



บริษัท เอ็นเอฟซี จำกัด (มหาชน)
NFC PUBLIC COMPANY LIMITED

เลขที่ 88 อาคาร เอสซี กรุ๊ป ชั้น 3 ถนนเดอะพาร์คแลนด์ แขวงบางนาเหนือ เขตบางนา กรุงเทพฯ 10260
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ทะเบียนเลขที่ 0107538000495
Registration No. 0107538000495



NFC 105/2020

August 13, 2020

Subject: To submit Financial Statements and clarification of the Operating Results changed more than 20% for the 2nd quarter ended June 30, 2020.

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

Attachment: 1. Copy of interim financial statements for the 2nd quarter ended June 30, 2020.
2. Management discussion and analysis for the 2nd quarter ended June 30, 2020.

NFC Public Company Limited (“the Company”) would like to submit the interim financial statements the 2nd quarter ended June 30, 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 2nd quarter ended June 30, 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/2 2020

Operating Performance

For the quarter 2/2020 ended 30 June 2020, the Company's net loss attributable to equity holders of the Company was 7.40 MB., performance decreased 10.41 MB. or 345.85% compared to Quarter 2/2019.

- Gross Profit decreased by 10.97 MB. or 21.73% Because of total revenue decreased 174.95 MB. or 53.21%
- Other Income decreased by 1.44 MB. or 60.76%
- Total Expenses increased by 3.13 MB. or 6.46%
- Financial Cost decreased by 0.95 MB. or 21.84%
- Tax income increased by 4.19 MB or 148.58%
- Portion of non-controlling interests in subsidiaries not changed.

Details are as followings:

Revenues from sales and services

For the quarter 2/2020 ended 30 June 2020, the Company had total revenue from sales and services of 153.86 MB., decreased by 174.95 MB. or 53.21% compared to quarter 2/2019 because

- Revenue from sales of chemical products was 127.08 MB., decreased by 177.35 MB. or 58.26% compared to quarter 2/2019 due to
 - Sales of Sulfuric acid decreased by 120.12 MB. or 65.35%. due to the sulfuric acid price decreased because the global market price decreased. Sales volume increased by 33,279 tons or 45.62%.
 - Sales of Ammonia decreased by 57.31 MB. or 50.05%. from sale volume decreased by 2,749 tons or 48.71%, due to major customers have reduced purchase volumes. Because of customer changing the production process and the average sale price per ton is slightly decreased as well.
 - Sales of Ammonium Hydroxide increased by 0.08 MB. or 1.31% due to lower average sale price per ton, while the higher sale volume of 134 Tons or 11.94%.
- Total service income was 26.78 MB., increased by 2.40 MB. or 9.84% compared to quarter 2/2019 due to
 - Revenue from warehouse service increased by 2.79 MB. or 32.56% due to expansion of service area and number of customers increased.
 - Revenue from Logistic & Liquid warehouse service not changed
 - Revenue from Port Service decreased by 0.39 MB. or 15.81% due to the decreased of company's terminal revenue.

Cost of sales and services and gross margin

For the quarter 2/2020 ended 30 June 2020, the Company's cost of sales and services was 114.34 MB., decreased by 163.98 MB. or 58.92% compared to quarter 2/2019 and gross margin was increased to 25.69% against quarter 2/2019 at 15.36% due to

- Cost of chemical products decreased by 165.99 MB. or 60.65% compared to quarter 2/2019 due to
 - Cost of sale Sulfuric acid decreased by 130.95 MB. or 68.20% due to the decreased in the price of imported chemical products in accordance with the market price trend while sale volume increased by 33,279 tons or 45.62%

- Cost of sale Ammonia decreased by 35.14 MB. or 45.96% from sale volume decreased by 2,749 tons or 48.71%.
 - Cost of sale Ammonium Hydroxide increased by 0.10 MB. or 1.92% while the higher sale volume of 134 Tons or 11.94%.
- The gross margin of chemical products decreased by 11.36 MB. or 36.97% effecting to gross margin ratio increased to 15.24% compared to quarter 2/2019 at 10.09% due to the lower cost of chemical products from sale volume increased.
- Cost of services increased by 2.01 MB. or 43.51% compared to quarter 2/2019.

Other income

For the quarter 2/2020 ended 30 June 2020, the Company had income that not related to the main business of 0.93 MB., decreased by 1.44 MB. or 60.76% compared to quarter 2/2019, resulting from

- Net Gypsum Revenues decreased by 0.40 MB. due to from sale volume decreased.
- Interest income decreased by 1.21 MB.
- Other income increased by 0.18 MB.
- Gain from exchange rate decreased by 0.03 MB.
- Gain from sale assets increased by 0.05 MB.
- Provision for outdated inventory decreased by 0.03 MB.

Total expenses

For the quarter 2/2020 ended 30 June 2020, the Company had total expenses of 51.55 MB., increased by 3.13 MB. or 6.46% compared to quarter 2/2019 due to

- Selling expenses decreased by 4.35 MB. or 36.01%, due to lower cost of transportation effected from lower sale ammonia.
- Administrative expenses increased by 7.48 MB. or 20.58% resulting from
- Employee expenses decreased by 4.27 MB.
 - Professional service expenses decreased by 2.32 MB.
 - Impairment assets held for sale increased by 16.68 MB.
 - Other administrative expenses decreased by 2.61 MB.

Financial Costs

For the quarter 2/2020 ended 30 June 2020, the Company had Financial Costs of 3.40 MB., decreased by 0.95 MB. or 21.84% when compared to quarter 2/2019 due to the Company decreased credit facilities utilization with Financial Institutions.

Financial Position

From the Company's financial statement for the quarter 2/2020 ended 30 June 2020, the Company had total assets of 1,851.06 MB., total liabilities of 939.61 MB., Non-controlling interests of subsidiaries loss 1.85 MB. and shareholders' equity of 913.30 MB. or book value of 0.84 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 30 June 2020, the Company had a working capital in cash of 254.92 MB., with enough for current operation business. The significant changed for financial position of the Company are as follows.

- As of 30 June 2020, the Company's total assets were 1,851.06 MB., increased by 648.59 MB. or 53.94% compared to the end of year 2019 as per following details
 - Cash and cash equivalents of 254.92 MB., increased by 167.42 MB. or 191.34% from net cash provided from operating activities compared to last year.
 - Trade accounts receivable and other current account receivables were by 113.74 MB., decreased by 87.70 MB. or 43.54% from reclassify prepaid expenses to right of use assets from TFRS 16 adoption, decreased Other Receivable Revenue Department and decreased Advance payment to suppliers.
 - Inventories were 77.13 MB., decreased by 1.36 MB. or 1.73% from Ammonia decreased by 3.08 MB. from sale volume decreased Goods in transit Sulfuric acid increased by 11.81 MB., Ammonium Hydroxide increased by 0.09 MB., Gypsum bags increased by 0.22 MB., Supplies and others decreased by 10.40 MB. Due to the allowance for deteriorated goods for sale.
 - Others current asset of 0.91 MB., decreased by 20.96 MB. or 95.84% from the Deposit as collateral for Trade Credit Facilities with Financial Institutions decreased.
 - Non-current assets or disposal groups classified as held for sale increased by 14.24 MB. Because of demolition unused factory buildings and disposal scrap metal after demolition to unrelated company.
 - Property, plant and equipment (PPE) of by 594.57 MB., increased by 208.66 MB. or 54.07% due to net depreciation increased by 44.74 MB., from Purchase and investment of PPE during the year of 215.64 MB., which consists of the purchase of assets and equipment of NFC 1.74 MB., and invest EPC Contractor project of NFCT about 213.91 MB.
 - Right of use asset increased by 445.68 MB. from TFRS 16 adoption
 - Other non-current asset of Baht 331.38 MB. decreased 82.24 MB. or 19.88% due to amortized for the advance of subsidiaries' construction EPC contractor project.

- As of 30 June 2020, the Company had total liabilities of 939.61 MB., increased by 670.89 MB. or 249.66% compared to the end of year 2019.
 - Bank overdraft and short-term loan from financial institution of 125.88 MB., increased by 42.80 MB. or 51.52% from increased usage credit facilities (LC/TR) with financial institutions.
 - Trade accounts payable and other current account payable of 346.53 MB., increased by 193.61 MB. or 126.61% this was mainly due to Trade accounts payable increased by 214.68 MB. from Trade account payable EPC Contractor project NFCT not yet due, while other account payable decreased by 21.07 MB. From advance service income increased by 2.24 MB., while liability payable to IEAT decreased by 26.00 MB. and other account payable increased by 2.69 MB.
 - Current portion of lease liabilities by 32.22 MB.
 - Lease liabilities by 403.53 MB. from TFRS 16 adoption.

- As of 30 June 2020, the Company had shareholders' equity of 911.45 MB., decreased by 22.30 MB. or 2.39 % compared to the end of year 2019 due to the Company's comprehensive loss of 22.13 MB. Other components of shareholder's equity caused by the surplus from the revaluation of assets decreased by 33.99 MB. mainly caused by demolition unused factory buildings and disposal scrap metal after demolition to unrelated company and a portion of non-controlling interests in subsidiaries of loss 0.17 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 2/2020 ended 30 June 2020, the Company has loss before income tax expense 27.47 MB. and net cash flow increased by 167.42 MB., resulting from

- Cash flow provided from the operating 408.41 MB. resulting from trade accounts payable EPC Contractor project NFCT not yet due
- Cash flow used in from investing 281.88 MB., mostly due to investment in the EPC Contractor project NFCT 213.91 MB.
- Cash flow provided from financing activities 40.89 MB. resulting from receive trade credit facilities LC/TR to Financial Institutions 42.80 MB. and pay rental fees from financial lease agreements 1.91 MB.