

Business Overview

The company produces and distributes processed sweet corn and various processed agricultural products under its brand "KC" and customers' brand. The company also engages in sourcing and trading food and agricultural products.

Performance and Analysis 9M/2022

	9M22	9M21	2021	2020
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Income Statement (MB)

Revenues	2,420.86	2,173.37	2,987.78	2,617.77
Expenses	2,235.64	1,965.71	2,705.60	2,416.46
Net Profit (Loss)	88.53	143.12	208.82	192.91

Balance Sheet (MB)

Assets	1,630.77	1,508.33	1,453.56	1,293.02
Liabilities	496.65	430.53	311.23	270.99
Shareholders' Equity	1,134.12	1,077.80	1,142.34	1,022.03

Cash Flow (MB)

Operating	434.54	48.74	45.60	328.00
Investing	-109.70	-226.64	-265.85	-31.20
Financing	-68.63	-84.86	-59.90	-246.59

Financial Ratio

EPS (Baht)	0.14	0.22	0.32	0.45
GP Margin (%)	16.73	18.07	18.03	16.17
NP Margin (%)	3.66	6.59	6.99	7.37
D/E Ratio (x)	0.44	0.40	0.27	0.27
ROE (%)	13.94	17.76	19.30	20.60
ROA (%)	12.52	14.02	17.75	16.21

Business Highlight

- Expanded factory capacity for ready-meal production
- Biogas from corn cob project reduced energy costs
- Raw material farming expansion project on 1,045-rai plot supported Smart Farm and high value crops

Business Performance Summary

SUN and its subsidiary for the nine-month period of 2022 (9M2022) was reported Sales Revenue in an amount of Baht 2,413.5 million, representing an increase of Baht 245.6 million, and Net Profit was reported at Baht 88.5 million, a decrease of Baht 54.6 million or 38.1% from the nine-month period of 2021 (9M2021). Although sales revenue increased by 11.3%, however, the gross profit margin declined due to higher costs such as caned prices, raw material prices, and production volumes that do not go as planned, including higher selling expenses due to the trade fair in 2022 and derivative losses and foreign exchange losses. However, despite the pressure of higher unit production cost, The company continues its strategy to expand its customer base. Adding a new product group Accelerating the improvement of production processes by incorporating innovation and technology increases efficiency, reducing volatility and improving cost management capabilities.

Key Milestones

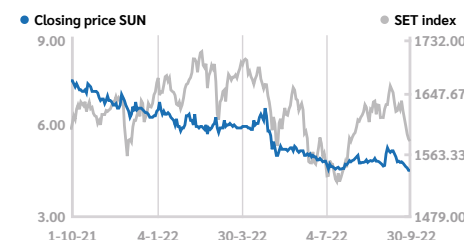
- (1) Mini Factory - production facility for ready-to-eat food. The Smart Building emphasizes energy saving and flexibility of operations while also offering higher output and quality. The 1,440 SQ.M structure can produce up to 100,000 units a day.
- (2) Biogas from Waste (Corn Cobs) Project - Generating value from agricultural waste, this project generates Green Energy. Biogas produced from corn cobs will cut up to THB 27 million in energy costs annually.
- (3) Sun Valley Project - A 1,045-rai plot in Mae Wang district of Chiang Mai province has been prepared for the farming of sweet corn and other crops, providing raw material security and the potential for high value crops such as hemp, kratom, and strawberries. With added revenue for the company, the field also allows for knowledge to be forwarded to network farmers, strengthening their revenue streams.

Revenue Structure

Canned Sweet Corn	62%
Frozen Sweet Corn	13%
Ready to Eat	12%
Pouch Sweet Corn	9%
Others	4%

Stock Information

SET / AGRO / FOOD



as of 30/09/22	SUN	FOOD	SET
P/E (X)	17.16	28.55	17.52
P/BV (X)	2.73	1.75	1.59
Dividend yield (%)	5.36	2.44	2.67

	30/09/22	30/12/21	30/12/20
Market Cap (MB)	3,005.69	4,160.23	1,780.20
Price (B/Share)	4.66	6.45	4.14
P/E (X)	17.16	22.74	12.37
P/BV (X)	2.73	3.86	1.81

CG Report:



Major Shareholders

as of 28/04/2022



- MRS. Jiraporn Kittikhunchai (65.02%)
- นาย อองอาจ กิตติคุณชัย (2.71%)
- บริษัท Thai NVDR Company Limited (1.70%)
- นาย RAVI KASEMSARN (0.78%)
- น.ส. จิตกรกัญญา รุ่งนวกใต้ (0.70%)
- Others (29.09%)

Company Information and Contact

- 🌐 <http://www.sunsweetthai.com>
- ✉ sunsweetthai@sunsweetthai.com
- ☎ 0-5310-6538-40
- 🏠 No. 9 Moo 1, Tambon Thung Satok, Amphoe San Pa Tong Chiang Mai 50120
- 🔗 Other Trading Info. : https://www.settrade.com/C04_01_stock_quote_p1.jsp?txtSymbol=SUN

Business Plan

- (1) Vending Machine Project: Vending machines will be placing throughout Chiang Mai and the northern region to distribute consumables in response to modern lifestyles from early 2022.
- (2) Production Enhancement and Expansion Project: The company has plans to purchase modern machinery and equipment using a budget of THB 193 million. Installation begins in 2022.
- (3) Ready to Eat Mini Factory Project: The project is to deliver products continuously and expand to the production of Ready to Cook meals in the future.
- (4) SUN Valley Project: Utilizing a 1,045-rai plot, infrastructure construction has begun for this project, which will create a field for the growing of sweet corn and high value crops to be developed into a center of excellence in Thai agriculture.
- (5) 1 MW Biogas Plant : Creation value from agricultural waste to electricity.

Sustainable Development Plan

- Smart Farming application to forecast rainfall and farm yields; farming drones; intelligent irrigation system
- Knowledge transfer to farmers and interested people in all sectors
- Consideration given to the environment, energy managed efficiently, and alternative energy used alongside clean energy.

Risk Management Policy

- Risk from uncertainty of sweet corn supply and other agricultural crops which is the main raw material in the production of products. There are fluctuations in both quantity and price. This is caused by many factors, including climate change, natural disasters, affecting productivity and quality. Therefore, the company has managed the risk by implementing a Smart Farming project that promotes the cultivation of farmers, enabling them to plan, control and monitor the amount of produce in accordance with the needs of the company.
- Exchange rate volatility is a risk for the company as its revenue is mostly in foreign currency. The company's risk mitigation policy in this regard is to hold forward contracts with commercial banks.

Recent Awards and Recognitions

- Received Outstanding Innovation Company Award at SET Awards 2021
- Received Best Thai Brand Award at Prime Minister's Export 2021

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