

Management Discussion and Analysis report for the year 2022

Majan Glass made further significant progress in realigning its product mix (increasing food category while optimizing the carbonated beverage segment) and customer/country mix to improve its sales revenue and overall pricing.

Our leading principle is to preserve our customers at the heart of our operations, integrate their requirements into our products, and serve them with great value and constant increase in customer satisfaction. One of our biggest customers awarded us as the Best Glass Packaging Supplier for 2021.

We are increasingly being recognised as a dependable glass packaging solution provider in many parts of the world including USA, Europe and the Middle East.

2022 highlights:

- The sales achieved during the year 2022 (RO 13.00 million) were the highest sales turnover achieved in the Company's history
- Entry into new markets in Europe with new SKUs
- Unprecedented increase in Raw materials costs (mainly Soda Ash) due to Spot pricing by the suppliers citing force majeure (Geo-Political situation driving energy increases and increased logistics costs and improvement in demand given post covid revival thereby disturbing the supply-demand balance) resulting in an adverse impact on the Bottom line
- While the company tried to pass on the cost increases as much as possible to the customers with constraints given contractual commitments, the frequency of raw material price increases during the middle of the year meant there was a delay in passing on cost increases. The full advantage of the price increase from our customers will play out in 2023.
- Stock Levels reduced from 63 million empty containers at the beginning of the year to 42 million empty bottles at the year-end, a reduction of 33% in inventory volumes due to the highest sales volume achieved during the year 2022 by aligning the production and inventory with the sales needs

We also focused on reconfiguring our customer base, build to order, new product development and safeguarding the highest quality standards.

I would like to take this opportunity to thank the entire Majan Glass team for their untiring efforts in this transitional period.

Furthermore, I would like to express gratitude to our Board of Directors for their seamless and valuable strategic input at various stages.

Financial and operational performance year ended 31 Dec 2022:

Particulars	Ye 2022	Ye 2021	Change +/- %
Operational data RO million			
Sales	13.023	11.624	12%
Gross Profit	1.556	1.526	2%
Net Profit/(Loss) before Tax	-0.654	-0.843	22%
Net Profit After Tax	-0.985	-1.069	8%
EBITDA	0.591	0.779	-24%

Analysis of segment-wise performance for the year 2022:

Geographical segment	2022 Sales RO	2021 Sales RO
Domestic	1,382,987	1,270,995
GCC	3,880,079	2,877,191
Export others	7,760,410	7,476,267
Total	13,023,476	11,624,453

Future Outlook

We are cautiously optimistic about the year 2023 with a good order booking/forecasts from customers to secure almost its total manufacturing capacity for 2023. Our focus continues to optimise our Customer/Market Mix to driver higher pricing and further grow the food category. The company has completed negotiating higher pricing with its customers given the cost increases in 2022 with good results.

We expect operational improvements to continue, including increased output and increased efficiency.

Employment status

Employees	2022	2021	2020	2019	2018	2017	2016	2015	2014
Omani	115	102	94	92	86	83	83	62	67
Expatriates	127	140	156	163	155	169	165	163	164
Total	242	242	250	255	241	252	248	225	231

The Company is committed to recruiting and providing training to Omani employees so as to enable them to undertake responsibilities in various areas of Operations and Administration. The Omanisation percentage, as at the end of 31 December 2022, was 47.52%.

Litigations

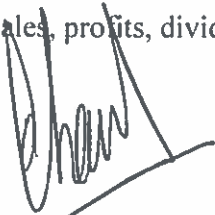
There are no cases pending against the company as on 31 Dec 2022

Acknowledgements

We thank His Majesty Sultan Haitham bin Tariq bin Taimur for his leadership and vision– God protect him, to work for Oman and its dear people for a brighter and more prosperous future.

The Company also recognizes continuous support, confidence, and commitment from its Shareholders, Customers, Suppliers, Bankers, and also the efforts of its Employees.

An Annexure to the director's report is enclosed herewith-containing information about the last five year's sales, profits, dividends, net equity, etc.



ASIT CHAWLA
General Manager
Date: 05 March 2023
Place: Sohar

