

August 10, 2023

Subject: Management Discussion and Analysis for the 1<sup>st</sup> half year ended June 30, 2023

To: President  
The Stock Exchange of Thailand

Sherwood Corporation (Thailand) Public Company Limited (“The Company”) and its subsidiary would like to submit herewith the reviewed consolidated financial statements for the 1<sup>st</sup> half year ended June 30, 2023, with the financial analysis compared to the same period last year. The performance can be summarized as follows.

The Company and its subsidiary had net profit of THB 35.99 million for the 1<sup>st</sup> half year ended June 30, 2023, in which there was a profit attributable to equity holders of the Company of THB 33.07 million, increased by THB 6.92 million or 26.48% as compared to the same period in the previous year which was shown the net profit of THB 26.15 million.

## **Results of Operation**

### **Revenue:**

Sales revenue for the 1<sup>st</sup> half year ended June 30, 2023, was THB 875.82 million, increased by THB 25.42 million or 2.99% as compared to the same period in the previous year. This resulted mainly from household and industrial chemical products has developed a solid distribution network across the country as well as enhanced the efficiency for product placement and product visibility in all channels. Including with the Company has continuously increased promotional activities in all product groups by considering the promotion which appropriate for each distribution to boost sales. In addition, the Company has revenue growth steadily from products in the food and beverage business by developing a solid distribution network to continuously expand more distributors to further strengthen the distribution network across the country and constantly developing new products to provide better choices for consumers for the beverage business. The Company has launched a new product “SuperFight plus Vitamin C” under “SuperFight” trademark which increases the expansion of the customer base and increases sales opportunities for the company.

Sales revenue for the 1<sup>st</sup> half year ended June 30, 2023, The Company has sales revenue increased from household and industrial chemical products with incessant growth in the domestic market, and also constantly growth from food and beverage business as well. Sales revenue from household and industrial chemical products in domestic growth from modern trade channel has increased 31.41%, resulting from enhancing product placement and strengthen distribution network to more product accessibility toward customers, increasing promotional activities to boost sales growth in all product groups. Revenue in industrial channel has increased 6.98% from soil treatment product for termite prevention. As well as the sales revenue from food and beverage products have showed the solid sales growth which comprised of food products under “Marucho” trademark that the sales revenue has increased 83.31% as compared

to the same period in the previous year, resulting from change the distribution system in all distribution channels across the nationwide and the Company has sales revenue increased from export channel 75.21% as compared to the same period in the previous year. Also, dairy products under “Hokkaido” trademark that the sales revenue has increased 5.89% as compared to the same period in the previous year, resulting from increasing distribution channels to reach more consumers and from distributing new products. Sales revenue from beverage products under “SuperFight” trademark decreased 58.12% as compared to the same period in the previous year, resulting from change in price based on competitors in the same industry however the Company still has sales revenue increased from export channel 381.44% as compared to the same period in the previous year, resulting from market expansion which is distributed to new countries and continuously increased promotional activities.

#### **Cost of goods sold:**

Cost of goods sold for the 1<sup>st</sup> half year ended June 30, 2023, decreased from 65.48% to 64.78% of sales amount, resulting from the Company has increased the selling price and adjusting the sales promotion activities based on the market price and competitors’ sales promotion in same industry, as well as focusing on high margin product groups and has more efficiently to manage production costs.

#### **Selling and distribution expenses:**

Selling and distribution expenses for the 1<sup>st</sup> half year ended June 30, 2023, was THB 173.31 million, increased by THB 16.86 million or 10.78% as compared to the same period in the previous year, resulting from the Company has increased advertising media to build brand awareness towards the customers and continuously increased marketing and sales promotion activities that more accessible to target customer to contribute the customer expansion and strong sales growth.

#### **Administrative expenses:**

Administrative expenses for the 1<sup>st</sup> half year ended June 30, 2023, was THB 77.76 million, decreased by THB 11.27 million or 12.66% as compared to the same period in the previous year, resulting from the efficient controlled of administrative expenses.

### **Asset Management Ability**

#### **Assets:**

As of June 30, 2023, The Company has total assets of THB 1,308.87 million, increased by THB 35.32 million or 2.77% as compared to the end of the previous year, mainly from the increasing of current assets in trade and other receivables. The non-current assets have increased from the property, plant and equipment as well as the right-of-use assets in order to support the expansion in the food and beverage business.

**Liabilities:**

As of June 30, 2023, The Company has total liabilities of THB 666.79 million, increased by THB 112.67 million or 20.33% as compared to the end of the previous year, mainly from the increasing of current liabilities due to short-term loans from financial institutions and income tax payable.

**Shareholders' equity:**

As of June 30, 2023, The Company has total shareholders' equity of THB 642.08 million, decreased by THB 77.35 million or 10.75% as compared to the end of the previous year, mainly decreased from annual dividend payment.

Please be informed accordingly.

Sincerely yours,

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Thakerngbol Laobisuddhi  
Authorized Signature