



บริษัท เอ็นเอฟซี จำกัด (มหาชน)
NFC PUBLIC COMPANY LIMITED

ทะเบียนเลขที่ 0107538000495
Registration No. 0107538000495

เลขที่ 88 อาคาร เอสซี กรุ๊ป ชั้น 3 ถนนเดอะพาร์คแลนด์ แขวงบางนา เขตบางนา กรุงเทพฯ 10260
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NFC 117/2018

November 12, 2018

Subject: To submit Financial Statements and clarification of the Operating Results changed more than 20% for the 3rd quarter ended September 30, 2018. **(Revised)**

Attention: Director and Manager
The Stock Exchange of Thailand (“SET”)

Attachment: 1. Copy of interim financial statements for the 3rd quarter ended September 30, 2018.
2. Management discussion and analysis for the 3rd quarter ended September 30, 2018.

NFC Public Company Limited (“the Company”) would like to submit the interim financial statements the 3rd quarter ended September 30, 2018, which had already reviewed from Auditor to SET, with opinion that the financial statements were accurate and sufficient for investors along with description Management Discussion and Analysis the 3rd quarter ended September 30, 2018.

We would like to summarize the operating results which had changed in Management discussion and analysis as Attachment no.2.

Please be informed accordingly,

Yours sincerely,

(Mrs. Bongkot Rungkorpaisarn)
Executive Vice President (Finance and Corporate Affairs)
NFC Public Company Limited



Management Discussion and Analysis – Quarter 3/2018 (Revised)

Operating Performance

- For the 3 months-period ended 30 September 2018, the Company's net profit attributable to equity holders of the Company was 12.83 Million Baht, decreased by 7.95 Million Baht or 38.26% compared to the same period of last year.
 - The gross profit of chemical products decreased by 3.55 Million Baht or 5.71%, when compared to the same period of last year.
 - Gross Profit of Chemical Products decreased by 4.34 Million Baht, due to lower sale quantity of Sulfuric Acid and the higher cost of Sulfuric acid affected from market price increase significantly. While the gross profit of services increased by 0.79 Million Baht resulted from higher revenue from warehouse service.
 - The Company's other income increased by 0.36 Million Baht, Total Expenses increased by 4.41 Million Baht, Financial Cost increased by 0.37 Million Baht and Tax Income increased by 0.02 Million Baht.

Revenues from sales and services

- For the 3 months-period ended 30 September 2018, the Company had total revenue from sales and services of 284.38 Million Baht, decreased by 0.69 Million Baht or 0.24% compared to the same period of last year because
 - Revenue from sales of chemical products was 260.77 Million Baht, decreased by 0.93 Million Baht or 0.36%, due to
 - Sales of Sulfuric acid decreased by 4.13 Million Baht or 3.67%. due to the sulfuric price increased because supply in the global market is scarce. Sulfuric acid sales decreased by 25,085 tons or 28.66%
 - Sales of Ammonia increased by 3.41 Million Baht or 2.37%. from sale volume of Ammonia decreased by 33 tons or 0.48%, while the selling price is slightly higher than the same period of last year
 - Sales of Ammonium Hydroxide decreased by 0.21 Million Baht or 4.07% from the higher sale volume of 57 Tons or 7.25%.
 - Total service income was 23.61 Million Baht, increased by 0.24 Million Baht or 1.03% compared to the same period of last year due to
 - Revenue from warehouse service increased by 5.14 Million Baht or 156.43% due to expansion of service area and number of customers increased.
 - Revenue from Logistic & Liquid warehouse service increased by 0.40 Million Baht or 3% due to contract price adjustment with customer

- Revenue from Port Service decreased by 5.30 Million Baht or 78.60% due to the declining of company's terminal revenue

Cost of sales and services and gross margin

- For the 3 months-period ended 30 September 2018, the Company's cost of sales and services was 225.71 Million Baht, increased by 2.86 Million Baht or 1.28% compared to the same period of last year and gross margin was decreased to 20.63% from the same period of last year at 21.83% due to
 - Cost of chemical products increased by 3.41 Million Baht or 1.57% from the cost of chemical product increased according to the world market prices. As a result, the gross margin of chemical products dropped to 15.14% from the same period of last year at 16.75%.
 - Cost of services decreased by 0.55 Million Baht or 11.07% compared to the same period of last year due to total cost of service decreased from lower Port Service Revenue

Other income

- For the 3 months-period ended 30 September 2018, the Company had income that not related to the main business of 2.51 Million Baht, increased by 0.36 Million Baht or 16.74% compared to the same period of last year.

Total expenses

- For the 3 months-period ended 30 September 2018, the Company had total expenses of 50.71 Million Baht, increased by 4.41 Million Baht or 9.52% compared to the same period of last year due to
 - Selling expenses increased by 0.36 Million Baht or 3.03%, due to higher cost of transportation affected from oil price increased and
 - Administrative expenses increased by 4.05 Million Baht or 11.77% resulted from employee expenses from increasing in the number of employees in order to have a suitable management structure for the business operation as well as the additional expenses for Corporate Public Relation expenses when compared to the same period of last year.

Financial Costs

- For the 3 months-period ended 30 September 2018, the Company had Financial Costs of 0.54 Million Baht, increased by 0.37 Million Baht or 217.65% when compared to the same period of last year as the Company increased credit facilities utilization with Financial Institutions in order to manage working capital.

Financial Position

From the Company's financial statement for period ended 30 September 2018, the Company had total assets of 1,250.19 Million Baht, total liabilities of 236.37 Million Baht and shareholders' equity of 1,013.83 Million Baht or book value of 0.93 Baht per share, and the year 2017, the Company had total assets of 1,159.46 Million Baht, total

liabilities of 200.51 Million Baht, and shareholders' equity of 958.95 Million Baht or book value of 0.88 Baht per share which expressed that the Company had a stable financial status in accordance with the business condition of the Company. In 2017 and as of 30 September 2018, the Company had a working capital in the form of cash and short-term investments of 310.37 Million Baht and 486.87 Million Baht respectively, with enough for current operation business and able to support the expansion of business in the future. The significant changed for financial position of the Company are as follows.

- As of 30 September 2018, the Company's total assets were 1,250.19 Million Baht, increased by 90.73 Million Baht or 7.83% compared to 2017
 - Cash and short-term investments of 486.87 Million Baht, increased by 176.50 Million Baht or 56.87% from the operating cash flow.
 - Trade accounts receivable and other current account receivables were 171.21 Million Baht, decreased by 5.33 Million Baht or 3.02% from the decrease in trade receivables of Ammonia sales.
 - Inventories were 51.81 Million Baht, decreased by 20.57 Million Baht or 28.42% from Ammonia 7.88 Million Baht because decreasing volume of imported Ammonia due to increasing trend of Ammonia in World Market and at year-end 2017 the Company had Sulfuric Stock in transit of 14.23 Million Baht.
 - Other current asset of 31.61 Million Baht, increased by 20.46 Million Baht or 183.50% from the Deposit as collateral for Trade Credit Facilities with Financial Institutions.
 - Property, plant and equipment (PPE) of 427.08 Million Baht, decreased by 65.26 Million Baht or 13.26% due to the depreciation of building and building improvements, machinery and office supplies Land improvements and vehicles increased by 80.62 Million Baht and purchase of PPE during the period of 15.75 Million Baht.
 - Intangible assets of 2.65 Million Baht increased by 2.42 Million Baht since in the 3rd quarter of 2018, the Company invested in the new ERP system in order to integrate database management system and internal process for further improvement.
 - Other non-current asset of Baht 33.33 Million Baht decreased by 25.57 Million Baht or 43.41% since the Company received the cash deposit as contract guarantee with IEAT by a replacement with Bank Guarantee instead.
- As of 30 September 2018, the Company had total liabilities of 236.37 Million Baht, increased by 35.86 Million Baht or 17.88% compared to the ended of 2017
 - During the 3rd quarter of 2018, the Company started to use trade credit facilities from banks resulting an increase in short-term loan from banks of 58.57 Million Baht
 - Trade accounts payable and other current account payable of 124.63 Million Baht, decrease by 21.50 Million Baht or 14.71% this was mainly due to the net payment to Suppliers increased by 17.47 Million Baht and the advance payment for goods from customers decreased by 0.52 Million Baht.

- As of 30 September 2018, the Company had shareholders' equity of 1,013.83 Million Baht, increased by 54.88 Million Baht or 5.72 % compared to 2017 due to the Company's operating results of 56.08 Million Baht. By present, the Company has a paid-up capital 815.88 Million Baht or ordinary shares 1,087.83 Million shares at par value 0.75 Baht.

Cash flow Statement of the Company

- For the 9 months-period ended 30 September 2018, the Company's net cash flow increased by 77.69 Million Baht, resulting from the operating cash flow of 135.60 Million Baht resulting from the net profit from operations. For cash flow used in investing 115.88 Million Baht, mainly from investment in debt and government bonds to manage the liquidity of working capital and cash flow from financing activities was 57.97 Million Baht resulting from increased borrowing from Financial Institutions.