



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
No. 88 SC Group Building, 3rd Floor, The Park Land Rd., Bangna, Bangna, Bangkok 10260
Tel. +66 2 348 0580-6 Fax : +66 2 348 0578-9 Website : www.nfc.co.th

NFC 028/2019

February 27, 2019

Subject: To submit Financial Statements and clarification of the Operating Results changed more than 20% for the year ended December 31, 2018.

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

Attachment: 1. Copy of the financial statements for the year ended December 31, 2018.
2. Management discussion and analysis for the year ended December 31, 2018.

NFC Public Company Limited (“the Company”) would like to submit the financial statements for the year ended December 31, 2018, which had already audited from Auditor to SET, with opinion that the financial statements were accurate and sufficient for investors along with description Management Discussion and Analysis the year ended December 31, 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



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Management Discussion and Analysis – for year 2018

Operating Performance

- For the year ended 31 December 2018, the Company's net profit attributable to equity holders of the Company was 51.40 MB., decreased by 163.29 MB. or 76.06% compared to last year.
- In 2017, the Company recognized Deferred Income Tax of Baht 97.79 MB. which higher than the year 2018 of Baht 86.94 MB.
- Gross Profit decreased by 48.80 MB. or 17.39%
- Other Income decreased by 12.59 MB. or 45.40%
- Total Expenses increased by 12.99 MB. or 6.80%
- Financial Cost increased by 1.95 MB. or 221.59%
- Portion of non-controlling interests in subsidiaries decreased by 0.02 MB.

Details are as followings:

Revenues from sales and services

- For the year ended 31 December 2018, the Company had total revenue from sales and services of 1,179.99 MB., increased by 78.98 MB. or 7.17% compared to last year because
- Revenue from sales of chemical products was 1,085.92 MB., increased by 95.25 MB. or 9.61%, due to
 - Sales of Sulfuric acid increased by 105.44 MB. or 26.80%. due to the sulfuric acid price increased because supply in the global market is scarce. Sales volume decreased by 43,307 tons or 12.43%.
 - Sales of Ammonia decreased by 8.96 MB. or 1.56%. from sale volume decreased by 775 tons or 2.81%, while the average sale price per ton is slightly higher.
 - Sales of Ammonium Hydroxide decreased by 1.23 MB. or 5.42% due to lower average sale price per ton, while the higher sale volume of 217 Tons or 6.58%.
- Total service income was 94.07 MB., decreased by 16.27 MB. or 14.75% compared to last year due to

- Revenue from warehouse service increased by 17.73 MB. or 119.39% due to expansion of service area and number of customers increased.
- Revenue from Logistic & Liquid warehouse service decreased by 0.30 MB. or 0.54% due to contract price adjustment with customer
- Revenue from Port Service decreased by 33.70 MB. or 78.79% due to the declining of company's terminal revenue

Cost of sales and services and gross margin

- For the year ended 31 December 2018, the Company's cost of sales and services was 948.10 MB., increased by 127.78 MB. or 15.58% compared to last year and gross margin was decreased to 19.65% against last year at 25.49% due to
 - Cost of chemical products increased by 134.31 MB. or 16.88% from the cost of chemical product increased according to the world market prices.
 - As a result, the gross margin of chemical products decreased by 39.05 MB. or 20.03% affecting to gross margin ratio dropped to 14.36% from the last year at 19.68% due the higher cost of chemical products in the world market trend.
 - Cost of services decreased by 6.52 MB. or 26.47% compared to last year due to the declining of company's terminal revenue, the gross margin of services decreased by 9.75 MB. or 11.38%

Other income

- For the year ended 31 December 2018, the Company had income that not related to the main business of 15.14 MB., decreased by 12.59 MB. or 45.40% compared to last year, resulting from
 - Net Gypsum Revenues decreased by 8.34 MB.
 - Gain on Sales of Fixed Assets decreased by 3.09 MB.
 - Reversal of doubtful debts decreased by 4.69 MB.
 - Interest from Saving Accounts increased by 2.54 MB.
 - Gain from exchange rate increased by 0.98 MB.
 - Insurance claim compensation increased by 0.11 MB.
 - Provision for outdated inventory increased by 0.24 MB.
 - Other miscellaneous income decreased by 0.34 MB.

Total expenses

- For the year ended 31 December 2018, the Company had total expenses of 204.13 MB., increased by 12.99 MB. or 6.80% compared to last year due to
 - Selling expenses increased by 1.48 MB. or 3.15%, due to higher cost of transportation affected from oil price increased
 - Administrative expenses increased by 11.51 MB. or 7.98% resulted from employee expenses from increasing in the number of employees in order to have a suitable management structure for the business operation.

Financial Costs

- For the year ended 31 December 2018, the Company had Financial Costs of 2.83 MB., increased by 1.95 MB. or 221.59% when compared to 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 31 December 2018, the Company had total assets of 1,426.58 MB., total liabilities of 415.49 MB., Non-controlling interests of subsidiaries (1.22) MB. and shareholders' equity of 1,012.31 MB. or book value of 0.93 Baht per share, and the year 2017, the Company had total assets of 1,159.46 MB., total liabilities of 200.51 MB., Non-controlling interests of subsidiaries (0.74) MB. and shareholders' equity of 959.69 MB. or book value of 0.88 Baht per share.

As at 31 December 2018, the Company had a working capital in the form of cash and short-term investments of 288.08 MB. and 298.13 MB. 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 31 December 2018, the Company's total assets were 1,426.58 MB., increased by 267.12 MB. or 23.04% compared to the end of 2017 as per following details
 - Cash and short-term investments of 586.21 MB., increased by 275.84 MB. or 88.87% from the operating cash flow.
 - Trade accounts receivable and other current account receivables were 150.49 MB., decreased by 26.05 MB. or 14.67% from the decrease in trade receivables of Ammonia sales.
 - Inventories were 117.84 MB., increased by 45.46 MB. or 62.81% from Ammonia 57.68 MB.
 - Other current asset of 83.01 MB., increased by 71.86 MB. or 644.48% from the Deposit as collateral for Trade Credit Facilities with Financial Institutions.

- Property, plant and equipment (PPE) of 402.98 MB., decreased by 89.36 MB. or 18.15% due to the depreciation of building and building improvements, machinery and office supplies Land improvements and vehicles increased by 106.30 MB., Disposal of PPE during the year of 4.36 MB. and Purchase of PPE during the year of 21.30 MB.
- During the year 2018, the Company invested in the new ERP system in order to integrate database management system and internal process for further improvement resulting Software Cost as Intangible assets of 2.64 MB. increased by 2.41 MB.
- Other non-current asset of Baht 35.33 MB. decreased by 23.57 MB. or 40.02% since the Company received the cash deposit as contract guarantee with IEAT by a replacement with Bank Guarantee instead.
- As of 31 December 2018, the Company had total liabilities of 415.49 MB., increased by 214.98 MB. or 107.22% compared to the ended of 2017.
 - During the year 2018, the Company started to use trade credit facilities from banks resulting an increase in short-term loan from banks of 216.46 MB.
 - Trade accounts payable and other current account payable of 147.90 MB., increased by 1.77 MB. or 1.21% this was mainly due to Trade accounts payable decreased by 10.76 MB. while other current account payable increased by 12.53 MB. from increase from customer's advance payment for goods increased by 9.67 MB., other accrued expenses increased by 4.42 MB., while liability payable to IEAT decreased by 1.56 MB.
- As of 31 December 2018, the Company had shareholders' equity of 1,012.31 MB., increased by 52.63 MB. or 5.48 % compared to 2017 due to the Company's operating results of 51.40 MB. At present, the Company has a paid-up capital 815.88 MB. or ordinary shares 1,087.83 Million shares at par value 0.75 Baht.

Cash flow Statement of the Company

- For the year ended 31 December 2018, the Company's net cash flow increased by 175.66 MB., resulting from the operating cash flow of 80.21 MB. resulting from the net profit from operations. For cash flow used in investing 118.56 MB., mainly from investment in debt and government bonds to manage the liquidity of working capital and cash flow from financing activities was 214.01 MB. resulting from increased borrowing from Financial Institutions.