



August 14, 2020

## **Managing Director's Report – Operating Results for the 2<sup>nd</sup> Quarter 2020**

The Company posted a significant increase in revenue in the 2<sup>nd</sup> quarter of 2020 in a very challenging market environment as Covid-19 has had significant impact across the industry. The Company also achieved reasonable margins amid the strengthening Thai baht during the 2<sup>nd</sup> Quarter of 2020.

### **Robust Sales Growth with Solid Profitability**

The Company posted Consolidated Sales for the 2<sup>nd</sup> Quarter of 2020 of THB 4,174 million (USD 132.5 million), an increase of THB 101 million (USD 2.8 million) or 2.5% from the same quarter of the previous year. Compared to the 1<sup>st</sup> Quarter of 2020, the second quarter recorded an increase of THB 962 million (USD 28.6 million) or 30.0%. Industrial Control, Communication and Network, Microelectronics and Automotive were key sectors in contributing to sales growth this quarter. Furthermore, the Company continues to focus and attract new customers in key regions where the Company currently sees the most potential.

The Company posted Consolidated Gross Profit for the 2<sup>nd</sup> Quarter of 2020 of THB 343 million (USD 10.8 million), an increase of THB 61 million (USD 1.9 million) or 21.6% from the same quarter of the previous year. Compared to the 1<sup>st</sup> Quarter of 2020, the 2<sup>nd</sup> Quarter recorded an increase of THB 53 million (USD 1.5 million) or 18.3%. Consolidated Gross Profit margins in the 2<sup>nd</sup> Quarter of 2020 expanded to 8.2% compared to 6.9% of the same quarter in the previous year but contracted from 9.0% of the previous quarter. The contraction in margins were mainly due to the Thai Baht appreciation during the 2<sup>nd</sup> Quarter. The Company posted Consolidated Operating Profit of THB 188 million (USD 5.9 million) and EBITDA of THB 202 million (USD 6.4 million), excluding Other Income.

Consolidated Net Income for the 2<sup>nd</sup> Quarter of 2020 was THB 109 million (USD 3.4 million) a decrease of THB 41 million (USD 1.3 million) or 27.3% from the same quarter of the previous year. Compared to the 1<sup>st</sup> Quarter of 2020, the 2<sup>nd</sup> quarter recorded a decrease of THB 118 million (USD 3.8 million) or 52.0%. The decrease was mainly due to the foreign exchange loss that the Company recognized in the 2<sup>nd</sup> Quarter of THB 54 million. However, for the 1<sup>st</sup> half of 2020, the Company posted a solid Consolidated Net Income of THB 335 million (USD 10.7 million), an increase of THB 102 million (USD 3.3 million) or 43.9% from the same period of the previous year.

### **A Minor Increase in Working Capital with a Continued Reduction in Financial Indebtedness**

Total Consolidated Assets in the 2<sup>nd</sup> Quarter of 2020 was THB 11,150 million, an increase of THB 409 million from the previous quarter. This is due to the increased in accounts receivable of THB 630 million, in line with the increased in sales, and in Property, Plant and Equipment of THB 157 million. All of which was offset by the reduction in cash and short-term investments of THB 354 million from the previous quarter.

Total Consolidated Liabilities in the 2<sup>nd</sup> Quarter of 2020 was THB 7,448 million, an increase of THB 315 million, from the previous quarter. This is mainly due to the increase in accounts payable of THB 476 million to THB 3,744 million from the previous quarter. The Company continues to reduce its long-term indebtedness with the current Debt to Equity ratio of 0.89 compared to the previous quarter of 0.95.

## Consolidated Profit & Loss Comparison

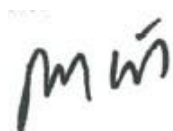
	Q2-2020	Q1-2020	% Variance	Q2-2019	% Variance
In Million Baht	(a)	(b)	= (a-b) / (b)	(c)	= (a-c) / (c)
Net Sales	4,174	3,212	29.95%	4,073	2.48%
Total Costs of Sales	3,831	2,922	31.11%	3,791	1.06%
<b>Gross Profit</b>	<b>343</b>	<b>290</b>	<b>18.28%</b>	<b>282</b>	<b>21.63%</b>
Selling & Admin. Expenses	155	189	(17.99%)	178	(12.92%)
<b>Operating Profit</b>	<b>188</b>	<b>101</b>	<b>86%</b>	<b>104</b>	<b>80.77%</b>
Financial Expenses (Income)	33	49	(33%)	(4)	(925.00%)
Exchange Losses (Gain)	54	(159)	(134%)	28	92.86%
Oth. Non-Operating (Inc)/Exps	(14)	(22)	(36.36%)	(103)	(86.41%)
<b>Net Income/(losses) before Tax</b>	<b>115</b>	<b>233</b>	<b>(50.64%)</b>	<b>183</b>	<b>(37.16%)</b>
Corporation Tax	(6)	(6)	0.00%	(33)	(81.82%)
<b>Net Income/ (losses) after Tax</b>	<b>109</b>	<b>227</b>	<b>(51.98%)</b>	<b>150</b>	<b>(27.33%)</b>

## The company Profit & Loss Comparison

	Q2-2020	Q1-2020	% Variance	Q2-2019	% Variance
In Million Baht	(a)	(b)	= (a-b) / (b)	(c)	= (a-c) / (c)
Net Sales	3,184	2,275	39.96%	3,186	(0.06%)
Total Costs of Sales	2,933	2,080	41.01%	3,031	(3.23%)
<b>Gross Profit</b>	<b>251</b>	<b>195</b>	<b>28.72%</b>	<b>155</b>	<b>61.94%</b>
Selling & Admin. Expenses	87	125	(30.40%)	85	2.35%
<b>Operating Profit</b>	<b>164</b>	<b>70</b>	<b>134.29%</b>	<b>70</b>	<b>134.29%</b>
Financial Expenses (Income)	25	40	(37.50%)	(11)	(327.27%)
Exchange Losses (Gain)	52	(167)	(131.14%)	26	100.00%
Oth. Non-Operating (Inc)/Exps	(12)	(20)	(40.00%)	(92)	(86.96%)
<b>Net Income/(losses) before Tax</b>	<b>99</b>	<b>217</b>	<b>(54.38%)</b>	<b>147</b>	<b>(32.65%)</b>
Corporation Tax	0	(2)	(100.00%)	(19)	(100.00%)
<b>Net Income/ (losses) after Tax</b>	<b>99</b>	<b>215</b>	<b>(53.95%)</b>	<b>128</b>	<b>(22.66%)</b>

## Balance Sheet Comparison

In Million Baht	<u>Consolidated</u>			<u>The Company</u>		
	30 Jun'20	31 Mar'20	31 Dec'19	30 Jun'20	31 Mar'20	31 Dec'19
<b>Current Assets</b>						
Cash and ST/LT Investment	1,320	1,674	2,630	1,172	1,443	2,499
Accounts Receivable	3,708	3,078	3,097	3,102	2,562	2,589
Inventories	3,489	3,490	3,159	2,672	2,610	2,338
Other Current Assets	88	90	69	44	48	35
<b>Total Current Assets</b>	<b>8,605</b>	<b>8,332</b>	<b>8,955</b>	<b>6,990</b>	<b>6,663</b>	<b>7,461</b>
<b>Current Liabilities</b>						
Short Term Loans	1,061	1,202	1,220	878	947	947
Current Long-Term Loan	638	594	572	621	594	572
Accounts Payable	3,744	3,268	2,954	3,111	2,686	2,523
Other Current Liabilities/Accruals	120	139	315	52	84	265
<b>Total Current Liabilities</b>	<b>5,563</b>	<b>5,203</b>	<b>5,061</b>	<b>4,662</b>	<b>4,311</b>	<b>4,307</b>
<b>Working Capital</b>	<b>3,042</b>	<b>3,129</b>	<b>3,894</b>	<b>2,328</b>	<b>2,352</b>	<b>3,154</b>
Loan to subsidiary	0	0	0	645	649	630
Property, Plant, Equipment and Other Non-Current Assets	2,544	2,408	2,378	1,904	1,953	1,951
<b>Total Net Assets</b>	<b>5,586</b>	<b>5,537</b>	<b>6,272</b>	<b>4,877</b>	<b>4,954</b>	<b>5,735</b>
<b>Financed by:</b>						
Long-Term Debt and provision	1,591	1,635	2,529	1,081	1,250	2,158
Other Non-Current Liabilities	293	294	276	163	163	160
Net Equity	3,702	3,608	3,467	3,633	3,541	3,417
<b>Total Long-Term Funding</b>	<b>5,586</b>	<b>5,537</b>	<b>6,272</b>	<b>4,877</b>	<b>4,954</b>	<b>5,735</b>



Mr. Pongsak Lothongkam  
Managing Director

