



บริษัท ดีโอดี ไบโอเทค จำกัด (มหาชน)

111 หมู่ที่ 2 ตำบลท่าจีน อำเภอเมืองสมุทรสาคร จังหวัดสมุทรสาคร 74000

111 Moo 2 Tambon Thachin, Amphur Muangsamutsakhon, Samutsakhon 74000, Thailand.

No. 150/2561

November 12, 2018

Subject: Management's discussion and analysis of the Company's operating results for Q3/2018 period

To: President

The Stock Exchange of Thailand

DOD Biotech Public Company Limited ("the Company") would like to submit the management's discussion and analysis of our operating results for quarter 3/2018 period ended September 30, 2018, as follows:

(Unit: Baht million)	Quarter 3 2018	Quarter 3 2017	Increase / (Decrease)	% Change
Revenues from sales	157.19	77.29	79.90	103.38%
Other revenues	0.18	0.34	(0.16)	(47.06%)
Total revenues	157.37	77.63	79.74	102.72%
Cost of sales	57.43	31.62	25.81	81.63%
Selling expenses	5.99	3.95	2.04	51.65%
Administrative expenses	18.80	14.07	4.73	33.62%
Finance cost	2.13	0.88	1.25	142.05%
Profit before income tax expenses	73.02	27.11	45.91	169.35%
Income tax expenses (revenues)	0.28	0.04	0.24	600.00%
Net profit	72.74	27.07	45.67	168.71%
Gross profit margin	63.46%	59.09%	4.38%	
Net profit margin	46.22%	34.87%	11.35%	

1. Revenues from sales

The Company recorded revenues from sales in quarter 3/2018 ("Q3/2018") of Baht 157.19 million, a year-on-year growth of Baht 79.90 million or 103.38% mainly attributable to consistent orders from present customer and new customer.

2. Cost of sales and gross profit

The Company's cost of sales in Q3/2018 amounted to Baht 57.43 million, rising year-on-year by Baht 25.81 million or 81.63%, which was in line with the sharp increase in revenues from sales in this period. Gross profit margin in Q3/2018 was 63.46%, going up by 59.09% year-on-year. The growth in Q3/2018 gross profit margin was mainly driven by the adoption of economies of scale and efficient control of production cost.

3. Selling expenses

In Q3/2018, the Company incurred selling expenses of Baht 5.99 million, rising year-on-year by Baht 2.04 million or 51.65%. This was chiefly ascribed to a Baht 2.77 million increase in the Company's commission following the increase in sale.

4. Administrative expenses

The Company's administrative expenses in Q3/2018 accounted for Baht 18.80 million, going up year-on-year by Baht 4.73 million or 33.62% mainly attributable to increase in expenses on staff and top executives, following the annual salary increment and the increase in executive positions to support growth in the future.

5. Net profit and net profit margin

In Q3/2018, the Company posted a net profit of Baht 72.74 million, a year-on-year growth of Baht 45.67 million or 168.71% with a net profit margin of 46.22%, up from 34.87% in the previous corresponding period on the back of a considerable increase in sales and significant increase in gross profit margin, which substantially pushed up its net profit and net profit margin.

Financial position

The Company recorded total assets of Baht 1,415.19 million as at September 30, 2018, a Baht 960.99 million or 211.57% growth from that of Baht 454.20 million as at December 31, 2017, mainly attributable to increases by Baht 750.71 million in cash and cash equivalents following the initial public offering of new shares (IPO), Baht 17.94 million in trade and other receivables, Baht 7.18 million in inventories, Baht 7.12 million in property, plant and equipment, and Baht 150 million in deposit for feasibility study to invest in a company.

The Company's total liabilities as at September 30, 2018 amounted to Baht 60.74 million, decreasing by Baht 103.94 million or 83.58% from those of Baht 164.68 million as at December 31, 2017. It stemmed principally from a Baht 35 million decline in accrued dividend payable following the Company's announcement of interim dividend payment from 9M/2017 net profit, a decrease in full in long-term loan repayment to financial institutions by Baht 49.72 million, and a Baht 20.51 million decline in trade and other payables, which was mainly



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the decline in advance receipt of goods payment, i.e. deposit, from a new customer who ordered a large volume of products. Delivery of the products has gradually been made since Q1/2018.

The Company had shareholders' equity of Baht 1,354.45 million as at September 30, 2018, a growth of Baht 1,064.93 million or 367.83% from that of Baht 289.52 million as at December 31, 2017, driven mainly by a 9M/2018 net profit of Baht 296.06 million, ordinary share premium of Baht 939.87 million and new share issuance for capital increase of Baht 55 million.

Please be informed accordingly.

Yours sincerely,

Miss Supamas Isarapakdi

Chief Executive Officer

DOD Biotech Public Company Limited