



บริษัท ล่ำซ่ง (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 30 September 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 30 September 2021. Total revenues were Baht 2,111.8 million, compared to the same period of 2020 with revenues at Baht 1,611.5 million, increasing by 31.0%.

The Company would like to submit the management discussion and financial performance analysis and explanation for the three-month period ended 30 September 2021.

Please be kindly informed.

Sincerely yours,

(Miss Anchalee Suebchantasiri)
Managing Director

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Interim Management Discussion and Analysis For the three-month period ended 30 September 2021

Financial performance analysis and explanation

For the three-month period ended 30 September 2021, the Company's sales increased by Baht 407.0 million or 33.9% compared with the same period of 2020. The main reason was that the average selling price per unit increased by 38.3% while total sales volume decreased by 3.1%. Cost of sales ratio significantly increased from 80.7% to 89.6% because CPO price increased substantially compared with the same period of 2020, effecting gross profit to decrease by Baht 64.4 million or 27.7%. As a result, the Company had profit for the period at Baht 58.2 million, a decline of Baht 47.8 million Baht or 45.1% from the same period of 2020.

The subsidiary company (UPOIC)'s sales increased by Baht 85.6 million or 42.8% from Q3/2020. The main reason was that the average selling prices of CPO and CPKO increased by 75.5% and 74.5% respectively. As a result, profit for the period increased by Baht 44.3 million or 155.4%

For its subsidiary company (UFC), sales increased by Baht 92.2 million or 25.9%, driven by the increase in sales of beverages at Baht 53.1 million and the increase in sales of canned fruits and vegetables at Baht 37.1 million. Profit for the period increased by Baht 16.1 million or 186.3%.

As reasons above, profit attributable to equity holders of the Company for the period was Baht 144.0 million, increasing by Baht 12.8 million or 9.8% (Q3/2020: Baht 131.2 million). Profit ratio for the period was 6.8% of total revenues (Q3/2020: 8.1%).

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 482.3 million or 30.2%. The increment mainly came from sales revenue of LST which increased by Baht 407.0 million or 33.9%, resulting from the increase in average selling price per unit at 38.3%, while sales volume decreased by 3.1%.

Other income : The Company and its subsidiaries had income other than those generated by normal operation at Baht 32.5 million or 1.5% of total revenues (Q3/2020: Baht 15.5 million). Other income of LST was Baht 14.7 million which mainly came from selling scrap and assets of company such as palm shell. UPOIC's other income was Baht 11.4 million mainly 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 82.8% of total sales (Q3/2020: 78.4%). It mainly came from cost of sales under LST that was 89.6% (Q3/2020: 80.7%) because the average unit cost increased by 53.5%, resulting from the increment in average unit cost of CPO at 76.9%.

Plantation subsidiary (UPOIC) recorded cost of sales at Baht 206.3 million, increasing by Baht 64.3 million or 45.3% from Q3/2020 because the average FFB cost raised by 79.8%. The subsidiary company (UFC) recorded cost of sales at 78.7% of total sales (Q3/2020: 83.5%).

Selling and distribution expenses : The Company and its subsidiaries recorded selling expenses at Baht 143.3 million (Q3/2020: Baht 120.2 million), increasing by Baht 23.1 million. UFC's selling expenses increased by Baht 22.5 million from higher freight and shipping expenses at Baht 17.1 million which aligned with export sales increasing by 30%.

Administrative expenses : Administrative expenses of the Company and its subsidiaries were Baht 67.9 million (Q3/2020: Baht 50.2 million), increasing by Baht 17.7 million. Administrative expenses of LST increased by Baht 2.4 million due to salary and employee welfare. UPOIC's administrative expenses

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increased by Baht 13.6 million from allowance for impairment loss on land and net book value of oil palm plantation development of ALRO designating land plot No. 603 in Krabi Noi estate.

Loss (Profit) from change in fair value of biological assets : The subsidiary (UPOIC) realized gain from change in fair value of biological assets at Baht 1.1 million (Q3/2020: loss Baht 6.4 million).

3. Profits

Gross profit (GP) : GP under the Company and its subsidiaries increased by Baht 13.2 million or 3.8%. The consolidated GP was 17.2% of total sales (Q3/2020: 21.6%). UFC's GP increased by Baht 36.7 million or 62.3%.

Profit for the period : Profit attributable to equity holders of the Company for the three-month period ended 30 September 2021 was Baht 144.0 million (Q3/2020: Baht 131.2 million), increasing by Baht 12.8 million or 9.8%. Profit ratio for the period was 6.8% of total revenues (Q3/2020: 8.1%).