



*(Translation)*

H.O. 3012/178/2024

May 9, 2024

Subject: Management Discussion and Analysis for the three-month and six-month periods ended March 31, 2024

Attention: President  
The Stock Exchange of Thailand

Sermasuk Public Company Limited and its subsidiaries (“the Company”) clarify Consolidated Operating Result and Financial Position for three-month and six-month periods ended March 31, 2024 as the following;

**Financial Performance for the three-month period ended March 31, 2024 (Quarter 2/2024)**

**Revenue from sales and services**

Revenue from sales and services of the Company was Baht 3,277 million, increased by Baht 338 million or 11.5% 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 to serve consumer demand during summer. In addition, “est” has launched “est Cola Awaken Awesome Senses” campaign to reinforce the brand and capture the hearts of young generation. The positive feedback of this campaign enables to drive sales growth in this quarter.

**Cost of sales and services**

Cost of sales and services of the Company was Baht 2,314 million, increased by Baht 190 million or 9.0%. The increase was in lower proportion to sales growth due to raw materials and packaging costs management and production efficiency.

**Distribution costs**

Distribution costs of the Company was Baht 731 million, increased by Baht 36 million or 5.3% mainly from an increase in the transportation costs which in line with higher sales growth.



### **Administrative expenses**

Administrative expenses of the Company were Baht 181 million, increased by Baht 19 million or 11.1% 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 Q2/2024 was Baht 121 million, increased by Baht 69 million or 130.3% from net profit of Baht 52 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 0.45, increased by Baht 0.25 per share compared to earnings per share of Baht 0.20 in the same period of last year with aforementioned reasons.

### **Financial Performance for the six-month period ended March 31, 2024 (Quarter 2/2024)**

#### **Revenue from sales and services**

Revenue from sales and services of the Company was Baht 6,283 million, increased by Baht 470 million or 8.1% from the same period of last year. The main reason was the sales growth of est and Crystal in both traditional trade and modern trade channels. This is the result of consistency of driving sales and the efficiency of distribution expansion. In addition, “est” continues to launch sales promotion and marketing campaigns to increase sales opportunities and capture the young generation. These campaigns had received positive feedback.

#### **Cost of sales and services**

Cost of sales and services of the Company was Baht 4,403 million, increased by Baht 185 million or 4.4% which increased in lower proportion to sales due to raw materials and packaging costs management and production efficiency.

#### **Distribution costs**

Distribution costs of the Company was Baht 1,486 million, increased by Baht 125 million or 9.2% from an increase in transportation costs which in line with higher sales growth and sales promotion and marketing expenses to support sales growth. Moreover, the Company continues to invest in “Crystal” brand to reinforce its leadership in drinking water category.

#### **Administrative expenses**

Administrative expenses of the Company were Baht 359 million, increased by Baht 38 million or 11.8% 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 six-month period was Baht 179 million, increased by Baht 88 million or 96.5% from net profit of Baht 91 million in the same period of last year, mainly from sales growth, together with raw material and packaging costs management.

The Company earnings per share was Baht 0.67, increased by Baht 0.33 per share compared to earnings per share of Baht 0.34 in the same period of last year with aforementioned reasons.

### **Financial Position as at March 31, 2024**

#### **Assets**

Total assets as of March 31, 2024 was Baht 14,083 million, increased by Baht 3 million or 0.02% compared to total assets at the end of last year as describe below;

Current assets were Baht 4,153 million, increased by Baht 120 million or 3.0% mainly from an increase in trade accounts receivable from higher sales partly offset by a decrease in cash and cash equivalents from dividend payment in this quarter.

Non-current assets were Baht 9,930 million, decreased by Baht 117 million or 1.2% 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 profit sharing.

#### **Liabilities**

Total liabilities as of March 31, 2024 was Baht 4,488 million, decreased by Baht 39 million or 0.9% compared to total liabilities at the end of last year as describe below;

Current liabilities were Baht 2,454 million, increased by Baht 26 million or 1.1% mainly due to an increase in trade accounts payable from the purchase of raw materials and packaging to serve consumption during summer.

Non-current liabilities were Baht 2,034 million, decreased by Baht 65 million or 3.1% mainly from a decrease in lease liabilities and provision for employee's retirement benefits from the payment during period.

#### **Equity**

Total equity as of March 31, 2024 was Baht 9,595 million, increased by Baht 42 million or 0.4% from September 30, 2023 mainly from additional net profit during the period partly offset by dividend payment of Baht 138 million.



**Cash flows**

Cash and cash equivalents as at 31 March 2024 were Baht 2,239 million. The net cash decreased from the beginning of the year Baht 59 million was mainly from cash used for purchase of machinery and equipment of Baht 149 million to increase operation's efficiency, dividend payment of Baht 138 million and the payment of lease liabilities of Baht 56 million partly offset by cash received from operating activities of Baht 213 million, dividend and interest received of Baht 56 million. Overall, the Company has a strong financial position with high liquidity and has no interest-bearing debt.

Please be informed accordingly.

Yours sincerely,

(Kosit Suksingha)

President