

November 13, 2023

Subject: Management Discussion and Analysis for the 9 months ended September 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 9 months ended September 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 47.17 million for the 9 months ended September 30, 2023, in which there was a profit attributable to equity holders of the Company of THB 44.07 million, increased by THB 28.92 million or 190.84% as compared to the same period in the previous year which was shown the net profit of THB 15.15 million.

## **Results of Operation**

### **Revenue:**

Sales Revenue for the 9 months ended September 30, 2023, was THB 1,311.37 million, increased by THB 91.32 million or 7.49% as compared to the same period in the previous year. This resulted mainly from household and industrial chemical products having developed a solid distribution network across the country in all distribution channels as well as the Company has continuously increased promotional activities in all product groups. 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 in order to strengthen the distribution network across the country and increasing efficiency in product placement and product visibility in all channels, including continuously increasing promotional activities and the Company also has revenue growth from export channel resulting from market expansion in the new countries and has more orders from existing foreign distributors as well.

Sales revenue for the 9 months ended September 30, 2023, The Company has consistent growth from the household chemical products and food and beverage business as well. Sales revenue from domestic household chemical products has growth from the modern trade channel which increased 19.33%, resulting from the strengthening of distribution network to better product accessibility toward customers and the increasing promotional activities to boost sales growth in all product groups. Revenue in the traditional trade channel has increased 5.34%, resulting from consistent promotional activities to increase sales. Revenue in the

industrial channel has increased 3.64% from soil treatment product for termite prevention. As well as the sales revenue from food and beverage business have showed the solid sales growth which comprised of food products under “Marucho” trademark that the sales revenue has increased 87.04% as compared to the same period in the previous year, resulting from change the distribution system in all distribution channels across the nation. The Company has sales revenue increased from export channel 142.43% 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 resulting in more orders from foreign distributors as well. Dairy products under “Hokkaido” trademark have the sales revenue has increased 9.69% as compared to the same period in the previous year, resulting from increasing distribution channels in the modern trade stores for distributing products. Sales revenue from beverage products under “SuperFight” trademark decreased 52.79% 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 105.91% as compared to the same period in the previous year, resulting from market expansion in the new countries and continuously increased promotional and marketing activities to introduce products.

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

Cost of goods sold for the 9 months ended September 30, 2023, decreased from 66.88% to 64.88% 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, as well as focusing on high margin product groups and more efficient production cost management.

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

Selling and distribution expenses for the 9 months ended September 30, 2023, was THB 272.27 million, increased by THB 25.33 million or 10.26% as compared to the same period in the previous year, resulting from the Company continuously increased marketing and sales promotional activities to target customer.

#### **Administrative expenses:**

Administrative expenses for the 9 months ended September 30, 2023, was THB 113.39 million, decreased by THB 7.89 million or 6.58% as compared to the same period in the previous year, resulting from efficient control of administrative expenses.

## **Asset Management Ability**

### **Assets:**

As of September 30, 2023, The Company has total assets of THB 1,242.34 million, decreased by THB 31.20 million or 2.45% as compared to the end of the previous year, mainly from the decrease of current asset in trade and other receivables and inventories, from more efficiently managing of trade receivables and inventories.

### **Liabilities:**

As of September 30, 2023, The Company has total liabilities of THB 588.95 million, increased by THB 34.82 million or 6.28% as compared to the end of the previous year, mainly from the increase of short-term loans from financial institutions.

### **Shareholders' equity:**

As of September 30, 2023, The Company has total shareholders' equity of THB 653.40 million, decreased by THB 66.02 million or 9.18% as compared to the end of the previous year, mainly decreased from annual dividend payment for year 2022.

Please be informed accordingly.

Sincerely yours,

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Thakerngbol Laobisuddhi

Authorized Signature