56.9% compared with the previous year mainly due to an increase in sales molasses volume by 51.0%. In addition, molasses average selling price increased by 3.8%.
- Sales of agricultural products, gasoline, and agriculture service increased by THB 153.1 million or 29.0% because of higher in sugar cane volume production and more on cane promotion to farmers.
- The Company had the cane crushed in a total of 3.68 million tons cane for Crop year 2021/22 which increased by 1.7 million tons of cane or increased by 86.6% compared to the previous in Crop 2020/2021. The average cost of sugarcane transportation for this year also increased as the volume of cane crushing increased.
- The final sugar cane price in the Crop year 2021/22 was THB 1,131.24 per ton cane at a sweetness of 10 C.C.S. increased by 120.50 Baht per ton cane or 11.9% from Crop year 2020/21. This causes, the production cost to be higher than the previous year.

1.2) Gross profit from the molasses and sugar trading segment decreased by THB 1.3 million or 8.5%, compared to the previous year because of the following factors.

- A subsidiary had decreased in sales molasses revenue by THB 22.3 million or 10.5% compared to the previous year that decreased in sales molasses volume by 16.7%. While the average molasses selling price increased by 4.2%.
- From the overall sugarcane volume in Thailand increased and the yield of sugar production is higher than the previous year, resulting in less molasse from production. As a result, the volume of molasse in the market decreased. This causes, the Subsidiary's revenues and gross profit were decreased.

- 1.3) Gross profit from Utilities segment increased by THB 464.7 million or 289.7%, compared to the previous year because of the following factors:
- A subsidiary had increased in electricity sales to the government by THB 422.8 million or 52.9%, due to an increase in the volumes sold electricity by 0.7 million kWh or 0.03%, In addition, electricity average selling price increased by 77.0% compared to the previous year.
- 2) The Company had a loss on exchange amounting to THB 240.0 million increase of THB 197.4 million or 463.3% compared to the previous year. Including, the Company had a loss on changes in the fair value of sugar swap contracts amounting to THB 57.9 million increased by THB 83.5 million or 326.2% compared to the previous year. (2021: gain on changes in fair value of sugar swap contracts by THB 25.6 million) as a result of fluctuations in foreign currency.
- 3) Dividend income amounting to THB 38.3 million decreased by THB 7.4 million compared to the previous year which decreased in dividend income from Khonburi Sugar Power Plant Infrastructure Fund ("KBSPIF").
- 4) The selling and distribution expenses increased by THB 185.1 million or 72.4%, which increased in sugar transportation expenses, export expenses, and warehouse rental from the sale volumes increased. The administrative expenses increased by THB 181.4 million or 68.3%, mainly due to an increase in personnel expenses and administrative expenses for Sikhio plant which start operation in Dec 2021.
- 5) Finance expenses increased by THB 103.2 million or 33.2%, compared to the previous year. Which increased A subsidiary had finance expenses from liability under the Revenue Transfers Agreement related to electricity business operations and financial costs for normal business operations.

Please be informed accordingly,



Sincerely Yours,



(Mr. Cholachart Worawuthichongsathit)

Chief Financial Officer