

August 12, 2023

Subject: Management Discussion and Analysis For the three-month period ended June 30, 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 June 30, 2023 with details as follows:

Unit: Million Baht

	Consolidated financial statements		Separate Financial Statement		Changes	
					(separate financial statement)	
	30/6/2023	30/6/2022	30/6/2023	30/6/2022	(Million Baht)	%
Revenue from Sales	73.72	64.77	62.76	51.23	11.53	22.51
Other income	2.50	3.93	2.41	3.83	-1.42	-37.08
Total Revenue	76.22	68.70	65.17	55.06	10.11	18.36
Cost of Sales	57.42	47.09	49.43	36.11	13.32	36.89
Cost of distributions	6.70	4.69	5.48	3.85	1.63	42.34
Administrative Expenses	5.22	5.08	3.65	3.74	-0.09	-2.41
Loss from fair value measurement of derivatives - net	0.84	0.00	0.84	0.00	0.84	100.00
Total Expenses	70.18	56.86	59.40	43.70	15.70	35.93
Profit from operating activities	6.04	11.84	5.77	11.36	-5.59	-49.21
Financial costs	-0.12	-0.09	-0.07	-0.04	0.03	75.00
Profit before income tax expense	5.92	11.75	5.70	11.32	-5.62	-49.65
Income tax expense	-0.31	-2.29	-0.25	-2.30	-2.05	-89.13
Profit for the periods	5.61	9.46	5.45	9.02	-3.57	-39.58
<u>Profit attributable to :</u>						
Equity holders of the parent	5.61	9.46				
Non- controlling interests	0.00	0.00				

The separate Financial Statement of Home Pottery Public Company Limited (“the Company”) for the three-month period ended 30 June 2023 showed total revenue of 65.17 million Baht. The cost of sales amounted to 49.43 million Baht, while cost of distributions and administrative expenses and financial costs were 9.20 million Baht, showing a total net profit of 5.45 million Baht. The changes are explained as follows.

Sales Revenues:

For the three-month period ended 30 June 2023, the Company generated a revenue from sales of 62.76 million Baht, increasing by 22.51% when compared to the same period in the previous year, which had a total revenue of 51.23 million Baht. Due to the increase in export volume, especially the higher sales prices of decorative and decorative products, the average sales prices are higher.

Other Income:

For the three-month period ended 30 June 2023, the Company generated other income was 2.41 million Baht, an decrease from the same period of the year 2022 which had other income of 3.83 million Baht or an decrease of 37.08%, mainly from gain on exchange rate and decrease in commission income that the company been a trading of ceramic home decoration products such as vases jars.

Cost of sales, Cost of distributions and Administrative Expenses:

For the three-month period ended 30 June 2023, the cost of sales was 49.43 million Baht, increase by 36.89% when compared to the same period in the previous year, which had a cost of sales of 36.11 million Baht. resulting in the company's gross profit equal to 13.33 million Baht, or representing a gross profit margin of sales revenue of 21.24%. This was lower than the previous year with a gross profit margin of 29.51% 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 Q3 -Q4 of 2023 and in terms of energy costs. Gas has adjusted its unit price compared to the same quarter of 2022, so the company is looking for the cheaper 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 30 June 2023, the cost of distribution and administrative expenses was 9.13 million Baht, a increase from the same period which was 7.59 million Baht, mainly due to the increase in the exhibition Thaifex and distribution costs. Because of the increase sales volume.

Net profit and Net profit margin

For the three-month period ended 30 June 2023, the Company Net profit for the period was 5.45 million Baht or 8.36% of total revenue. Net profit decreased by 39.58% compared to the same period of the previous year with net profit equal to 9.02 million Baht due to the increase 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 30 June 2023 have revenue from the sales of 73.72 million Baht, cost of sales of 57.42 million Baht, and Net profit for the period of 5.61 million Baht, decrease in profit from the same period last year. Because the Company and its subsidiaries there was increase in cost of sales and Cost of distributions.

บริษัท โฮม พอตเทอรี่ จำกัด(มหาชน)
119 หมู่ 15 ต. สบปราบ อ.สบปราบ จ.ลำปาง 52170
Tel : (+66) 054-858996 Fax : (+66) 054-296556
www.homepottery.com

**HOME
POTTERY**

Home Pottery Public Company Limited
119 Moo 15 T. Sobprab A. Sobprab Lampang 52170 Thailand
Tel : (+66) 054-858996 Fax : (+66) 054-296556
www.homepottery.com

Best Regards,

Home Pottery Public Company Limited

(Mr.Niran Chourkittisopon)
Managing Director