



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

No. AC 031/2021

10 June 2021

SUBJECT MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL PERFORMANCE  
FOR THE 2<sup>nd</sup> 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 2<sup>nd</sup> quarter of fiscal year 2021 (from February 1, 2021 to April 30, 2021). The company had a net profit attributed to owners of the parent in the amount of THB 102 million which increased by THB 689 million comparison with the net loss for the 2<sup>nd</sup> quarter of fiscal year 2020 in the amount of THB 587 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 2 <sup>nd</sup> QUARTER 2021	THE 2 <sup>nd</sup> QUARTER 2020	Increase (decrease)
Revenues from sales	2,236	3,371	(1,135)
Sugar and molasses	1,752	2,876	(1,124)
Electricity	316	345	(29)
Fertilizer, fuels and others	168	150	18
Revenues from services	38	49	(11)
Total revenues from sales and services	2,274	3,420	(1,146)

For the 2<sup>nd</sup> quarter of FY2021 (Q2/2021), total revenues from sales and services of THB 2,274 million that decreased by THB 1,146 million or 34%, was mainly due to decrease in sugar sales revenue. Total sugar sales volume for Q2/2021 of 96,213 tons was decreased by 52% comparison with volume for Q2/2020. It was resulted from decrease in volume of sugarcane output in the production year 2020/2021 and lower volume of sugar stock carried from the previous year that had been affected from Thailand drought during the past two consecutive production years. Whereas the average sugar sale price for the quarter was increased by 23% due to inclining of world sugar price as well as increase in average domestic sale price of Q2/2021 compared with Q2/2020 average price.

### Gross Profit

Gross profit increased from THB 365 million to THB 423 million, 16% increase, and gross profit margin increased from 11% in Q2/2020 to 19% in Q2/2021 was mainly due to increase in sugar sale prices in all distribution channels and increase of the proportion of domestic sale per total sale.

### Distribution Costs

Distribution costs decreased from THB 166 million to THB 52 million, 69% decrease, that was resulted from decrease in total sale volume, especially export sale volume decrease.

### Administrative expense and other expenses

Administrative expenses and other expenses for Q2/2021 in the amount of THB 231 million was decreased by THB 761 million or 77% with the following significant changes:

- The contributions to the Cane and Sugar Fund of THB 38 million decreased by THB 299 million comparison with THB 337 million of Q2/2020 contribution fee. The contributions to the Fund for Q2/2020 in the amount of THB 337 million was recognized as one-time transaction that charged for the previous production season of year 2017/2018 (since January 15, 2018 onwards) and year 2018/2019 at the rate of THB 20 per ton of sugar cane according to the Cabinet Resolution dated in April 2020 and announcement of the Royal Gazette dated in May 2020. The contributions to the Cane and Sugar Fund for production year 2019/2020 and 2020/2021 had been recognized in production cost of each year.
- Decrease in loss from sugar price hedging contract of THB 460 million or 91% decrease.

### Other Income

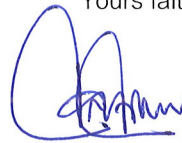
Net foreign exchange gain for Q2/2021 in the amount of THB 4 million was increased by THB 10 million comparison with net foreign exchange loss of THB 6 million in Q2/2020.

### Financial Costs

Financial costs decreased from THB 130 million to THB 105 million, 19% decrease, was mainly due to repayment of long-term loans and debenture, and decrease in average interest rate.

For the 2<sup>nd</sup> quarter of FY2021 financial status overview, the company had total assets of THB 45,589 million, total liabilities of THB 25,706 million and total shareholders' equity of THB 19,883 million. Interest bearing debt to equity ratio (IBD/E ratio) as at April 30, 2021 represented at 1.10.

Yours faithfully,

A handwritten signature in blue ink, consisting of a large, stylized initial 'C' followed by several loops and a horizontal line at the bottom.

Mr. Chalush Chinthammit

President

Khon Kaen Sugar Industry Public Company Limited