

No. NDR012/2017

November 10, 2017

Subject Management Discussion and Analysis (MD&A) Report for Q3/2017

Attention: Directors and Manager, The Stock Exchange of Thailand

N. D. Rubber Public Company limited would like to present the MD&A of 3<sup>rd</sup> quarter of 2017 as of September 30, 2017 as followings:

Unit = Million Baht

	Q3/16	Q2/17	Q3/17	Change +/-)				9M/59	9M/60	Change +/-)	
				QoQ	%	YoY	%			THB'm	%
Income	221.39	204.10	213.57	9.47	0.05	(7.82)	(3.53)	639.03	636.62	(2.41)	(0.38)
<b>Cost of goods sold</b>	<b>180.03</b>	<b>183.37</b>	<b>194.11</b>	<b>10.74</b>	<b>5.86</b>	<b>14.08</b>	<b>7.82</b>	<b>531.10</b>	<b>585.06</b>	<b>53.96</b>	<b>10.16</b>
Gross Profit Margin	37.27	17.83	18.39	0.56	3.16	(18.88)	(50.65)	101.07	64.47	(36.60)	(36.21)
Administration expenses	12.85	11.16	10.24	(0.92)	(8.25)	(2.62)	(20.35)	35.59	32.24	(3.35)	(9.41)
Selling expenses	3.59	2.43	2.99	0.56	22.92	(0.60)	(16.82)	13.91	9.26	(4.65)	(33.40)
<b>Net Profit Margin</b>	<b>18.31</b>	<b>3.59</b>	<b>1.86</b>	<b>(1.73)</b>	<b>(48.24)</b>	<b>(16.45)</b>	<b>(89.86)</b>	<b>40.98</b>	<b>18.15</b>	<b>(22.83)</b>	<b>(55.72)</b>
Profit (Baht per share)	0.085	0.02	0.0086	(0.01)	(57.00)	(0.08)	(89.91)	0.1896	0.0843	(0.11)	(55.54)

Total revenue of Q3/17 in increased by 9.47 million baht (4.64%) comparing with Q2/17 but is decreased by 7.82 million baht (3.53%) when comparing with Q3/16. The increasing in total revenue (comparing Q on Q) is a result from recovered order from India which is started in September 2017. Total revenue of 9 months in this year is decreased by 2.41 million baht (0.38%) comparing with 9 months of last year which is result from paused order from India during first half of 2017. However, the increasing in domestic sales push up the total revenue becoming minor decreasing.

Cost of goods sold of Q3/17 is increased by 5.86% comparing with Q2/17 and 7.82% comparing with Q3/16. This is because of the higher cost of raw material in this year. Comparing the cost of 9 months in this year with last year, the cost of goods sold is increased by 53.96 million baht (10.16%) which affect to our gross margin to down by 36.6 million baht (36.21%). When the raw material price is increased, we plan to increase the selling price to maintain the margin. Unfortunately, the raw material price has been rally down in May until now. So we cannot increase the selling price in the market but we have to buy the high material cost which we had bought in advance. However, the high material cost is used up almost all in 2<sup>nd</sup> and 3<sup>rd</sup> quarter.

Administration and selling expenses is decreased from last year due to the budget controlling management which we have more focused in this year.

Although we can sustain the total revenue and reduce the administration and selling expenses, our net profit is down by 1.73 million (48.24%) baht comparing with Q2/17 and down by 16.45 million (89.89%) baht comparing with Q3/16 because of high raw material cost.

Ratio Analysis	Q3/17	Q2/17	Q3/16	9M/17	9M/16
Gross Profit Margin (%)	8.61	8.74	16.83	8.61	16.83
Net Profit Margin (%)	0.87	1.71	8.27	0.87	8.27
Current Ratio(Times)	0.94	1.12	0.92	0.94	0.92
Debt/Equity Ratio (Times)	0.64	0.66	0.71	0.64	0.71
EPS	0.009	0.020	0.085	0.084	0.190

Gross margin and Net profit margin ratio are down because of lower profit of the company. But the current ratio and D/E ratio is better because of reducing in total debt of the company.

Please be inform accordingly,



(Mr. Chaiyasit Samrittivanicha)

Managing Director