



บริษัท ล่ำซ่ง (ประเทศไทย) จำกัด (มหาชน)

**Lam Soon (Thailand) Public Company Limited**

CORPORATE HEADQUARTERS

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**February 23, 2024**

**Subject: To submit the Management Discussion and Analysis  
For the year ended 31 December 2023**

**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 year ended 31 December 2023. Total revenues were Baht 10,903.6 million, compared to 2022 with revenues at Baht 11,758.7 million, decreasing by 7.3%. The Profit attributable to equity holders of the Company was Baht 514.3 million, compared to 2022 with the Profit at Baht 432.4 million, increasing by 18.9%.

The Company would like to submit the management discussion, financial performance analysis, and explanation for the year ended 31 December 2023.

Please be kindly informed.

Sincerely yours,

(Mr. Poomkiet Chotichaicharin)  
Managing Director

CC: The Securities and Exchange Commission

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# Management Discussion and Analysis

## For the year ended 31 December 2023

### Financial performance analysis and explanation

For the year 2023, the company's revenue from sales decreased by Baht 1,118.9 million or 12.7% compared to 2022. This was due to a 23.7% decrease in the average selling price per unit, despite a 14.4% increase in sales volume. The gross profit increased by Baht 220.4 million or 41.7% making profit for the year increased by Baht 87.5 million or 32.9%; mainly due to the CPO price in the international market continuously decreased. This is because the Russia-Ukraine war situation has begun to normalize, the agreement to export sunflower has been relaxed. And since the end of 2022, Indonesia has lifted the ban on palm oil exports. Coupled with the expansion of Thailand's palm oil plantation areas; proximately increased by 10%, which effected the amount of palm oil produced to greater than domestic demands. As a result, the domestic CPO price has decreased as well.

The palm plantation subsidiary company (UPOIC): sales decreased from 2022 by Baht 756 million or 33.4%. This reduction was mainly from below reasons:

(a) The average selling price per unit of CPO and CPKO decreased by 19.2% and 31.7% respectively because of the CPO price in the international market adjusting to normal after epidemic situation. Covid-19 starting to unravel including the Russia-Ukraine war. Resulting in domestic price also decreased.

(b) Sales volume of CPO decreased by 28.3% in line with a decrease in production volume, while CPKO increased by 74.7% as the subsidiary carried over stocks from last year.

The subsidiary company (UFC) increased its revenue from sales by Baht 275.5 million or 13.8%. The income from selling beverage group increased by Baht 206.4 million, the income from selling canned vegetables and fruits increased by Baht 62.0 million and the income from selling seasonings and other products increased by Baht 7.1 million.

As reason above, the profit attributable to equity holders of the Company for the year 2023 was Baht 514.3 million, increasing by Baht 81.8 million or 18.9% compared to 2022.

The changes in other major components were as follows: -

#### **1. Revenues**

**Revenues from contracts with customers:** Revenue from sales of the company and its subsidiaries decreased by Baht 715.0 million or 6.2%, compared to 2022. The decrement mainly came from the average selling price of the Company and its subsidiaries. Sales revenue in each product group is as table below.

#### **The Company and subsidiaries**

Product/Services by Group	2022	2023	Increase (Decrease)
	Mil. Baht	Mil. Baht	Mil. Baht
Vegetable oil	8,383.5	7,395.4	(988.1)
Margarine and Shortening	909.5	922.7	13.2
Other palm-based products	121.3	105.8	(15.5)
Selling Electricity power to PEA	23.0	25.5	2.5

## Management Discussion and Analysis

### For the year ended 31 December 2023

Product/Services by Group	2022	2023	Increase (Decrease)
	Mil. Baht	Mil. Baht	Mil. Baht
Beverages	1,293.9	1,498.4	204.5
Canned fruits and vegetables	616.2	673.0	56.8
Sauces and Seasonings and others	145.3	156.9	11.6
<b>Total Sales - Net</b>	<b>11,492.7</b>	<b>10,777.7</b>	<b>(715.0)</b>

**Other income:** The Company and its subsidiaries had income other than those generated by normal operations Baht 125.9 million or 1.2% of total revenues (2022: Baht 164.4 million). Details are set out below.

Company and subsidiaries	Mil. Baht	Sources: mainly from
LST	35.9	Sales of palm shell and scrap
UPOIC	55.6	Sales of palm shell and empty bunch
UFC	34.5	Volume rebate from packaging supplier

## 2. Expenses

**Cost of sales:** The Company and its subsidiaries recorded cost of sales ratio for the period at 86.9% (2022: 89.8%). The cost of sales ratio under LST was 90.2% (2022: 94.0%) due to 29.7% reduction in the average unit cost of CPO.

Subsidiary (UPOIC) recorded cost of sales at Baht 1,237.3 million, decreasing from 2022 by Baht 754.8 million or 37.9% because the average FFB cost decreased by 30.5%.

Subsidiary (UFC) recorded cost of sales ratio at 81.6% (2022: 80.6%).

**Selling and distribution expenses:** The Company and its subsidiaries recorded selling and distribution expenses at Baht 585.5 million (2022: Baht 556.9 million), increasing by Baht 28.5 million. LST's expenses increased by Baht 53.4 million mainly from transportation, employee welfare and promotion expenses. The subsidiaries' expenses decreased by Baht 24.9 million due to sales volume decreasing by 21.3%.

**Administrative expenses:** The Company and its subsidiaries' administrative expenses were Baht 275.6 million (2022: Baht 33.8 million), increasing by Baht 33.8 million

## 3. Profits

**Gross profit (GP):** GP of the Company and its subsidiaries increased by Baht 236.2 million or 20.2%. The Gross profit ratio of total sales was 13.1% (2022: 10.2%).

**Profit for the year:** Profit attributable to equity holders of the Company was Baht 514.3 million (2022: Baht 432.4 million), increasing by Baht 81.8 million or 18.9%.