



บริษัท ล่ำซ่ง (ประเทศไทย) จำกัด (มหาชน)

Lam Soon (Thailand) Public Company Limited

CORPORATE HEADQUARTERS

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**Subject: To submit the Management Discussion and Analysis
For the three-month period ended 31 March 2024**

To: Directors and Managers of the Stock Exchange of Thailand

Lam Soon (Thailand) Pcl. (LST) and its subsidiaries would like to inform the operating results for the three-month period ended 31 March 2024. Total revenues were Baht 2,885.4 million, compared to 2023 with revenues at Baht 2,907.0 million, decreasing by 0.7%. The profit attributable to equity holders of the Company was Baht 119.5 million, compared to 2023 with the profit at Baht 157.6 million, decreasing by 24.2%.

The Company would like to submit the management discussion, financial performance analysis, and explanation for the three-month period ended 31 March 2024.

Please be kindly informed.

Sincerely yours,

(Mr. Poomkiet Chotichaicharin)
Managing Director

CC: The Securities and Exchange Commission

Management Discussion and Analysis

For the three-month period ended 31 March 2024

Financial performance analysis and explanation

For the three-month period ended 31 March 2024, the company's revenue from sales increased by Baht 52.1 million or 2.6% compared to the same period in 2023. This was due to a 5.4% increase in sales volume, despite a 2.6% decrease in the average selling price per unit. The gross profit decreased by Baht 67.3 million or 30.1% making profit decreased by Baht 51.4 million or 60.1%; mainly from the average unit cost was higher than expected.

The palm plantation subsidiary company (UPOIC): sales decreased from the same period in 2023 by Baht 156 million or 39.4%. This reduction was mainly from sales volume of CPO decreased by 32.3%, while CPKO increased by 31.2%.

The subsidiary company (UFC) increased its revenue from sales by Baht 41.8 million or 8.7%. The income from selling beverage group increased by Baht 47.1 million, the income from selling canned vegetables and fruits decreased by Baht 2.6 million and the income from selling seasonings and other products decreased by Baht 2.7 million.

As reason above, the profit attributable to equity holders of the Company for the three-month period ended 31 March 2024 was Baht 119.5 million, decreasing by Baht 38.1 million or 24.2% compared to the same period in 2023.

The changes in other major components were as follows: -

1. Revenues

Revenues from contracts with customers: Revenue from sales of the company and its subsidiaries decreased by Baht 63.0 million or 2.2%, compared to the same period in 2023. The decrement mainly came from the sales volume of the subsidiary (UPOIC) and the average selling price of the Company and the subsidiary (UFC).

Other income: The Company and its subsidiaries had income other than those generated by normal operations Baht 71.0 million or 2.5% of total revenues (Q1/2023: Baht 29.5 million) mainly came from gain from change in fair value of biological assets and selling scrap such as palm kernels and empty bunch.

2. Expenses

Cost of sales: The Company and its subsidiaries recorded cost of sales ratio for the period at 89.1% (Q1/2023: 86.0%). The cost of sales ratio under LST was 92.4% (Q1/2023: 88.8%) due to a 1.3% incrementation in the average unit cost of CPO.

Subsidiary (UPOIC) recorded cost of sales ratio at 88.0% (Q1/2023: 83.2%). The amount of CPO extraction decreased by 7.4% caused to the increase in cost of production per unit by 44.9%.

Subsidiary (UFC) recorded cost of sales ratio at 80.6% (Q1/2023: 81.5%).

Selling and distribution expenses: The Company and its subsidiaries recorded selling and distribution expenses at Baht 143.8 million (Q1/2023: Baht 139.9 million), increasing by Baht 3.9 million. LST's expenses increased by Baht 2.2 million mainly from distribution fee and warehouse rent. The subsidiaries' expenses increased by Baht 1.7 million in line with sales volume increased.

Management Discussion and Analysis

For the three-month period ended 31 March 2024

Administrative expenses: The Company and its subsidiaries' administrative expenses were Baht 62.3 million (Q1/2023: Baht 89.7 million), decreasing by Baht 27.4 million mainly from the reduction in loss from change in fair value of biological assets.

3. Profits

Gross profit (GP): GP of the Company and its subsidiaries decreased by Baht 96.3 million or 3.1%. The Gross profit ratio of total sales was 10.9% (Q1/2023: 14.0%).

Profit for the year: Profit attributable to equity holders of the Company was Baht 119.5 million (Q1/2023: Baht 157.6 million), decreasing by Baht 38.1 million or 24.2%.