

May 10, 2024

Subject: Management Discussion and Analysis for the 1st quarter ended March 31, 2024

To: President

The Stock Exchange of Thailand

Sherwood Corporation (Thailand) Public Company Limited (“The Company”) and its subsidiary would like to submit herewith the reviewed consolidated financial statements for the 1st quarter ended March 31, 2024, with the financial analysis compared to the same period last year. The performance can be summarized as follows;

The Company and its subsidiary had net profit of THB 27.50 million for the 1st quarter ended March 31, 2024, in which there was a profit attributable to equity holders of the Company of THB 26.94 million, increased by THB 12.10 million or 81.53% as compared to the same period in the previous year which was shown the net profit of THB 14.84 million.

Results of Operation

Revenue:

Sales Revenue for the 1st quarter ended March 31, 2024, was THB 383.27 million, decreased by THB 59.35 million or 13.41% as compared to the same period in the previous year. This resulted from household consumption still on a downward trend. As consumers are affected by the rising cost of living and household debt that is still high as well as the increased debt burden resulting from interest rate increases according to the monetary policy. In addition, environmental fluctuations in weather and water situations affect agricultural production. This causes a loss of income that results in a decrease in the purchasing power of consumers. Moreover, the competitors continue to carry out promotional activities by lowering prices, resulting in decreased revenue for non-food and food products. However, the Company has continuously increased promotional activities in all product groups by considering the promotion that appropriate for each product category as well as enhanced the efficiency for product placement and product visibility in all channels to maintain market share.

Cost of goods sold:

Cost of goods sold for the 1st quarter ended March 31, 2024, increased from 63.50% to 66.90% of sales amount, resulting from the cost of raw materials and packaging for products in the food and beverage industry has increased. However, the Company has adjusted sales promotion activities based on market price and competitors’ sales promotion in the same industry, as well as focusing on high margin product groups to offset the rising cost of raw materials and packaging.

Selling and distribution expenses:

Selling and distribution expenses for the 1st quarter ended March 31, 2024, was THB 54.16 million, decreased by THB 37.81 million or 41.11% as compared to the same period in the previous year, resulting from the control of expenses and revised advertising plan to be by focusing on the activities that enhance more product distribution toward customers.

Administrative expenses:

Administrative expenses for the 1st quarter ended March 31, 2024, was THB 36.58 million, decreased by THB 6.83 million or 15.73% as compared to the same period in the previous year, resulting from more efficiently control of administrative expenses.

Asset Management Ability

Assets:

As of March 31, 2024, the Company has total assets of THB 1,137.84 million, decreased by THB 7.63 million or 0.67% as compared to the same period in the previous year, mainly from the decrease of current assets from managing inventories more efficiently and the decrease of non-current assets from the property, plant and equipment.

Liabilities:

As of March 31, 2024, The Company has total liabilities of THB 453.69 million, decreased by THB 29.47 million or 6.10% as compared to the same period in the previous year, mainly from the decrease of current liabilities from short-term loans from financial institutions.

Shareholders' equity:

As of March 31, 2024, the Company has total shareholders' equity of THB 684.15 million, increased by THB 21.85 million or 3.30% as compared to the same period in the previous year, resulting from unappropriated retained earnings.

Please be informed accordingly.

Sincerely yours,

Thakerngbol Laobisuddhi

Authorized Signature