

No. MDA-EN 01/2025

25 February 2025

Subject: Management's Discussion and Analysis (MD&A) for Q4 2024 and FY 2024 performance

To: President of The Stock Exchange of Thailand

Executive Summary

(Unit: Million THB)	4Q2567	3Q2567	4Q2566	%Inc. (Dec.)		FY2567	FY2566	%Inc. (Dec.)
				YoY	QoQ			YoY
Revenue from sales	1,009.5	913.0	843.9	19.6%	10.6%	3,514.7	3,696.6	(4.9%)
Gross Profit	149.8	204.9	184.2	(18.7%)	(26.9%)	703.9	763.9	(7.9%)
Net Profit	33.1	140.3	117.9	(71.9%)	(76.4%)	293.9	357.4	(17.8%)
Earnings per share (Baht/share)	0.04	0.18	0.15			0.38	0.46	

- For the year 2567, revenue from sales amounted to 3,514.7 million baht which decrease by 4.9% from the previous year due to a decline in customer demand and the impact of changing weather conditions. Nevertheless, Q4 2024 sales reached 1,009.5 million baht, marking a 19.6% increase over the same period last year as a result of heightened customer demand.
- Gross profit for 2567 decreased by 7.9% compared to the previous year and fell by 18.7% relative to the same quarter last year. This decline was driven by a reduction in the volume of raw materials entering production during Q4 2024, influenced by typical unfavorable seasonal factors, which in turn led to higher production costs.
- Net profit for 2567 amounted to 293.9 million baht, a 17.8% decrease from the previous year while net profit in Q4 2024 reached 33.1 million baht, a 71.9% decline compared to the same period last year. This drop was attributed to a reduction in production volume, resulting in increased production costs.

ESG Journey Progress

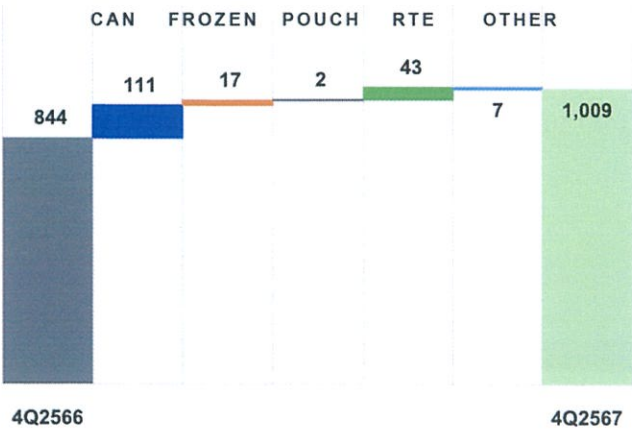
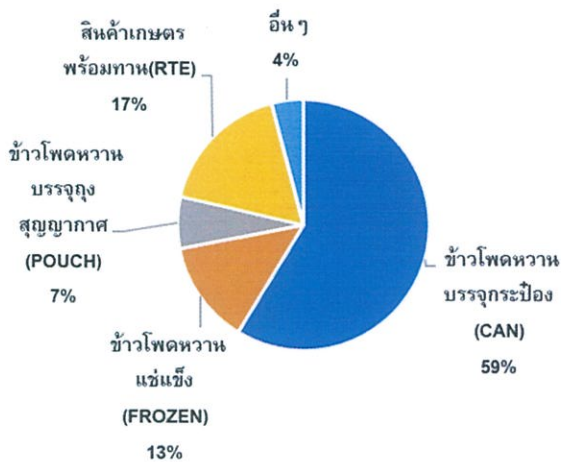
- The Company received a "BBB" rating in the Agriculture and Food Industry category under the SET ESG Ratings for the year 2567 by the Stock Exchange of Thailand, reflecting its steadfast commitment to operating in line with sustainable development principles.
- The Company has collaborated on the development of Tetra Recart packaging for canned sweet corn. This low-carbon packaging is produced from responsibly managed paper sourced from planted forests, which helps reduce carbon dioxide emissions and is fully recyclable, meeting the demands of modern consumers who value both quality and environmental responsibility.

Financial Performance (For Q4 2024 and FY 2024)

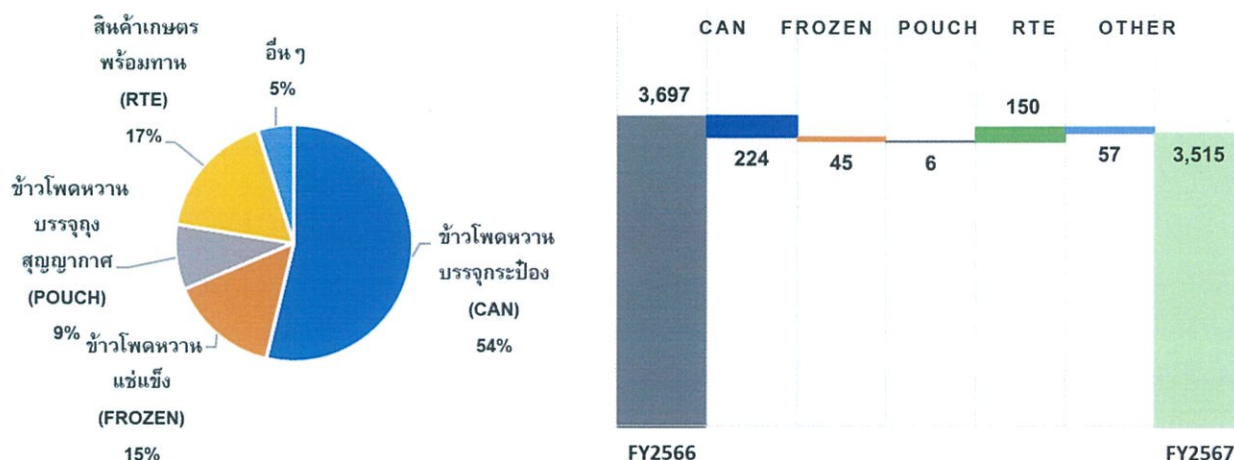
(Unit: Million THB)	4Q2567	3Q2567	4Q2566	%Inc. (Dec.)		FY2567	FY2566	%Inc. (Dec.)
				YoY	QoQ			
Revenue from sales	1,009.5	913.0	843.9	19.6%	10.6%	3,514.7	3,696.6	(4.9%)
Cost of sales	(859.7)	(708.1)	(659.7)	30.3%	21.4%	(2,810.8)	(2,932.7)	(4.2%)
Gross profit	149.8	204.9	184.2	(18.7%)	(26.9%)	703.9	763.9	(7.9%)
Other income	2.8	2.9	3.0	(7.5%)	(5.1%)	11.9	9.6	24.6%
Net gain (loss) on exchange rate & on derivatives	(9.6)	62.1	39.9	(124.0%)	(115.4%)	15.9	(19.1)	(183.4%)
Selling expenses	(69.9)	(60.6)	(59.6)	17.3%	15.2%	(236.8)	(242.6)	(2.4%)
Administrative expenses	(33.5)	(34.0)	(26.8)	25.1%	(1.3%)	(134.6)	(100.6)	33.9%
Finance costs	(3.4)	(3.9)	(2.0)	69.7%	(13.2%)	(14.8)	(4.5)	228.4%
Profit before income tax	36.2	171.4	138.7	(73.9%)	(78.9%)	345.5	406.7	(15.0%)
Income tax	(3.1)	(31.1)	(20.8)	(85.2%)	(90.1%)	(51.6)	(49.3)	4.6%
Net profit	33.1	140.3	117.9	(71.9%)	(76.4%)	293.9	357.4	(17.8%)
Earnings per share (THB/share)	0.04	0.18	0.15			0.38	0.46	

(Unit: Million THB)	4Q2567	3Q2567	4Q2566	Inc. (Dec.)		FY2567	FY2566	Inc. (Dec.)
				YoY	QoQ			
Key Financial Ratios								
Gross Profit Margin (%)	14.8%	22.4%	21.8%	(7.0%)	(7.6%)	20.0%	20.7%	(0.7%)
Net Profit Margin (%)	3.3%	14.3%	13.3%	(10.0%)	(11.0%)	8.3%	9.6%	(1.3%)
EBITDA	65.4	199.8	163.2	(59.9%)	(67.3%)	459.6	492.1	(6.6%)
EBITDA Margin (%)	6.5%	20.4%	18.4%	(11.9%)	(13.9%)	13.0%	13.3%	(0.3%)
D/E (times)	0.4	0.6	0.4	-	(33.3%)	0.4	0.4	-
ROE (%)	9.2%	39.7%	35.8%	(26.6%)	(30.5%)	21.3%	28.5%	(7.2%)
ROA (%)	7.3%	30.8%	28.6%	(21.3%)	(23.5%)	18.3%	23.6%	(5.3%)
Cash Cycle (days)	57.2	78.2	37.4	19.8	(21.0)	53.6	25.9	27.7

Sales Breakdown(%) 4Q2567



Sales Breakdown(%) YE2567



Revenue from sales

The Company reported revenue from sales for Q4 2024 of 1,009.5 million baht, marking a 19.6% increase compared to the same period last year. This growth was primarily driven by heightened customer demand both domestically and internationally. International sales revenue expanded due to increased purchases of canned and frozen products by existing customers, particularly in Asia, Europe, and the Middle East. Domestically, sales revenue continued to grow steadily, mainly from the ready-to-eat (RTE) product segment. Key items contributing to this growth included grilled Japanese sweet potato, boiled tiger peanut, ready-to-eat corn, whole grains, and longan in syrup. Furthermore, the Company has consistently introduced new products such as Japanese sweet corn mixed with Edamame, sweet corn with cheese, and boiled mixed nuts with sugar, which are now available in convenience stores around Thailand.

In 2567, revenue from sales reached 3,514.7 million baht which decline around 4.9% from the previous year primarily due to a drop in customer demand compared to the prior year. In 2566, favorable weather conditions supported cultivation and ensured that produce deliveries met planned targets, prompting customers to accelerate their purchases to make up for earlier shortages. As a result, in early 2567, international customers, particularly in Asia, maintained ample inventories, which led to a reduction in product imports. Moreover, the negative impacts of changing weather in 2567 further disrupted the ability to cultivate according to plan.

Gross Profit and Gross Profit Margin

In Q4 2024, gross profit amounted to 149.8 million baht, a decline of 18.7% compared to the same quarter last year. The Company achieved a gross profit margin of 14.8%, which is 7% lower than before. For the year 2567, gross profit reached 703.9 million baht, representing a 7.9% decrease from the previous year, while the Company maintained a gross profit margin of 20%—a slight reduction of only 0.7%. This outcome was due to a decrease in the volume of raw materials entering production in Q4 as a result of seasonal factors, which led to higher production costs.

Net gain (loss) on exchange rate & on derivatives

In Q4 2024, the Company reported a net loss on exchange rate & on derivatives of 9.6 million baht, marking an increase in loss of over 100% compared to the same quarter last year, which recorded a net profit of 39.9 million baht. In contrast, for the year 2567, the Company achieved a net profit of 15.9 million baht—an improvement of more than 100% from the previous year, which had posted a net loss of 19.1 million baht. This shift was primarily driven by significant volatility in the exchange rate between the Thai baht and the US dollar during 2567. In the first half of the year, the baht depreciated somewhat as the US dollar strengthened, partly due to expectations that Donald Trump had a strong chance of winning the election. However, in late Q4 2024, the baht appreciated notably due to seasonal factors. Nonetheless, the Company effectively managed this risk by consistently entering into forward foreign exchange contracts to mitigate the adverse effects of such fluctuations.

Selling Expenses

In Q4 2024, selling expenses amounted to 69.9 million baht, representing an increase of 17.3% compared to the same period last year, which aligns with the rise in sales. For the year 2567, the Company recorded selling expenses of 236.8 million baht—a decrease of 2.4% from the previous year—reflecting the corresponding decline in sales.

Administrative Expenses

In Q4 2024, administrative expenses amounted to 33.5 million baht, marking an increase of 25.1% compared to the same period last year. For the year 2567, the Company recorded administrative expenses of 134.6 million baht, representing a 33.9% rise from the previous year. This increase was driven by higher costs in employee salaries and benefits, elevated warehouse rental fees, and increased expenditures for research and experimental projects in agricultural cultivation areas and agricultural technology.

Financial Costs

In Q4 2024, the Company incurred financial costs of 3.4 million baht, marking an increase of 69.7% compared to the same quarter last year. For the year 2567, financial costs amounted to 14.8 million baht—an increase of over 100% from the previous year. This rise was primarily due to an increase in short-term borrowings from financial institutions to serve as working capital.

Net Profit and Net Profit Margin

In Q4 2024, the Company reported a net profit of 33.1 million baht, marking a 71.9% decrease compared to the same quarter last year, with a net profit margin of 3.3%—a decline of 10.0%. For the full year 2567, net profit reached 293.9 million baht, representing a 17.8% decrease from the previous year, while the net profit margin stood at 8.3%, a slight reduction of only 1.3%. This decline was primarily driven by higher production costs due to seasonal factors, increased administrative expenses from additional staffing to support a new factory project aimed at boosting production capacity, and elevated warehouse rental costs to manage larger inventories during the continuous production period at the beginning of the year to meet customer demand. In addition, financial costs rose as a result of increased short-term borrowings from financial institutions to secure working capital.

Key Financial Ratios

- Liquidity

The cash cycle increased from 25.9 days to 53.6 days. This was due to higher average inventory levels compared to the previous year, as customers in 2023 had expedited purchases to cover previous shortages, while in 2024 inventory levels were adjusted to a more balanced state. Additionally, the revenue expansion in Q4 2024 led to higher accounts receivable by the end of 2024. Although the extended cash cycle was driven by temporary factors related to both inventory and receivables, the Company has since addressed the situation, achieving greater stability while maintaining an appropriate balance between growth and liquidity management.

- Profitability

Return on Equity (ROE) and Return on Assets (ROA) have declined in line with the decrease in net profit.

- Leverage

The Debt-to-Equity ratio remains steady at 0.4 times, reflecting that the business continues to uphold a robust debt structure and manage its cash flows effectively.

Statement of Financial Position

Description	As at 31 December	As at 31 December	Inc. (Dec.)	
	2024	2023	Million THB	%
Total Assets	1,955.9	1,978.2	(22.3)	(1.1%)
Total Liabilities	570.3	611.3	(41.0)	(6.7%)
Total Equity	1,385.5	1,366.8	18.7	1.4%

As of December 31, 2567, the Company's total assets amounted to 1,955.9 million baht, a decrease of 1.1% compared to the previous year. This decline was primarily due to a reduction in inventories by 107.5 million baht, as increased Q4 2024 sales led to lower inventory levels at period-end. On the other hand, the value of land, buildings, and equipment increased by 87.6 million baht, driven by expanded investments, including the Mini Factory2 project and initiatives to enhance production line efficiency.

For total liabilities, the Company reported an amount of 570.3 million baht—a decrease of 6.7% compared to the previous year. This reduction was primarily due to a decrease in trade and other payables by 155.4 million baht and an increase of 100 million baht in short-term borrowings from financial institutions for working capital.

Total equity stood at 1,385.5 million baht, reflecting a growth of 1.4%. This increase was supported by a net profit of 293.9 million baht and other comprehensive income of 2.1 million baht. The latter was attributable to the actuarial measurement of employee benefit liabilities, where a decline in the liabilities and an increase in other comprehensive income occurred due to a higher discount rate. Additionally, the company paid cash dividends amounting to 277.3 million baht.

Key Projects and Progress

In 2567, the Company continued its investment in efficiency improvements and production capacity expansion.

The key projects include:

1. **Mini-factory2 Project:** Construction of a new factory to boost production capacity in support of the growing ready-to-eat (RTE) business.
2. **Raw Material Loading (RM Loading) Project:** Process improvements aimed at enhancing efficiency and reducing the costs associated with raw material intake.
3. **Small Canned Goods Packing Line:** Installation of a dedicated packing line for small canned products.

4. Domestic RTE Production Efficiency Project: An initiative to improve domestic RTE production by substituting labor with modern machinery.
5. Tetra Pak Packaging Project for Sweet Corn: An upgrade in production capabilities for new packaged products, incorporating state-of-the-art machinery and automatic systems into the production process.

These projects are designed to support the expansion of sales in line with the company's business plan, increase production capacity to meet consumer demand, and continuously enhance production efficiency to consistently deliver products that meet quality standards.

Sincerely yours,

A handwritten signature in blue ink, appearing to be "Vira", written over the typed name.

Mr. Vira Nopwattanakorn
Director of Accounting and Finance
Sunsweet Public Company Limited