

August 13, 2024

Subject: Management Discussion and Analysis for the 1st half year ended June 30, 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 half year ended June 30, 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 60.63 million for the 1st half year ended June 30, 2024, in which there was a profit attributable to equity holders of the Company of THB 58.03 million, increased by THB 24.96 million or 75.48% as compared to the same period in the previous year which was shown the net profit of THB 33.07 million.

Results of Operation

Revenue:

Sales revenue for the 1st half year ended June 30, 2024, was THB 822.36 million, decreased by THB 53.47 million or 6.10% as compared to the same period in the previous year. This resulted from the ongoing economic uncertainty. As consumers are affected by the rising cost of living, which has been driven by the increasing prices of essential goods and services. Including household debt levels remain high due to prevailing monetary policy interest rates. This results in a decrease in the purchasing power of consumers, that have affected to the slump on demand for household chemicals. Furthermore, the competitors continue to carry out promotional activities by lowering prices, resulting in decreased revenue for non-food and food products. Despite these challenges, the Company remains committed to developing products across all categories to meet consumer needs, while consistently focusing on promotional and marketing activities that appropriate for each product category.

Sales revenue for the 1st half year ended June 30, 2024, The Company has sales revenue decreased from household and industrial chemical products and decreased in revenue from the food and beverage business as well. Sales revenue from household and industrial chemical products in the modern trade channel has decreased 16.12% as compared to the same period in the previous year. Revenue in the traditional trade channel has decreased 7.96% as compared to the same period in the previous year. This resulted from the competitors continue to carry out promotional activities by lowering prices. Revenue in industrial channel has decreased 4.79% as compared to the same period in the previous year. This resulted from the decline in sales of pre and post construction termite prevention products due to the sluggish real estate market, which has necessitated extending the timeline for installing piping systems and applying treatments. Additionally, there is increased price competition in the cleaning

products and bait product segments. The sales revenue from the food and beverage business has also decreased due to discontinuing the selling of loss-making products. While the dairy products under “Hokkaido” trademark have revenue increased 8.76% as compared to the same period in the previous year, resulting from the expansion of distribution channels and increased product distribution to reach more consumers as well as distributing of new products.

Cost of goods sold:

Cost of goods sold for the 1st half year ended June 30, 2024, decreased from 64.78% to 63.54% of sales amount, resulting from the Company has focused on high margin product groups and has more efficiently to manage production costs.

Selling and distribution expenses:

Selling and distribution expenses for the 1st half year ended June 30, 2024, was THB 136.02 million, decreased by THB 37.29 million or 21.51% 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 half year ended June 30, 2024, was THB 80.12 million, increased by THB 2.36 million or 3.03% as compared to the same period in the previous year, resulting from accounting adjustments.

Asset Management Ability

Assets:

As of June 30, 2024, The Company has total assets of THB 1,189.53 million, increased by THB 44.07 million or 3.85% as compared to the end of the previous year, mainly from the increasing of current assets in cash and cash equivalents and trade and other receivables.

Liabilities:

As of June 30, 2024, The Company has total liabilities of THB 473.62 million, decreased by THB 9.54 million or 1.98% as compared to the end of the previous year, mainly from the decrease of current liabilities from short-term loans from financial institutions and the decrease of non-current liabilities from lease liabilities, net of current portion.

Shareholders' equity:

As of June 30, 2024, The Company has total shareholders' equity of THB 715.91 million, increased by THB 53.61 million or 8.09% as compared to the end of the previous year, resulting from increasing in dividend shares and unappropriated retained earnings.

Please be informed accordingly.

Sincerely yours,

Thakerngbol Laobisuddhi
Authorized Signature