

May 13, 2023

Subject: Management Discussion and Analysis For the three-month period ended March 31, 2023  
 To: The President,  
 The Stock Exchange of Thailand

Home Pottery Public Company Limited (“The Company”) would like to submit the Management Discussion and Analysis of the Company’s operation for the three-month period ended 31 March, 2023 with details as follows:

Unit: Million Baht

	Consolidated financial statements		Separate Financial Statement		Changes (separate financial statement)	
	31/3/2023	31/3/2022	31/3/2023	31/3/2022	(Million Baht)	%
<i>(Unit: Million Baht)</i>						
Revenue from Sales	64.83	82.94	48.17	57.87	-9.70	-16.76
Other income	3.47	1.38	3.33	1.08	2.25	208.33
Profit from fair value measurement of derivatives - net	0.27	0.00	0.27	0.00	0.27	100.00
<b>Total Revenue</b>	<b>68.57</b>	<b>84.32</b>	<b>51.77</b>	<b>58.95</b>	<b>-7.18</b>	<b>-12.18</b>
Cost of Sales	53.99	63.90	40.27	42.29	-2.02	-4.78
Cost of distributions	5.16	5.65	4.06	4.75	-0.69	-14.53
Administrative Expenses	5.12	4.90	3.71	3.37	0.34	10.09
<b>Total Expenses</b>	<b>64.27</b>	<b>74.45</b>	<b>48.04</b>	<b>50.41</b>	<b>-2.37</b>	<b>-4.70</b>
<b>Profit from operating activities</b>	<b>4.30</b>	<b>9.87</b>	<b>3.73</b>	<b>8.54</b>	<b>-4.81</b>	<b>-56.32</b>
Financial costs	-0.11	-0.09	-0.07	-0.04	0.03	75.00
<b>Profit before income tax income (expense)</b>	<b>4.19</b>	<b>9.78</b>	<b>3.66</b>	<b>8.50</b>	<b>-4.84</b>	<b>-56.94</b>
Income tax income (expense)	-0.12	-1.74	0.01	-1.74	-1.75	-100.57
<b>Profit for the periods</b>	<b>4.07</b>	<b>8.04</b>	<b>3.67</b>	<b>6.76</b>	<b>-3.09</b>	<b>-45.71</b>
<u>Profit attributable to:</u>						
Equity holders of the parent	4.06	8.02				
Non- controlling interests	0.01	0.02				

The separate Financial Statement of Home Pottery Public Company Limited (“the Company”) for the three-month period ended 31 March 2023 showed total revenue of 51.77 million Baht. This is the highest performance in history. The cost

of sales amounted to 40.27 million Baht, while cost of distributions and administrative expenses and financial costs were 7.84 million Baht, showing a total net profit of 3.67 million Baht. The changes are explained as follows.

**Sales Revenues:**

For the three-month period ended 31 March 2023, the Company generated a revenue from sales of 48.17 million Baht, decreasing by 57.87% when compared to the same period in the previous year, which had a total revenue of 57.87 million Baht. Due to the decrease in the production volume due to the suspension of machinery improvements in production for some periods. And produce new products for main customers, there were technical problems in early production that required reproduction. To be able to deliver as a result, the Company's sales volume decreased. While there is an increase in production costs.

**Other Income:**

For the three-month period ended 31 March 2023, the Company generated other income was 3.33 million Baht, an increase from the same period of the year 2022 which had other income of 1.08 million Baht or an increase of 208.33%, mainly from gain on exchange rate.

**Cost of sales, Cost of distributions and Administrative Expenses:**

For the three-month period ended 31 March 2023, the cost of sales was 40.27 million Baht, increase by 4.78% when compared to the same period in the previous year, which had a cost of sales of 42.29 million Baht. resulting in the company's gross profit equal to 7.90 million Baht, or representing a gross profit margin of sales revenue of 16.40%. This was lower than the previous year with a gross profit margin of 26.92% due to higher prices of main raw materials. Therefore, the production department has tried to adjust the new production formula to switch to cheaper raw materials. It is expected to see results in the second quarter of 2023 and in terms of energy costs. Gas has adjusted its unit price by about 28% compared to the same quarter of 2022, so the company is looking for the cheapest supplier. The price of electricity per unit has been adjusted higher. But the company has invested in installing solar roofs. Thus, reducing the amount of electricity used causing the electricity bill to remain at a similar level.

For the three-month period ended 31 March 2023, the cost of distribution and administrative expenses was 7.77 million Baht, a decrease from the same period which was 8.12 million Baht, mainly due to a decrease in distribution costs. Because of the reduced sales volume.

**Net profit and Net profit margin**

For the three-month period ended 31 March 2023, the Company Net profit for the period was 3.67 million Baht or 7.09% of total revenue. Net profit decreased by 45.71% compared to the same period of the previous year with net profit equal to 6.76 million Baht due to the decrease in sales volume increased, cost of sales compared to the same period last year. As a result, the revenue recognition, profit, and profitability rate decreased.

In consolidated financial statements for the three-month period ended 31 March 2023 have revenue from the sales of 68.57 million Baht, cost of sales of 53.99 million Baht, and Net profit for the period of 4.07 million Baht, a decrease in profit from the same period last year. Because the Company and its subsidiaries there was a decrease in sales volume and have higher cost of sales.

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Best Regards,

Home Pottery Public Company Limited

(Mr.Niran Chourkittisopon)  
Managing Director