



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

“เรา คือ ผู้ผลิตแป้งสาลีชั้นนำ โดยมุ่งเน้นการพัฒนาสู่ความเป็นเลิศ ทั้งในด้านพาณิชย์และคุณภาพผลิตภัณฑ์อย่างยั่งยืนมืออาชีพ”

May 15, 2020

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 Q1/2020 Ended on March 31, 2020. The company's financial statement showed net profit of 43.43 million baht. Compared to Q1/2019, net profit increased by 18.73 million baht or 75.8%. The Company would like to clarify as follows :

Unit : Thousand Baht

Description	Q1/2020		Q1/2019		Q1/2020 compare with Q1/2019	
	Amount	%	Amount	%	More (Less) Amount	%
Average Capacity Utilization	-	<u>76.47%</u>	-	<u>75.41%</u>	-	<u>1.06%</u>
Revenue from sales	371,293	100.0%	380,912	100.0%	(9,619)	(2.5%)
Cost of sales	(292,720)	(78.8%)	(319,235)	(83.8%)	(26,515)	(8.3%)
Gross profit	78,573	21.2%	61,677	16.2%	16,896	27.4%
Gain from Exchange Rate	303	0.1%	1,521	0.4%	(1,218)	(80.1%)
Gain on Derivatives	1,707	0.5%	-	0.0%	1,707	
Other income	1,697	0.5%	201	0.1%	1,496	744.3%
Selling expenses	(7,612)	(2.1%)	(8,297)	(2.2%)	(685)	(8.3%)
Administrative expenses	(17,609)	(4.7%)	(21,870)	(5.7%)	(4,261)	(19.5%)
Finance cost	(2,720)	(0.7%)	(2,347)	(0.6%)	373	15.9%
Profit before income tax	54,339	14.6%	30,885	8.1%	23,454	75.9%
Income tax expenses	(10,909)	(2.9%)	(6,186)	(1.6%)	4,723	76.3%
Profit for the period	43,430	11.7%	24,699	6.5%	18,731	75.8%
Basic earnings per share	0.11	บาท	0.06	บาท	0.05	83.3%



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The company's sales revenue in the first quarter of 2020 decreased by 2.5% compared to the same period last year with a 1.1% decrease in sales of wheat flour and a 1.4% decrease in wheat bran sales. Although sales volume of wheat flour and wheat bran increased by 2.3% and 10.7% but the average selling price of wheat flour and wheat bran decreased by 3.5% and 18.5%. Because in the past the market has increased the price competition. In addition, customers negotiate the price by referring to the decrease in world wheat market prices and the appreciation of the baht in the previous year. Resulting in a reduction in the selling price of wheat flour.

Other income in the first quarter of 2020 has increased the profit from the derivative contract. Which is the recognition of profit from hedging contracts. The said transaction will be released in the quarter that the contract is already used.

Cost of goods sold in the first quarter of 2020 decreased by 5% and gross profit in the first quarter of 2020 increased by 5% compared to the same period last year. This is a result of the cost of wheat used in Q1'2020 cheaper than in Q1'2019 due to wheat prices that have been purchased since the middle of the year together with the strengthening baht at the end of last year.

The average capacity utilization rate in the first quarter of 2020 was 76.47%, an increase of 1.06% compared to the same period last year which is in accordance with the set target. Shows that in the first quarter of the year Not affected by the COVID-19 epidemic crisis in any way.

Selling and administrative expenses in the first quarter 2020 decreased by 4.95 million baht from the same period last year. Due to the reduced shipping cost due to the oil price, Long-term lease payments which have been adjusted to some financial costs and adjusting the employee benefit estimate.

Please be informed accordingly.

Yours sincerely,

Waewta Kullachotthada

(Ms. Waewta Kullachotthada)

Deputy Finance & Accounting Director / Company Secretary