

SBN 010/2020

May 14, 2020

Subject : Operating Result for the first quarter of 2020

To : The Managing Director, The Stock Exchange of Thailand

Sabina Public Co.,Ltd. Would like to clarify the operating result for the first quarter of 2020 as follows:-

Million Baht	Q1	Q1		Q4	
	2020	2019	YoY%	2019	QoQ%
Revenue from sales	672.4	769.9	-12.7%	803.3	-16.3%
Revenue from service	-	0.2		-	
<b>Total revenue from sales &amp; service</b>	672.4	770.1	-12.7%	803.3	-16.3%
Cost of sales	316.5	349.1	-9.3%	348.0	-9.0%
<b>Gross profit</b>	355.9	421.0	-15.5%	455.2	-21.8%
<b>%</b>	52.9%	54.7%		56.7%	
Other Income	9.1	4.3	110.6%	1.0	772.0%
<b>Total Revenue</b>	681.6	774.5	-12.0%	804.3	-15.3%
Selling and Administrative expenses	273.8	304.4	-10.1%	334.3	-18.1%
<b>Profit before interest &amp; tax</b>	91.3	121.0	-24.5%	121.9	-25.1%
<b>%</b>	13.4%	15.6%		15.2%	
Finance costs	2.8	1.3	111.7%	2.8	0.6%
Income tax	18.0	24.4	-26.1%	22.5	-19.8%
<b>Profit for the period</b>	70.4	95.2	-26.0%	96.7	-27.1%
<b>%</b>	10.3%	12.3%		12.0%	

### Total Revenue

In 1Q20, the total revenue was Baht 681.6 million, decreased 12% from 1Q19 and decreased 15.3% from 4Q19.

In 1Q20, the revenue from sales and service was Baht 672.4 million, decreased 12.7% from 1Q19 and decreased 16.3% from 4Q19. This was caused by Emergency decree that is forced to close stores

nationwide From March 22, 2020, in order to reduce the spread of covid-19, in reality, people are becoming aware of the spread of the disease and have not been out since March.

### Revenue by type

Unit : Million Bht.

	Q1		YoY%	
	2020	%	2019	Q1 20/Q1 19
Sabina - Retailer	483.3	72%	585.3	-17.4%
- Non store retailing	99.8	15%	91.6	9.0%
- Export	27.0	4%	20.6	31.3%
OEM	62.3	9%	72.5	-14.1%
<b>Total</b>	<b>672.4</b>	<b>100%</b>	<b>769.9</b>	<b>-12.7%</b>

Due to the covid-19 virus spread, the government has issued a policy to close the establishment since the end of March 2020 onwards to prevent the spread of the virus. As a result, the sales revenue Sabina Retailer, which is expected to be sold in March 2020, is lower than the company's target.

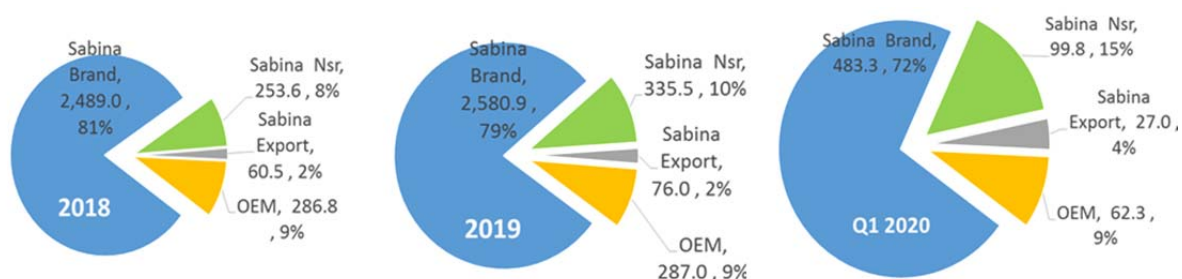
Such situation ,the company has business strategies as follows:

- Focus on sales online channels.
- Increasing direct sales channels.
- Manufacture of fabric masks to increase sales channels.

### Revenue by type

- The sales Revenue of Sabina-brand was Baht 483.3 million, decreased 17.4% from 1Q19, decrease as the mall is closed.
- The sales Revenue of Sabina-brand Non store retailing was Baht 99.8 million, increased 9% from 1Q19, increased to replace the closed shop at the end of March.
- The sales Revenue of Sabina-brand Export was Baht 27 million, increased 31.3% from 1Q19, the increase as planned, covid-19, was not affected in March.
- The sales Revenue from OEM was Baht 62.3 million, decreased 14.1% from 1Q19, decline in economic conditions in the UK and EU markets, with covid-19 not yet reached in March.

## Comparison of revenue proportion YEAR 2018 & YEAR 2019 & 1Q20



From the chart, it can be seen that the proportion of income from the 4 main structures of the company, there is a change in revenue from retail stores that changed from 81% 2018: 79% 2019: 72% 1Q20 with less proportion as a result of lower sales in March From shop closing According to government policy From the covid-19 virus epidemic. The revenue from non-retailing sales increasing by 8% 2018: 10% 2019: 15% 1Q20, the revenue from Sabina export increasing by 2% 2018: 2% 2019: 4% 1Q20 and OEMs proportion has not changed.

## Gross profit

Gross Profit Margin	Q1 2019	Q1 2020
Produce	50.4%	52.2%
Sourcing	62.2%	54.6%
Sum Gpm.	54.7%	52.9%

In 1Q20, gross profit amounted to Baht 355.9 million or 52.9% which decreased from 1Q19, amounted to Baht 421 million or 54.7%. Decrease from decreasing sales for retail stores and the rate of decline from the decreased production efficiency in order to slow down production to not increase the burden of inventory and is also an important part of maintaining cash flow in the coming months the import of goods at a cheaper price from foreign countries has also been postponed and reduce to comply with the closure of stores in accordance with the Emergency Decree.

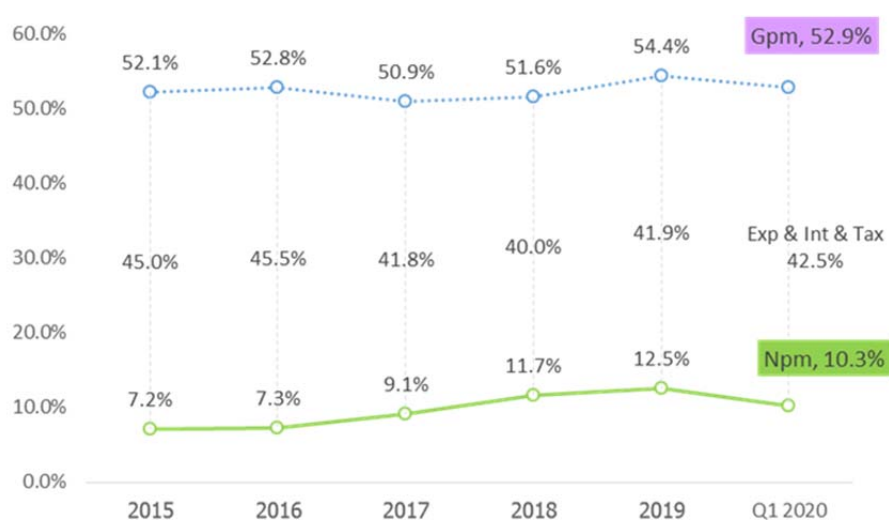
## Selling and Administrative expenses

In 1Q20, selling and administrative expenses amounted to Baht 273.8 million or 40.1% of total revenue and decreased 10.1% from 1Q19. The company has adjusted the spending plan immediately at

Emergency Decree to be in line with the reduced sales especially the sudden reduction of marketing expenses as well as reducing rental fees throughout the country in relation to people not going out.

## Net profit

In 1Q20, net profit amounted to Baht 70.4 million or 10.3% decreased 26% from 1Q19 and decreased 27.1% from 4Q19.



## Statement of financial position

As of March 31, 2020 total assets amounted to Baht 2,956.3 million decreased by Baht 61.6 million or 2%.

- Trade receivable decreased Baht 84 million (Closed shop according to government policy).
- Inventories increased Baht 80 million (Lost sales opportunities from closing stores, despite the fact that March is the target of high sales as planned released the new product "Invisible Wire" in months 3,4 and 5).
- Available-for-sale securities decreased Baht 30 million (Decreased according to the capital market mechanism).

As of March 31, 2020 total liabilities amounted to Baht 1,048.5 million decreased by Baht 108.4 million or 9.4%.

- Short-Term loans increased Baht 81 million (Used to circulate within the business)
- Trade payables decreased Baht 44 million
- Other payables decreased Baht 155 million (Accrued bonus, year 2019, actually paid-January 2020)

## **Dividend payment**

On April 10, 2020, Board of Directors Meeting No. 2/2020 approved the payment of interim dividend from 2019 operational results based on the Company's latest audited financial statements ended 31 December 2019 to the holders of preferred and ordinary shares at the rate of 0.62 Baht per share amounting to 215.45 Million Baht. The mentioned dividend paid from 2019 retained earnings. According to with the dividend policy to shareholders at a rate of not less than 40% of net profit from the tax deduction and reserving the amount required by law. The shareholders entitled to receive the dividend in accordance with the Company's Articles of Association and who are listed on the record date on 27 April 2020 which was the same date as previously notified to the shareholders. The dividend will be paid on 8 May 2020.

As the interim dividend of 0.57 Baht per share amounting to 198.08 Million Baht distributed to the holders of preferred and ordinary shares on 6 September 2019, the total dividend paid by the company from its 2019 operational results is 1.19 Baht per shares, amounting to 413.53 Million Baht.

The Board of Directors determined to pay interim dividend instead of the annual dividend payment, which will be proposed for the approval from the 2020 Shareholders' Annual General Meeting, to reduce the effects that may occur to the shareholders due to the indefinite postponement of the annual general meeting. Such the interim dividend payment already derived from the company's profit in 2019, in this regards the agenda of dividend payment in 2020 Shareholders' Annual General Meeting, there will be no additional dividend payment to be paid.

Please be informed accordingly.

Respectfully yours,

(Mr.Somkid Pardungkiattisak)

Director