



KBS.BKK 036/2024

February 26, 2024

Subject : Management Discussion and Analysis (MD&A) for Year 2023

To : President, The Stock Exchange of Thailand

Khonburi Sugar Public Company Limited and its subsidiaries ("The Company") would like to provide an explanation of the operating result for the year 2023. For the year ended 31 December 2023, the Company had consolidated net profit amounting to THB 955 million which increased THB 38 million or 4.1% compared with the previous year which net profit of THB 917 million. The Company had Earning before Finance Costs, Taxes, Depreciation, and Amortization (EBITDA) of THB 2,213.7 million which was increased by THB 152 million or 7.4% from the previous year. The change in operating results was as following main factors below:

- 1) Total gross profit from sales and service revenue (before eliminated from inter-companies) decreased by THB 9.0 million or 0.4%, compared with the previous year. (2022: Gross profit 2,344.5 million) Sales and services revenue and gross profit by a segment of the Company were presented below:

Unit : million Baht

	For the year ended 31-Dec-22			For the year ended 31-Dec-21		
	Sugar cane and services segment	Molasses and sugar trading segment	Utilities segment	Sugar cane and services segment	Molasses and sugar trading segment	Utilities segment
Sales and services revenue	11,287.0	227.9	2,040.9	9,541.1	190.7	2,058.4
Cost of sales and services	(9,693.1)	(216.4)	(1,310.8)	(7,924.5)	(176.8)	(1,344.4)
Gross profit (loss)	1,593.9	11.5	730.1	1,616.6	13.9	714.0
% Gross profit (loss)	14.1%	5.0%	35.8%	16.9%	7.3%	34.7%

Note: The inter-companies transactions is not eliminated from the number in the above table.

**บริษัท น้ำตาลครบุรี จำกัด (มหาชน)**

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1.1) Gross profit from the sugar cane and services segment decreased by THB 22.7 million or 1.4%, compared with the previous year. because of the following factors below:

- Sales sugar revenue increased by THB 1,745.9 million or 18.3% compared with the previous year mainly due to an increase in sugar average selling price of 3.3%. In addition, the sale of sugar volume increased by 16.4%.

- Sales molasses revenue increased by THB 37.2 million or 19.5% compared with the previous year mainly due to an increase in the average selling price of 8.6% but while the total sales volume of the Company's molasses decreased by 16.4%.

- Sales of agricultural products, gasoline, and agriculture services increased by THB 52.6 million or 7.9% because of higher sugar cane volume production and higher cane promotion to farmers.

- The Company had the cane crushed in a total of 3.95 million tons cane for Crop year 2022/23 which increased by 0.27 million tons of cane or increased by 7.3% compared to the previous in Crop 2021/2022. The average cost of sugarcane transportation for this year also increased as the volume of cane crushing increased, and the cost of sugarcane increased higher than the previous year.

- The final sugar cane price in the Crop year 2022/23 was THB 1,199.19 per ton cane at a sweetness of 10 C.C.S. increased by 67.95 Baht per ton cane or 6.0% from Crop year 2021/22. This causes, the production cost to be higher than the previous year.

1.2) Gross profit from the molasses and sugar trading segment decreased by THB 2.4 million or 17.3%, compared to the previous year because of the following factors.

- A subsidiary had increased in sales molasses revenue by THB 37.2 million or 19.5% compared to the previous year that increased in sales molasses volume by 10.7%, and the average molasses selling price increased by 7.2%.

- The overall sugarcane volume in Thailand increased and the yield of sugar production is higher than the previous year, resulting in less molasse from production. In this case, the volume of molasse in the market decreased, making the molasse price increase, then the Subsidiary's incomes were a bit high, but the gross profit decreased from the purchase costs increase.



- 1.3) Gross profit from the utilities segment increased by THB 16.1 million or 2.3%, compared to the previous year because of the following factors:
- A subsidiary had decreased in electricity sales to the government by THB 124.1 million or 9.0%, due to a lower of the average electricity selling price by 11.0%, while in the volumes sold electricity increased by 2.2 million kWh or 0.01% compared to the previous year.
- 2) The Company had a gain on exchange amounting to THB 63.9 million, which the previous year as a loss on foreign exchange of THB 240.0 million or increased by 126.6%. Meanwhile, the Company had a loss on changes in the fair value of sugar swap contracts amounting to THB 134.4 million increased by THB 76.5 million or 132.0% compared to the previous year. (2022: loss on changes in fair value of sugar swap contracts by THB 58.0 million) as a result of fluctuations in foreign currency.
- 3) Dividend income amounting to THB 38.5 million which is close to the previous year.
- 4) The selling and distribution expenses increased by THB 64.8 million or 14.7%, which increased in sugar transportation expenses, export expenses, and warehouse rental from the sale volumes increased. However, the administrative expenses decreased by THB 12.2 million or 2.7%, mainly from a decrease in allowance for doubtful debt due to better debt repayment.
- 5) Finance expenses decreased by THB 21.8 million or 5.3%, compared to the previous year, which are financial costs for normal business operations.

Please be informed accordingly,

Sincerely Yours,



(Mr. Cholachart Worawuthichongsathit)

Chief Financial Officer