



บริษัท ที เอส ฟลาวมิลล์ จำกัด (มหาชน)
T S FLOUR MILL PUBLIC COMPANY LIMITED

“เรา คือ ผู้ผลิตแป้งสาลีชั้นนำ โดยมุ่งเน้นการพัฒนาสู่ความเป็นเลิศ ทั้งในด้านพาณิชย์และคุณภาพผลิตภัณฑ์อย่างต่อเนื่อง”

August 14, 2019

Subject: Clarification on the cause of changes in operating results.

To: Director and Manager
The Stock Exchange of Thailand

According to T S Flour Mill Public Company Limited ("the Company"), the financial statements for Q2/2019 Ended on June 30, 2019. The company's financial statement showed net profit of 22.11 million baht. Compared to Q2/2018, net profit decreased by 4.77 million baht or 17.7%. The Company would like to clarify as follows :

Unit : Thousand Baht

Description	Q2/2019		Q2/2018		Q2/2019 compare with Q2/2018	
	Amount	%	Amount	%	More (Less) Amount	%
Average Capacity Utilization	-	<u>69.90%</u>		<u>70.53%</u>	-	<u>(0.63%)</u>
Revenue from sales	355,059	100.0%	354,526	100.0%	533	0.2%
Cost of sales	(300,548)	<u>(84.6%)</u>	(286,069)	(80.7%)	14,479	5.1%
Gross profit	54,511	15.4%	68,457	19.3%	(13,946)	<u>(20.4%)</u>
Other income	3,847	1.1%	143	0.0%	3,704	2,590.2%
Selling expenses	(7,869)	<u>(2.2%)</u>	(7,445)	(2.1%)	424	5.7%
Administrative expenses	(20,617)	<u>(5.8%)</u>	(23,964)	(6.8%)	(3,347)	<u>(14.0%)</u>
Finance cost	(1,944)	<u>(0.5%)</u>	(3,593)	(1.0%)	(1,649)	<u>(45.9%)</u>
Profit before income tax	27,928	7.9%	33,598	9.5%	(5,670)	<u>(16.9%)</u>
Income tax expenses	(5,818)	<u>(1.6%)</u>	(6,722)	(1.9%)	(904)	<u>(13.4%)</u>
Profit for the period	22,110	6.2%	26,876	7.6%	(4,766)	<u>(17.7%)</u>
Basic earnings per share	0.06	Baht	0.08	Baht	(0.02)	<u>(25.0%)</u>

The Company's sales revenue in Q2/2019 increased 0.2% comparing to the same period of 2018. Wheat sales volume fell by 1.3%, but average wheat flour sales increased by 2.5%. Wheat bran sales volume decreased by 2.2% and average wheat bran price decreased by 3.3%.



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Cost of sales in Q2/2019 accounted for 84.6% of revenue, up from 80.7% in Q2/2018. As a result, the average price of raw materials increased. As a result, gross margins narrowed 4.0%.

The average capacity utilization rate for Q2/2019 was 69.90%. Decreased 0.63% comparing to the same period of 2018.

Other income in Q2/2019 increased by 3.70 million baht when compared to the same period of last year. Because have forex gain in 2019.

Administrative expenses in Q2/2019 decreased by 3.35 million baht when compared to the same period of last year. Because of the forex loss in Q2/2018 was 0.81 million baht, the allowance for doubtful accounts was 1.61 million baht and the expense for employee in Q2/2018 more than Q2/2019 about 1 million baht.

And from the financial statements for the six months ended June 30, 2019. The company's financial statement showed net profit of 46.81 million baht. Compared to the same period of last year, net profit decreased by 6.90 million baht or 12.8%. The Company would like to clarify as follows :

Unit : Thousand Baht

Description	6m/2019		6m/2018		6m/2019 compare with 6m/2018	
	Amount	%	Amount	%	Amount	%
Average Capacity Utilization	-	72.66%		71.26%	-	1.40%
Revenue from sales	735,971	100.0%	712,718	100.0%	23,253	3.3%
Cost of sales	(619,783)	(84.2%)	(574,982)	(80.7%)	44,801	7.8%
Gross profit	116,188	15.8%	137,736	19.3%	(21,548)	(15.6%)
Other income	5,569	0.8%	1,258	0.2%	4,311	342.7%
Selling expenses	(16,166)	(2.2%)	(15,551)	(2.2%)	615	4.0%
Administrative expenses	(42,487)	(5.8%)	(48,532)	(6.8%)	(6,045)	(12.5%)
Finance cost	(4,291)	(0.6%)	(7,718)	(1.1%)	(3,427)	(44.4%)
Profit before income tax	58,813	8.0%	67,193	9.4%	(8,380)	(12.5%)
Income tax expenses	(12,004)	(1.6%)	(13,483)	(1.9%)	(1,479)	(11.0%)
Profit for the period	46,809	6.4%	53,710	7.5%	(6,901)	(12.8%)
Basic earnings per share	0.12	Baht	0.16	Baht	(0.04)	(25.0%)



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The Company's revenue from sales in the first six months of 2019 increased by 3.3% when compared to the same period of 2018. Wheat sales volume increased by 1.8% and the average wheat flour price increased by 1.1% Wheat bran sales volume increased by 2.3% and average wheat bran price increased 2.8%

Cost of sales is 84.2% of revenue, up from 80.7% in 2018. As a result, the average price of raw materials increased. As a result, gross margins narrowed by 3.5%

The average capacity utilization rate in 2019 was 72.66%. Increased 1.40% compared to the same period of 2018.

Other income in 2019 increased by 4.31 million baht. In the year 2019, the forex gain was 5.14 million baht.

Administrative expenses in 2019 decreased by 6.05 million baht. Due to in 2018 had a forex loss of 2.54 million baht, an allowance for doubtful accounts of 1.61 million baht and the expense for employee and advertisement in 2018 more than 2019 about 2 million baht.

Please be informed accordingly.

Yours sincerely,

Waewta Kullachotthada

(Ms. Waewta Kullachotthada)

Deputy Finance & Accounting Director / Company Secretary