

## Translation

### MD&A

#### SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

For the three-month period ended March 31, 2023

Major attributes to the Company's operating performance variations between Q1/2023 and Q1/2022 are:

1. Total sale revenues decreased Baht 718.36 million (46.8%) from Baht 1,534.39 million to Baht 816.03 million because sale quantities decreased resulting from economic recession from all over regions and from hyperinflation. Also, more price competition affected customers to delay orders. Moreover, compared to Q1/2022, the cost of raw materials decreased; as a result, the company has to decrease selling price. Since world economic is still recession, the company immediately adjusted sale policies and sale strategies by focusing on company's other cylinders than household cylinders which is the current core product in order to better profitability. Moreover, the company entered more markets in different regions; as a result, the company purchase orders almost backed to normal.
2. Cost of sales decreased Baht 412.74 million (36.8%) from Baht 1,123.05 million to Baht 710.31 million in concurrent with a decrease in total sale revenues. Moreover, steel price of Q1/2023 decreased from Q1/2022 which the Company already decreased selling price regarding a decrease in cost of steel.
3. Gross profit decreased Baht 305.62 million (74.3%) from Baht 411.34 million to Baht 105.72 million. At the same time, gross profit margin decreased from 26.8% to 13.0% because of economic recession resulting in more price competition in every region. Moreover, overhead costs per unit increased due to less utilization of production.
4. Other Incomes decreased Baht 70.28 million (61.9%) from Baht 113.57 million to Baht 43.29 million from revenue from scrap sale decreased in concurrent with a decrease in steel market price and scrap quantities decreased from less production. In addition, Baht currency was stronger resulting in less gain on exchange rate.
5. Selling and distribution expenses decreased Baht 67.22 million (65.5%) from Baht 102.61 million to Baht 35.39 million in concurrent with an decrease in sale revenue. It is mostly consisted of freight expenses.
6. Finance Costs increased Baht 1.15 million (30.3%) from 3.79 million to 4.94 million because market interest rate increased whereas liabilities from imported raw materials decreased.
7. Income tax decreased Baht 60.15 million (84.0%) from Baht 71.64 million to Baht 11.49 million in concurrent with an decrease in operational profit at the same tax rate of 20%

8. Profit for the period decreased Baht 241.56 million (83.4%) from Baht 289.55 million to Baht 47.99 million because of a decrease in sale revenues due to economic recession, less profitability from price competition and a decrease in other revenues.

Yours sincerely,

.....

Mr. Surasak Urpsirisuk

Chairman of the Executive Board and Managing Director