



บริษัท ลำสูง (ประเทศไทย) จำกัด (มหาชน)

Lam Soon (Thailand) Public Company Limited

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**Subject: To submit the Interim Management Discussion and Analysis
For the three-month period ended 31 March 2021**

To: Directors and Managers of the Stock Exchange of Thailand

Lam Soon (Thailand) Pcl. (LST) and its subsidiaries would like to inform the operating results for the three-month period ended 31 March 2021. Total revenues were Baht 2,444.3 million, compared to the same period of 2020 with revenues at Baht 1,695.5 million, increasing by 44.2%. The Profit attributable to equity holders of the Company was Baht 108.2 million, compared to the same period of 2020 with the Profit at Baht 22.8 million, increasing by 373.9%.

The Company would like to submit the management discussion and financial performance analysis and explanation for the three-month period ended 31 March 2021.

Please be kindly informed.

Sincerely yours,

(Miss Anchalee Suebchantasiri)
Managing Director

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Certification



Interim Management Discussion and Analysis For the three-month period ended 31 March 2021

Financial performance analysis and explanation

For the three-month period ended 31 March 2021, the Company's sales increased by Baht 736.0 million or 59.0% compared to the same period of 2020. The main reason was that sales volume increased by 36.5%, and the average selling price per unit increased by 16.4%. Cost of sales ratio decreased from 91.5% to 89.4%, effecting gross profit to increase by Baht 104.5 million or 98.1%. As a result, the Company had profit for the period at Baht 81.8 million, an increase of Baht 72.6 million Baht or 788% from the same period of 2020.

The subsidiary company (UPOIC)'s sales increased by Baht 172.0 million or 59.2% from Q1/2020. The main reason was that the average selling prices of CPKO and CPO increased by 25.4% and 21.3% respectively, and sales volume of CPKO and CPO increased by 101.8% and 6.2% respectively. Moreover, FFB sales increased by Baht 63.1 million; as a result, profit for the period increased by Baht 24.5 million or 566%.

For its subsidiary company (UFC), sales decreased by Baht 10.5 million or 2.7%, driven by a decrease in sales of beverages at Baht 32.5 million. However, sales of canned fruits and vegetables increased by Baht 13.9 million, and sales of sauces, seasonings, others increased by Baht 8.2 million. Profit for the period decreased by Baht 3.7 million or 35.9%.

As reasons above, profit attributable to equity holders of the Company for the period was Baht 108.2 million, increasing by Baht 85.4 million or 374% (Q1/2020: Baht 22.8 million). Profit ratio for the period was 4.4% of total revenues (Q1/2020: 1.3%).

Other major components and changes in consolidated financial statements were as follows:-

1. Revenues

Sales from contracts with customers : Sales revenue under the Company and its subsidiaries for the period increased by Baht 721.6 million or 43.0%. The increment mainly came from sales revenue of LST which increased by Baht 736.0 million or 59.0%, resulting from the increase in sales volume 36.5% and increase in the average selling price per unit 16.4%.

Other income : The Company and its subsidiaries had income other than those generated by normal operation Baht 30.3 million or 1.2% of total revenues (Q1/2020: Baht 17.8 million). Other income under LST was Baht 14.3 million which mainly came from selling scrap and assets of company such as palm shell and empty bunch. UPOIC's other income was Baht 17.3 million mainly from insurance compensation for loss of assets from fire accident at Baht 7.6 million; the remaining came from selling palm shell and empty bunch.

2. Expenses

Cost of sales : The Company and its subsidiaries recorded cost of sales for the period at 87.5% of total sales (Q1/2020: 88.9%). The decline mainly came from cost of sales under LST that was 89.4% (Q1/2020: 91.5%) because the average selling price per unit increased by 16.4% although the average unit cost increased by 13.8%.

Plantation subsidiary (UPOIC) recorded cost of sales at Baht 427.5 million, increasing by Baht 155.3 million or 57.1% from Q1/2020 because the average FFB cost raised by 22.5%. The subsidiary company (UFC) recorded cost of sales at 86.1% of total sales (Q1/2020: 84.8%).

Selling expenses : The Company and its subsidiaries recorded selling expenses at Baht 142.6 million (Q1/2020: Baht 113.4 million), increasing by Baht 29.2 million. Selling expenses of LST increased by Baht 20.9 million mainly from goods transportation, advertising and promotion which aligned with the

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increase of sales volume. UFC's selling expenses increased by Baht 5.3 million from advertising for product "UFC Velvet" and promotion for export products.

Administrative expenses : Administrative expenses of the Company and its subsidiaries were Baht 54.2 million (Q1/2020: Baht 55.9 million), decreasing by Baht 1.8 million. Administrative expenses of LST decreased by Baht 3.2 million mainly from the vacancy of management headcount that still has been recruited.

Profit (Loss) from change in fair value of biological assets : The subsidiary (UPOIC) realized profit from change in fair value of biological assets at Baht 7.1 million (Q1/2020: loss Baht 4.6 million).

3. Profits

Gross profit (GP) : GP of the Company and its subsidiaries increased by Baht 113.8 million or 61.3%. The consolidated GP was 12.5% of total sales (Q1/2020: 11.1%). For the Company, GP increased by Baht 104.5 million or 98.1%.

Profit for the period : Profit attributable to equity holders of the Company for the three-month period ended 31 March 2021 was Baht 108.2 million (Q1/2020: Baht 22.8 million), increasing by Baht 85.4 million or 374%. Profit ratio for the period was 4.4% of total revenues (Q1/2020: 1.3%).