



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

No. AC031/2022

10 June 2022

SUBJECT MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL PERFORMANCE
FOR THE 2nd QUARTER 2022

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 six-month period ended April 30, 2022, the company had a net profit attributed to owners of the parent in the amount of THB 747 million which increased by THB 336 million comparison with the operating performance of the previous year's corresponding period.

For Q2/2022 (the three-month period from February 1, 2022 to April 30, 2022), the company had a net profit attributed to owners of the parent in the amount of THB 415 million which increased by THB 313 million comparison with Q2/2021. The operating performance and major changes are summarized as follows:

Revenues from Sales and Rendering of Services

(Unit : Million THB)

Structure of Revenues	THE 2 nd QUARTER 2022	THE 2 nd QUARTER 2021	Increase (decrease)
Revenues from sales	4,153	2,189	1,964
Sugar and molasses	3,510	1,705	1,805
Electricity	377	316	61
Fertilizer, fuels and others	266	168	98
Revenues from services	39	38	1
Total revenues from sales and services	4,192	2,227	1,965

(i) Revenues from sales sugar and molasses for Q2/2022 in the amount of THB 3,510 million increased by THB 1,805 million or 106% compared with Q2/2021 that was mainly due to significant increase in volume of sugar sale and inclining of export sale price. The total sugar sales volume for Q2/2022 was 191,171 tons that increased by 99% comparison with Q2/2022, and the average sugar sale price of all distribution channels for the quarter was increased by 7%

due to inclining of world sugar price. The proportion of export sale per total sale in Q2/2022 was 69% which higher than 28% of Q2/2022 export sale proportion.

(ii) Revenue from sale of electricity was increased from THB 316 million to THB 377 million, 19% increase, due to increase in electricity volume.

(iii) Increase in revenues from other sugar-related businesses of THB 98 million or 58% increase was mainly due to enhancing farmer activities to support sugar cane output improvement in the upcoming crop harvests.

Gross Profit

Gross profit increased from THB 377 million to THB 662 million, 76% increase, whereas gross profit margin decreased from 17% in Q2/2021 to 16% in Q2/2022 was mainly due to costs of raw materials. Although averaged price of sugar was inclined, there were also significant increase in raw material price, both sugarcane price supplied for sugar production and fuel material price supplied for electricity production.

Other Income

Increase in other income in the amount of THB 62 million was mainly from gains on change in ownership interest in an associate of THB 58 million as resulted that an associate, BBGI Public Company Limited ("BBGI"), was completed its Initial Public Offering (IPO) by issuing of new ordinary shares and then the company's ownership interest in BBGI was reduced from 40% to 28.02%. (As of April 30, 2022, the company's ownership interest in BBGI was 29.88% resulted from additional investment in ordinary shares during the period.)

Distribution Costs

Distribution costs increased from THB 52 million to THB 111 million, 113% increase, was mainly from higher cost of transportation and exportation expense relating to increase in sugar export sale volume.

Administrative Expenses

Total administrative expenses in Q2/2022 decrease by THB 11 million or 7% was mainly due to decrease in doubtful debts from improvement of farmer debt collection.

In the overview of the company's financial status as of April 30, 2022, the company had total assets of THB 46,607 million, total liabilities of THB 25,771 million and total shareholders' equity of THB 20,836 million. Interest bearing debt to equity ratio (IBD/E ratio) as of April 30, 2022, represented at 1.04.

Yours faithfully,



Mr. Chalush Chinthammit

President

Khon Kaen Sugar Industry Public Company Limited