



MANAGEMENT DISCUSSION AND ANALYSIS

AMG Packaging & Paper Company Limited (AMG) presents its Unaudited Financial Statements for the 3rd Quarter ending May 31, 2023.

Revenues

Revenues for the 9 Month period to May 31, 2023, increased by 5.90%, moving from \$738.38 million to \$781.84 million. For the 3-month period ending May 2023, revenues increased by 11.71%, moving from \$251.57million to \$281.02 million.

Total Manufacturing Costs

Total Manufacturing Costs for the 9 Month period to May 31, 2023, increased by 1.49%, moving from \$540.00 million to \$548.06 million, while these costs for Q3 2023 increased by 2.28%, moving from \$188.17 million to \$192.46 million. The main contributing factors to the above costs were as a result of an increase in our property insurance and the major servicing of the Corrugator.

Gross Profit

Despite the increase in Manufacturing Costs, Gross Profit for the period to May 31, 2023, increased by 17.85%, moving from \$198.38 million to \$233.78 million. Gross Profit for Q3 2023 increased by 39.70%, moving from \$63.40 million to \$88.57 million.

Expenses

Total Expenses for the 9 Month period to May 31, 2023, increased by 25.04%, moving from \$105.01 million to \$131.31 million. Total Expenses for Q3 2023 increased by 20.55%, moving from \$36.10 million to \$43.52 million. The main contributing factors are the increase in Depreciation and our participation at the 2023 JMA EXPO.

Net Income Before Tax

Net Income for the 9 Month period to May 31, 2023, showed an increase of 9.68%, moving from \$93.65 million to \$102.72 million. For Q3 2023, Net Income increased by 65.00%, moving from \$27.31 million to \$45.06 million.

Over the last few months, shipments have not arrived as scheduled due to delays at overseas ports. The matter is being closely monitored.

Our outlook continues to be optimistic despite the economic climate.

We want to thank our loyal customers, staff and you our shareholders for your continued support.



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George Hugh
Managing Director