



บริษัท น้ำตาลขอนแก่น จำกัด (มหาชน)
坤敬糖廠有限公司 (大眾)
KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED

No. AC 021/2021

15 March 2021

SUBJECT MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL PERFORMANCE
FOR THE 1st QUARTER 2021

ATTENTION PRESIDENT, THE STOCK EXCHANGE OF THAILAND

Khon Kaen Sugar Industry Public Company Limited and its subsidiaries ("KSL") would like to report our financial performance for the 1st quarter of fiscal year 2021 (from November 1, 2020 to January 31, 2021). The company had a net profit attributed to owners of the parent in the amount of THB 309 million which increased by THB 97 million or 46% comparison with the profit for the 1st quarter of fiscal year 2020 in the amount of THB 212 million. The operating performance and major changes are summarized as follows:

Revenues from Sales and Rendering of Services

(Unit : Million THB)

Structure of Revenues	THE 1 st QUARTER 2021	THE 1 st QUARTER 2020	Increase (decrease)
Revenues from sales	1,713	2,943	(1,230)
Sugar and molasses	1,316	2,497	(1,181)
Electricity	256	266	(10)
Fertilizer, fuels and others	141	180	(39)
Revenues from services	41	56	(15)
Total revenues from sales and services	1,754	2,999	(1,245)

For the 1st quarter of FY2021 (Q1/2021), total revenues from sales and services of THB 1,754 million was decreased by THB 1,245 million or 41.5%, was mainly due to decrease in sugar sales revenue. Total sugar sales volume for the first quarter of current year of 85,376 tons was decreased by 55% in line with lower volume of sugar stock level at the ending of FY2020 since extreme declining of sugarcane output and sugar production volume in the 2019/2020 season was affected from previous year's Thailand drought. Whereas the average sugar sale price for the quarter was increased by 29% due to inclining of world sugar price as well as increase in average domestic sale price of Q1/2021 compared with Q1/2020 average price. The proportion of domestic sale per total sale in Q1/2021 was 50% which higher than 22% in Q1/2020.

Gross Profit

Gross profit decreased from THB 635 million to THB 409 million, 36% decrease, was mainly due to decrease in sale volume and increase in raw material costs, whereas gross profit margin increased from 21% in Q1/2020 to 23% in Q1/2021 was mainly due to increase of sugar sale prices in all distribution channels.

Other Income

Other income decreased from THB 138 million to THB 64 million as a result that in Q1/2020, a subsidiary of the company recognized a profit from the sale of a group of assets in the amount of THB 88 million. (Q1/2021: no significant transaction of fixed assets sold)

Distribution Costs

Distribution costs decreased from THB 130 million to THB 33 million, 75% decrease, was mainly from decrease in sugar export sale volume.

Administrative expenses

Administrative expenses decreased from THB 399 million to THB 148 million, 63% decrease, was mainly due to decrease in employees and management expenses in the total amount of THB 96 million and decrease in THB 170 million or whole amount of a compensation expense relating to cancellation of 2020 sugar sale contract.

Financial Costs

Financial costs decreased from THB 142 million to THB 102 million, 28% decrease, was mainly due to repayment of long-term loans and decrease in average interest rate.

Share of gain of associates

Share of gain of associates increased from THB 73 million to THB 119 million, 64% increase, was mainly resulted from higher profit of biofuel business (BBGI Co., Ltd.)

For the 1st quarter of FY2021 financial status overview, the company had total assets of THB 44,216 million, total liabilities of THB 24,427 million and total shareholders' equity of THB 19,789 million. Interest bearing debt to equity ratio (IBD/E ratio) as at January 31, 2021 represented at 0.99 which close to the rate of 0.96 as at October 31, 2020.

Yours faithfully,



Mr. Chalush Chinthammit

President

Khon Kaen Sugar Industry Public Company Limited