

Subject : Management Discussion and Analysis for year and 4th quarter ended December 31, 2020

Attention : President

The Stock Exchange of Thailand

Operating Performance

1. Revenues

Consolidated financial statements								(Thousands Baht)	
	Year		Change		4 th Quarter		Change		
	2020	2019	Amount	%	2020	2019	Amount	%	
Revenue from sales	2,466,932	2,334,510	132,422	5.67%	654,331	607,273	47,058	7.75%	
Other income	12,176	41,223	-29,047	-70.46%	2,135	10,646	-8,511	-79.95%	
Total Revenue	2,479,108	2,375,733	103,375	4.35%	656,466	617,919	38,547	6.24%	

Company total revenue and revenue from sales on year 2020 slightly increased 4.35 and 5.67 percent from the same period of last year. Due to the higher sales volume and higher selling price. Total revenue and revenue from sales on 4th quarter of year 2020 slightly increased 6.24 and 7.75 percent respectively, due to the higher sales volume and higher sales in CNF incoterm. Other income on year 2020 and 4th quarter of year 2020 significantly decreased 70.46 and 79.95 percent from the same period of last year affected by foreign exchange volatility during the Covid-19 pandemic that led to accumulated loss on exchange rate.

2. Cost of goods sold and expenses

Consolidated financial statements								(Thousands Baht)	
	Year		Change		4 th Quarter		Change		
	2020	2019	Amount	%	2020	2019	Amount	%	
Cost of goods sold	-1,878,761	-1,889,169	10,408	-0.55%	-508,951	-507,995	-956	0.19%	
Selling expenses	-312,232	-330,341	18,109	-5.48%	-93,643	-77,046	-16,597	21.54%	
Administrative expenses	-89,503	-62,841	-26,662	42.43%	-10,120	-16,567	6,447	-38.91%	
Finance Costs	-14,237	-25,794	11,557	-44.80%	-1,777	-6,177	4,400	-71.23%	
Total	-2,294,733	-2,308,145	13,412	-0.58%	-614,491	-607,785	-6,706	1.10%	

Cost of goods sold on year 2020 slightly decreased 0.55 percent from the same period of last year, due to lower average raw material cost. Cost of goods sold on 4th quarter increased 0.19 percent due to higher sale volume and higher raw material cost.

Selling expenses on year 2020 decreased 5.48 percent from the same period of last year, due to decrease in goods transportation cost and export expenses. Selling expenses on 4th quarter increased 21.54 percent due to higher sales in CNF incoterm, resulting in increase in freight charge.

Administrative expenses on year of 2020 significantly increased 42.43 percent from the same period of last year, mainly due to administrative expenses for construction of S.Kleber Chemical Co,Ltd. which has begun since 4th quarter of 2019, higher estimated employee compensation, in addition to foreign exchange volatility during the Covid-19 pandemic that led to accumulated loss on exchange rate. Administrative expenses on 4th quarter of year 2020 significantly decreased 38.91 percent from the same period of last year, due to gain from exchange rate which occurred during 4th quarter of year 2020.

Financial cost on year 2020 and 4th quarter of 2020 decreased 44.80 and 71.23 percent from the same period of last year, mainly due to bank interest rate reduction and long-term loans repayment.

As a result, cost of goods sold and expenses on year 2020 decreased 0.58 percent, while cost of goods sold and expenses on 4th quarter of 2020 increased 1.10 percent from the same period of last year.

3. Profit

Consolidated financial statements							(Thousands Baht)		
	Year		Change		4 th Quarter		Change		
	2020	2019	Amount	%	2020	2019	Amount	%	
Gross profit	588,171	445,341	142,830	32.07%	145,380	99,278	46,102	46.44%	
Profit before income tax	184,375	67,588	116,787	172.79%	41,975	10,134	31,841	314.20%	
Net profit for period	163,083	61,321	101,762	165.95%	37,652	15,273	22,379	146.53%	

From revenues, cost of goods sold and expenses factors, company profit before income tax and net profit for period of year was 184.38 and 163.08 million baht increased 172.79 and 165.95 percent. Profit before income tax and net profit for period on 4th quarter ended December 31, 2020 was 41.98 and 37.65 million baht increased 314.20 and 146.53 percent from the same period of last year.

Sincerely Yours,

(Ms. Orawan Sangwongkit)

Chief Financial Officer