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H.O. 3012/133/2024

February 13, 2024

Subject: Management Discussion and Analysis for the three-month period ended December 31, 2023

Attention: President  
The Stock Exchange of Thailand

Serm Suk Public Company Limited and its subsidiaries (“the Company”) clarify Consolidated Operating Result and Financial Position for three-month period ended December 31, 2023 as the following;

**Financial Performance for the three-month period ended December 31, 2023 (Quarter 1/2023-2024)**

**Revenue from sales and services**

Revenue from sales and services of the Company was Baht 3,006 million, increased by Baht 131 million or 4.6% from the same period of last year. The main reason was the sales growth of est and Crystal, resulting from continuous effort in growing sales. In addition, “est” has launched “est Cola Unleash Your Monster” campaign through a new packaging design to increase sales opportunities by reaching young generation. As a result, sales revenue in both traditional trade and modern trade channels grow continuously.

**Cost of sales and services**

Cost of sales and services of the Company was Baht 2,089 million, decreased by Baht 5 million or 0.2% due to procurement management of raw materials and packaging improvement, together with a decrease in main raw material costs compared to the same period of last year. The Company has continued to enhance production efficiency.

**Distribution costs**

Distribution costs of the Company was Baht 755 million, increased by Baht 88 million or 13.2% compared to the same period of last year due to an increase in the transportation costs, in line with higher sales growth, including sales promotion and marketing expenses to support sales growth. In addition, the Company has continued to promote “Think Clear, Drink Crystal” campaign to strengthen and reinforce



its position as high quality drinking water with international standard. As a result, Crystal continues to maintain its leadership of drinking water category.

#### **Administrative expenses**

Administrative expenses of the Company were Baht 178 million, increased by Baht 20 million or 12.1% from the same period of last year due to the increase in operating expenses to support sales growth.

#### **Net profit**

Net profit of the Company for Q1/2023-2024 was Baht 58 million, increased by Baht 19 million or 50.7% from net profit of Baht 39 million in the same period of last year, mainly from sales growth, together with efficient management of raw material and packaging costs.

The Company earnings per share was Baht 0.22, increased by Baht 0.07 per share compared to earnings per share of Baht 0.15 in the same period of last year with aforementioned reasons.

#### **Financial Position as at December 31, 2023**

##### **Assets**

Total assets as of December 31, 2023 was Baht 14,041 million, decreased by Baht 39 million or 0.3% compared to total assets at the end of last year as describe below;

Current assets were Baht 4,084 million, increased by Baht 51 million or 1.3% mainly from an increase in accounts receivable due to higher sales partly offset by a decrease in cash and cash equivalents due to the payment of current liabilities in normal operating activities.

Non-current assets were Baht 9,957 million, decreased by Baht 90 million or 0.9% mainly from a decrease in net value of building and equipment from depreciation partly offset by an increase in investment in an associate due to increase of sharing profit.

##### **Liabilities**

Total liabilities as of December 31, 2023 was Baht 4,431 million, decreased by Baht 96 million or 2.1% compared to total liabilities at the end of last year as describe below;

Current liabilities were Baht 2,332 million, decreased by Baht 96 million or 4.0% mainly due to a decrease in other payables from the payment of annual employee expense in this quarter.

Non-current liabilities were Baht 2,099 million, slightly increased by Baht 0.2 million, an insignificant change from the end of last year.

##### **Equity**

Total equity as of December 31, 2023 was Baht 9,610 million, increased by Baht 57 million or 0.6% from September 30, 2023 mainly from additional net profit during the period.



**Cash flows**

Cash and cash equivalents as at 31 December 2023 were Baht 2,275 million. The net cash decreased from the beginning of the year Baht 23 million was mainly from the payment of annual employee expense. Cash used for purchase of machinery and equipment of Baht 68 million to increase operation's efficiency and the payment of lease liabilities of Baht 28 million partly offset by dividend and interest received of Baht 47 million. Overall, the Company has a strong financial position with high liquidity and remain no interest-bearing debt.

Please be informed accordingly.

Yours sincerely,

(Kosit Suksingha)

President