



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

No. AC041/2022

9 September 2022

SUBJECT MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL PERFORMANCE
FOR THE 3rd 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 nine-month period ended July 31, 2022, the company had a net profit attributed to owners of the parent in the amount of THB 1,266 million which increased by THB 799 million comparison with the net profit for the previous year’s corresponding period.

For Q3/2022 (the three-month period from May 1, 2022 to July 31, 2022), the company had a net profit attributed to owners of the parent in the amount of THB 519 million which increased by THB 463 million comparison with Q3/2021 profit. The operating performance and major changes are summarized as follows:

Revenues from Sales and Rendering of Services

(Unit : Million THB)

Structure of Revenues	THE 3 rd QUARTER			THE 9 MONTH PERIOD		
	2022	2021	Increase	2022	2021	Increase
Revenues from sales	5,442	3,230	2,212	12,979	7,132	5,847
Sugar and molasses	4,920	2,777	2,143	11,356	5,799	5,557
Electricity	335	325	10	995	896	99
Fertilizer, fuels and others	187	128	59	628	437	191
Revenues from services	43	31	12	124	111	13
Total revenues from sales and services	5,485	3,261	2,224	13,103	7,243	5,860

(i) Revenues from sales of sugar and molasses for Q3/2022 in the amount of THB 4,920 million that increased by THB 2,143 million or 77% compared with Q3/2021, was mainly due to significant increase in volume of sugar sale and inclining of export sale price. The total sugar sales volume for Q3/2022 was 245,925 tons that increased by 57%, and the average sugar sale price of all distribution channels for the quarter was increased by 22%

comparison with Q3/2022 due to inclining of world sugar price. The proportion of export sale per total sale in Q3/2022 was 85% which higher than 74% of Q3/2021 export sale proportion.

(ii) Revenue from sale of electricity was increased from THB 325 million to THB 335 million, 3% increase, due to increase in electricity volume.

(iii) Increase in revenues from other sugar-related businesses of THB 59 million or 46% derived from increase in volume and inclining of fertilizer sale price as resulted from enhancing farmer activities to support sugar cane output improvement in the upcoming crop harvests.

Gross Profit

Gross profit in Q3/2022 increased from THB 309 million in Q3/2021 to THB 1,041 million in Q3/2022, 237% increase, is derived from significant increase in sale volume and inclining of export sale price. Gross profit margin increased from 9.5% in Q3/2021 to 19.0% in Q3/2022 was mainly due to inclining in export sale price that caused increase in average sale price at the higher rate than cost of raw material (sugar cane) increase.

Distribution Costs

Distribution costs increased from THB 95 million to THB 149 million, 57% increase, was mainly from transportation and exportation expenses that derived from increase in export sale volume of sugar.

Administrative Expenses

Total administrative expenses in Q3/2022 increase by THB 46 million was mainly due to unrealized loss from hedging of interest and providing of additional provision for doubtful debts during the quarter.

In the overview of the company's financial status as of July 31, 2022, the company had total assets of THB 44,128 million, total liabilities of THB 22,530 million and total shareholders' equity of THB 21,598 million. Interest bearing debt to equity ratio (IBD/E ratio) as of July 31, 2022, represented at 0.85.

Yours faithfully,



Mr. Chalush Chinthammit

President

Khon Kaen Sugar Industry Public Company Limited