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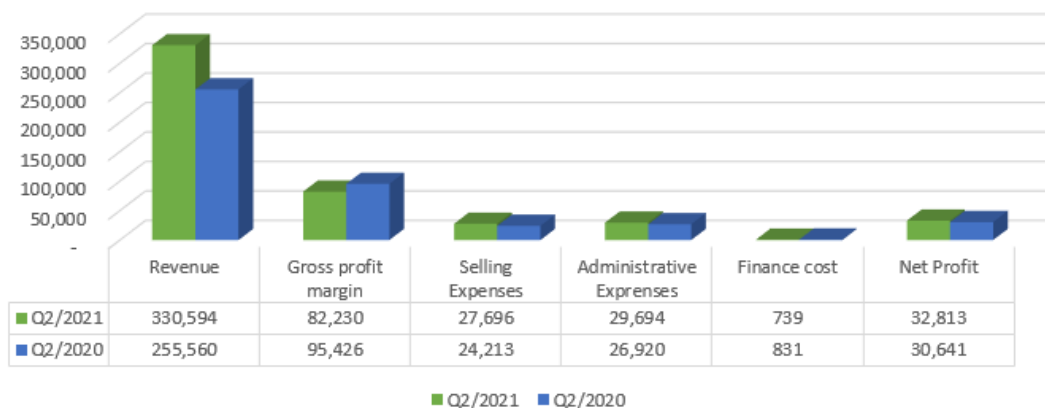
Subject: Management Discussion and Analysis for the Q2/2021 (Ending June 30, 2021)

To: Director and Manager
The Stock Exchange of Thailand

Ubis (Asia) Public Company Limited (“the Company”) would like to inform on operating results and the financial position. For the Q2/2021 ending June 30, 2021 of the company and its subsidiaries by having the main substance is as follows:

(Unit : Thousand Baht)	Q2/2021	Q2/2020	Change	% Change
Revenue	330,594	255,560	75,034	29.4%
Gross profit margin	82,230	95,426	(13,196)	-13.8%
Selling Expenses	27,696	24,213	3,483	14.4%
Administrative Expenses	29,694	26,920	2,774	10.3%
Finance cost	739	831	(92)	-11.1%
Net Profit	32,813	30,641	2,172	7.1%

Comparison Q2/2021 VS Q2/2020



In overall, the Company and its subsidiaries had the net profit in Q2/2021 of 32.8 MB with increase of 2.2 MB or 7.1 percent (Net profit of Q2/2020 was 30.6 MB) when compared to Q2/2021 as following results:

- **Revenue**

Q2/2021, the Company and its subsidiaries had total revenue of 330.6 MB, increased from Q2/2020 in the amount 75 MB or 29.4 percent (Domestic sales increased by 12.2 percent and export sales increased by 41.7 percent).

- **Gross profit margin**

Q2/2021, the Company and its subsidiaries had the total gross profit of 82.2 MB, decreased from Q2/2020 with the gross margin of 13.2 MB or 13.8 percent. Q2/2021, the gross profit margin is 24.9 percent (gross profit margin of 37.3 percent in the Q2/2020). The decrease in the gross profit margin was due to the continuous increase in the cost of raw materials used in the production of canned lacquer products.

- **Selling Expenses**

Q2/2021, the Company and its subsidiaries had the expenses of 27.7 MB increased from Q2/2020 in the amount 3.5 MB or 14.4 percent (24.2 MB in Q2/2020). The increasing selling expenses is depending on the increasing of shipping rate and increasing of sales volume from both domestic and international.

- **Administrative Expenses**

Q2/2021, the Company and its subsidiaries had the administrative expenses of 29.7 MB increased from Q2/2020 in the amount 2.8 MB or 10.3 percent (26.9 MB in Q2/2020) as result the increase in the management costs compared to the Q2/2020 was due to the adjustments on the employee's salary, the increase in the rewards of the Board of Directors and Executive Committee, and the increase in the consulting costs.

- **Finance Cost**

Q2/2021, the Company and its subsidiaries had the financial cost 0.7 MB which decreased from Q2/2020 in the amount 0.1 MB or 11.1 percent (0.8 MB in Q2/2020).

- **Gain (Loss) on Foreign Exchange**

Q2/2021, the Company and its subsidiaries had the gain on foreign exchange 7.2 MB which increased from Q2/2020 in the amount 14.2 MB or 202.3 percent (7.0 MB loss in Q2/2020).

The overall financial status of the Company and its subsidiaries as of June 30, 2021 with the comparison to the financial status as of December 31, 2020 are summarized as below:

- **Assets**

As of June 30, 2021, the Company and its subsidiaries had a total asset by 942.3 MB which increased from December 31, 2020 by 106.1 MB as a result of the increase in cash and cash equivalents by 28.6 MB, increase in trade and other current receivables by 48.1 MB, increase in inventory by 36.8 MB and decrease in other current assets by 5.8 MB.

In terms of non-current assets, property, plant and equipment – net, an increase of 3.8 MB. Right-of-use assets decreased by 3.8 MB and other non-current assets decreased by 1.6 MB.

- **Liabilities**

As of June 30, 2021, the Company and its subsidiaries had a total liability of 412.5 MB which increased by 51.1 MB from December 31, 2020 due to the increase of bank overdraft and short-term borrowings by 3.2 MB, increased of trade and other current payables by 29.5 MB, increased borrowing of 1 year maturity of long term from financial institutions by 7.4 MB, the decrease of lease liabilities within 1 year maturity by 1.4 MB, decrease of income tax payable by 1.6 MB, decrease of other current liabilities by 9.4 MB.

In the part of non-current liabilities, the increasing of long-term borrowing from financial institutions by 27.8 MB, decreased of lease liabilities by 2.3 MB, and the decreasing in non-current provisions for employee benefits obligations by 2.1 MB.

- **Shareholders' Equity**

As of June 30, 2021, the Company and its subsidiaries had total shareholder equity of 529.8 MB which increased from December 31, 2020 in amount of 55.0 MB due to the accumulated profit to Q2/2021 amount 53.3 MB, and the other comprehensive income by 1.7 MB.

- **Cash Flow**

Based on the results for Q2/2021, the company had cash flow as following details:

- Net cash flow from operating activities was 3.9MB, decreased by 88.6 MB when compare with Q2/2020 as a result of lower profit and increase in inventory. Trade accounts receivable and other current receivables increased and the payment of current liabilities increased. Q2/2021, the company cash flow from operation decreased.
- Net cash flow from the investing activities was 10.4 MB, increased by 3.4 MB or 47.9 percent (Q2/2020 had the acquisition of equipment 7 MB). The company paid more for the acquisition of equipment in Q2/2021.
- Net cash flow from financing activities was 21.1 MB increased by 75.5 MB when compare with Q2/2020 due to the lower burden payments of borrowings from the financial institutions, resulting to the better liquidity for the company.

The company 's strategy for the year 2021

The possible business trend in the Q2/2021. Thailand is still facing COVID-19 related problems. The company has followed the lockdown restrictions as announced by the government and has taken out preventive procedures in the spreading of the virus by regularly cleaning and sanitizing all areas of the company's head quarter and the factory. Furthermore, all the employees are encouraged to be vaccinated as soon as possible along with the "Working from Home" policy to be confident that if there were to be emergencies, business procedures would be able to proceed per usual. As well as managing the technical staffs on their tasks in order to prevent it from impacting the handing over of work and the customers' needs. In Europe, the pandemic is getting positive as more and more people have been vaccinated. In Asia, China is the most effective country in getting the situation under control whereas countries in South East Asia like Malaysia, Indonesia as well as Thailand are now trying to overcome the new wave of COVID-19 virus. The world prays now that the situation in India lightens.

Under this circumstance, the metal packaging business continues to grow due to the increase in demand, both domestic and international markets. Moreover, the purchasing power in China begins to increase again.

On the other hand, the raw material prices have increased since Q4'20 due to rising demand and suppliers not being able to deliver the materials. It is expected that the situation will be better in Q4'21. Another negative factor is the logistic & transportation hurdles caused by the shortage of containers leading to the double sea freight cost which requires the company to monitor the situation effectively.



The company's target for 2021 is to grow 10 percent in sales from 2020 by considering the positive effects COVID-19 has got on food industries by focusing on domestic and international customer base. As well as the expanding and developing of new product's markets with customers whom we have been jointly working with from the year 2020 to the year 2021 to meet with customers' demand. Due to the high fluctuation of the cost of raw materials, the company will have to manage the production cost and the exchange rate closely. Other than this, experts in the research and development team will aim to improve the products to meet its rules and regulations as well as improving products to meet customers' needs.

Sincerely yours,

(Mr. Nophadon Kitayanugul)

Authorized Person to Disclose Information

