

Translation

MD&A

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

For the three-month period ended September 30, 2023

Major attributes to the Company's operating performance variations between Q3/2023 and Q3/2022 are:

1. Total sale revenues decreased Baht 547.47 million (39.7%) from Baht 1,378.61 million to Baht 831.14 million due to economic recession which caused customers delayed orders for new cylinders. However, the company immediately adjusted sale policies and sale strategies by focusing on company's other for better profitability. Moreover, the company entered more markets in various regions; as a result, the company received continuous orders from customers. In addition, the Company succeeded in launching new product which is currently in the process of certification. The Company believe that this new product will meet the market needs and has good profitability. Finally, steel price of Q3/2023 decreased from Q3/2022 by 17% which the Company already decreased selling price regarding a decrease in steel market price.
2. Cost of sales decreased Baht 359.17 million (34.7%) from Baht 1,034.73 million to Baht 675.56 million in concurrent with a decrease in total sale revenues.
3. Gross profit decreased Baht 188.30 million (54.8%) from Baht 343.88 million to Baht 155.58 million. At the same time, gross profit margin decreased from 24.9% to 18.7% because of economic recession resulting in more price competition in every region. Moreover, overhead costs per unit increased due to less utilization of production.
4. Selling and distribution expenses decreased Baht 40.88 million (49.2%) from Baht 83.04 million to Baht 42.16 million in concurrent with a decrease in sale revenue. It mostly consisted of freight expenses
5. Administrative expenses decreased Baht 14.43 million (20.7%) from Baht 69.76 million to Baht 55.33 million because the company can manage both liabilities and receivables in foreign currency more effectively; as a result, there is gain on exchange rate for this period. On the other hand, there is a loss on exchange rate for prior period.
6. Finance Costs decreased Baht 4.24 million (47.7%) from Baht 8.88 million to Baht 4.64 million because liabilities from imported raw materials and steel market price decreased, net with market interest rate increased.
7. Income tax decreased Baht 27.57 million (58.5%) from Baht 47.13 million to Baht 19.56 million in concurrent with a decrease in operational profit at the same tax rate of 20%

8. Profits for the period decreased Baht 106.34 million (55.8%) from Baht 190.71 million to Baht 84.37 million because of a decrease in sale revenues affected from economic recession and less profitability from price competition

Yours sincerely,

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Mr. Surasak Urpsirisuk

Chairman of the Executive Board and Managing Director