

Translation

MD&A

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

For the three-month period ended June 30, 2024

Major attributes to the Company's operating performance variations between Q2/2024 and Q2/2023 are:

1. Total sale revenues slightly increased Baht 7.19 million (0.6%) from Baht 1,127.83 million to Baht 1,135.02 million because of continuous demands from customers to use cylinders as packaging for gas sold and to replace the damaged cylinders. Compared to Q2/2023, the price of raw materials (steel) of Q2/2024 decreased by 15%, but selling price close to the prior period because sale proportion of three-pieces cylinders which are large-size cylinders increased from prior period that consisted of two-pieces cylinders which are small-size cylinders. Moreover, Baht weaker by 6% caused sales increased.
Furthermore, the company has maintained its sale policies and strategies by focusing on selling other cylinders to keep being market leader and to sustain company's profitability into satisfied level
2. Cost of sales decreased Baht 49.10 million (5.4%) from Baht 902.56 million to Baht 853.46 million whereas sale revenues slightly increased. It is because steel price of Q2/2024 decreased from Q2/2023 by 15% and production quantities increased 15% led to less factory overheads per unit.
3. Gross profit increased Baht 56.29 million (25.0%) from Baht 225.27 million to Baht 281.56 million. At the same time, gross profit margin increased from 20.0% to 24.8% because in prior period, economic recession resulted in more price competition; on the other hand, this period, this situation is recovered. Thus, the company received more purchase orders. Moreover, weaker Baht currency and less factory overheads per unit led to better profitability.
4. Other Incomes increased Baht 22.94 million (34.9%) from Baht 65.71 million to Baht 88.65 million because revenue from scrap sale increased in concurrent with an increase in production quantities. Also, it is because of gains from investment in other current financial assets.
5. Selling and distribution expenses increased Baht 13.70 million (20.7%) from Baht 66.10 million to Baht 79.80 million in concurrent with an increase in sale revenue. In addition, costs of freight increased from conflicts in some regions.
6. Administrative expenses increased Baht 28.94 million (55.5%) from Baht 52.17 million to Baht 81.11 million from donation regarding the promotional privileges certificate for supporting local public health community and society by the Board of investment (BOI). The privileges are an exemption from corporate income tax with a cap of 200% of support amount. Moreover, expenses increased from consulting and professional fees.
7. Finance Costs increased Baht 7.72 million (169.3%) from 4.56 million to 12.28 million because market interest rate and liabilities from imported raw materials increased.

8. Income tax decreased Baht 33.06 million (101.0%) from income tax of Baht 32.73 million to income tax benefits of Baht 0.33 million whereas operational profit increased due to tax exemption from BOI for supporting local public health community and society at the same tax rate of 20%
9. Profits for the period increased Baht 61.93 million (45.7%) from Baht 135.42 million to Baht 197.35 million because of an increase in sale revenues, better profitability, an increase in other revenues, and a decrease in income tax.

Yours sincerely,

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Mr. Surasak Urpsirisuk

Managing Director