



บริษัท เอ็นเอฟซี จำกัด (มหาชน)
NFC PUBLIC COMPANY LIMITED

ทะเบียนเลขที่ 0107538000495
Registration No. 0107538000495

เลขที่ 88 อาคาร เอสซี กรุ๊ป ชั้น 3 ถนนเดอ-พาร์คแลนด์ แขวงบางนาเหนือ เขตบางนา กรุงเทพฯ 10260
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NFC 075/2020

May 14, 2020

Subject: To submit Financial Statements and clarification of the Operating Results changed more than 20% for the 1st quarter ended March 31, 2020.

Attention: The President
The Stock Exchange of Thailand (“SET”)

Attachment: 1. Copy of interim financial statements for the 1st quarter ended March 31, 2020.
2. Management discussion and analysis for the 1st quarter ended March 31, 2020.

NFC Public Company Limited (“the Company”) would like to submit the interim financial statements the 1st quarter ended March 31, 2020, which had already reviewed from Auditor to SET as Attachment no.1 , and would summarize the operating results which had changed in Management Discussion and Analysis the 1st quarter ended March 31, 2020 as Attachment no.2.

Please be informed accordingly,

Yours sincerely,

(Mrs. Bongkot Rungkornpaisarn)
Chief Corporate Affairs Officer
NFC Public Company Limited

Management Discussion and Analysis – For Quarter/1 2020

Operating Performance

For the quarter 1/2020 ended 31 March 2020, the Company's net loss attributable to equity holders of the Company was 14.72 MB., performance decreased 19.13 MB. or 433.79% compared to Quarter 1/2019.

- Gross Profit decreased by 4.92 MB. or 10.18%
- Other Income decreased by 14.83 MB. or 76.25%
- Total Expenses decreased by 4.44 MB. or 7.16%
- Financial Cost decreased by 0.72 MB. or 17.35%
- Tax income decreased by 4.55 MB or 168.52%
- Portion of non-controlling interests in subsidiaries loss increased by 0.01 MB. or 12.50%

Details are as followings:

Revenues from sales and services

For the quarter 1/2020 ended 31 March 2020, the Company had total revenue from sales and services of 246.26 MB., decreased by 67.85 MB. or 21.60% compared to quarter 1/2019 because

- Revenue from sales of chemical products was 220.28 MB., decreased by 69.98 MB. or 24.11% compared to quarter 1/2019 due to
 - Sales of Sulfuric acid decreased by 0.14 MB. or 0.10%. due to the sulfuric acid price decreased because the global market price decreased. Sales volume increased by 53,853 tons or 94.58%.
 - Sales of Ammonia decreased by 67.48 MB. or 48.30%. from sale volume decreased by 3,214 tons or 47.90%, due to large customers have reduced purchase volumes. Due to the customer changing the production process and the average sale price per ton is slightly decreased as well.
 - Sales of Ammonium Hydroxide decreased by 2.36 MB. or 30.97% due to higher average sale price per ton, while the lower sale volume of 478 Tons or 32.70%.
- Total service income was 25.98 MB., increased by 2.13 MB. or 8.93% compared to quarter 1/2019 due to
 - Revenue from warehouse service increased by 1.81 MB. or 22.94% due to expansion of service area and number of customers increased.
 - Revenue from Logistic & Liquid warehouse service not changed
 - Revenue from Port Service increased by 0.32 MB. or 14.41% due to the increase of company's terminal revenue.

Cost of sales and services and gross margin

For the quarter 1/2020 ended 31 March 2020, the Company's cost of sales and services was 202.87 MB., decreased by 62.93 MB. or 23.68% compared to quarter 1/2019 and gross margin was increased to 17.62% against quarter 1/2019 at 15.38% due to

- Cost of chemical products decreased by 63.04 MB. or 24.14% compared to quarter 1/2019 due to
 - Cost of sale Sulfuric acid decreased by 2.86 MB. or 1.92% due to the decreased in the price of imported chemical products in accordance with the market price trend while sale volume increased by 53,853 tons or 94.58%

- Cost of sale Ammonia decreased by 57.06 MB. or 54.22% from sale volume decreased by 3,214 tons or 47.90%.
 - Cost of sale Ammonium Hydroxide decreased by 3.12 MB. or 43.09% while the lower sale volume of 478 Tons or 32.70%.
- The gross margin of chemical products decreased by 6.94 MB. or 23.80% affecting to gross margin ratio increased to 10.09% compared to quarter 1/2019 at 10.05% due the lower cost of chemical products from sale volume increased.
- Cost of services increased by 0.11 MB. or 2.34% compared to quarter 1/2019.

Other income

For the quarter 1/2020 ended 31 March 2020, the Company had income that not related to the main business of 4.62 MB., decreased by 14.83 MB. or 76.25% compared to quarter 1/2019, resulting from

- Net Gypsum Revenues decreased by 17.58 MB. due to from sale volume decreased.
- Interest income decreased by 1.15 MB.
- Other income increased by 0.91 MB.
- Gain from exchange rate increased by 2.99 MB.

Total expenses

For the quarter 1/2020 ended 31 March 2020, the Company had total expenses of 57.54 MB., decreased by 4.44 MB. or 7.16% compared to quarter 1/2019 due to

- Selling expenses decreased by 5.81 MB. or 42.56%, due to lower cost of transportation affected from lower sale ammonia.
- Administrative expenses increased by 1.37 MB. or 2.83% resulting from
- Employee expenses decreased by 3.74 MB.
 - Professional services expenses decreased by 8.82 MB.
 - Impairment for deteriorated products increased by 8.12 MB.
 - Impairment for property plant and equipment increased by 3.31 MB.
 - Other administrative expenses increased by 2.50 MB.

Financial Costs

For the quarter 1/2020 ended 31 March 2020, the Company had Financial Costs of 3.43 MB., decreased by 0.72 MB. or 17.35% when compared to quarter 1/2019 as the Company decreased credit facilities utilization with Financial Institutions.

Financial Position

From the Company's financial statement for the quarter 1/2020 ended 31 March 2020, the Company had total assets of 1,915.83 MB., total liabilities of 996.89 MB., Non-controlling interests of subsidiaries loss 1.77 MB. and shareholders' equity of 920.71 MB. or book value of 0.85 Baht per share, and at the end of 2019, the Company had total assets of 1,202.47 MB., total liabilities of 268.72 MB., Non-controlling interests of subsidiaries loss 1.68 MB. and shareholders' equity of 935.43 MB. or book value of 0.86 Baht per share.

As at 31 March 2020, the Company had a working capital in cash of 177.89 MB., with enough for current operation business. The significant changed for financial position of the Company are as follows.

- As of 31 March 2020, the Company's total assets were 1,915.83 MB., increased by 713.36 MB. or 59.32% compared to the end of year 2019 as per following details
 - Cash and cash equivalents of 177.89 MB., increased by 90.39 MB. or 103.30% from the financing activities cash flow. Because Company increased credit facilities utilization with Financial Institutions compared to last year
 - Trade accounts receivable and other current account receivables were by 165.64 MB., decreased by 35.80 MB. or 17.77% from reclassify prepaid expenses to right of use assets from TFRS 16 adoption.
 - Short-term loan related 27.00 MB.
 - Inventories were 84.47 MB., increased by 5.98 MB. or 7.62% from Ammonia decreased by 3.28 MB. from sale volume decreased Goods in transit Sulfuric acid increased by 17.56 MB. Supplies and others decreased by 8.30 MB. Due to the allowance for deteriorated goods for sale.
 - Others current asset of 26.01 MB., increased by 4.14 MB. or 18.93% from the Deposit as collateral for Trade Credit Facilities with Financial Institutions increased.
 - Property, plant and equipment (PPE) of by 631.66 MB., increased by 245.75 MB. or 63.68% due to net depreciation 25.44 MB., and Purchase of PPE during the year of 205.04 MB., which consists of the purchase of assets and equipment of NFC 1.21 MB., and invest EPC Contractor project of NFCT about 203.83 MB.
 - Right of use asset of by 458.09 MB. from TFRS 16 adoption
 - Other non-current asset of Baht 333.44 MB. decreased 80.18 MB. or 19.38% due to amortized for the advance of subsidiaries' construction EPC contractor project.

- As of 31 March 2020, the Company had total liabilities of 996.89 MB., increased by 728.17 MB. or 270.98% compared to the end of year 2019.
 - Bank overdraft and short-term loan from financial institution of 146.06 MB., increased by 62.98 MB. or 75.81% from increased usage credit facilities (LC/TR) with financial institutions.
 - Trade accounts payable and other current account payable of 383.65 MB., increased by 230.73 MB. or 150.88% this was mainly due to Trade accounts payable increased by 219.63 MB. from Trade account payable EPC Contractor project NFCT not yet due, while other account payable increased by 11.10 MB. From advance service income increased by 8.11 MB., while liability payable to IEAT increased by 0.99 MB. and other account payable increased by 2.00 MB.
 - Current portion of lease liabilities by 27.52 MB.
 - Lease liabilities by 408.48 MB. from TFRS 16 adoption.

- As of 31 March 2020, the Company had shareholders' equity of 918.94 MB., decreased by 14.81 MB. or 1.59 % compared to the end of year 2019 due to the Company's comprehensive loss of 14.72 MB. and a portion of non-controlling interests in subsidiaries of loss 0.09 MB. At present, the Company has a paid-up capital 815.87 MB. ordinary shares 1,087.83 Million shares at par value 0.75 Baht.

Cash flow Statement of the Company

For the quarter 1/2020 ended 31 March 2020, the Company has loss before income tax expense 12.96 MB. and net cash flow increased by 90.39 MB., resulting from

- Cash flow from the operating increased 280.83 MB. resulting from trade accounts payable EPC Contractor project NFCT not yet due
- Cash flow provided from investing 252.55 MB., mostly due to investment in the EPC Contractor project NFCT 205.04 MB.
- Cash flow from financing activities increased 62.11 MB. resulting from receive trade credit facilities LC/TR to Financial Institutions 62.98 MB. and pay rental fees from financial lease agreements 0.87 MB.