



บริษัท บางสะพานบาร์มิล จำกัด (มหาชน) BANGSAPHAN BARMILL PUBLIC COMPANY LIMITED

สำนักงานกรุงเทพฯ : ชั้น 8 อาคารประภาวิทย์ 28/1 ถนนสุรศักดิ์ แขวงสีลม เขตบางรัก กทม. 10500 ทะเบียนเลขที่ บมจ. 0107547000702
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Subject: Management explanation and analysis for the Quarter ended 30 September 2021
To: President of the Stock Exchange of Thailand

The Company would like to disclose the Financial Statements (reviewed) for the Quarter ended 30 September 2021 with management explanation as following.

Income Statements Analysis, Comparison of Quarter 3 of 2021 VS Quarter 3 of 2020

Revenue from sales in Q3 of 2021 was at Baht 249.4 million, reduced by 34.7% from the sales in Q3 of 2020 of Baht 381.6 million due to the decrease in sales volume from MT 24,276 in Q3 of 2020 to MT 10,232 in Q3 of 2021 or decreased by 58%. However, the average selling price has increased from Baht 15,720 per MT in Q3 of 2020 to Baht 24,370 per MT in Q3 this year. Meanwhile, the selling price has remained in the high level as a result of the market mechanism and the world steel bar price.

In the third quarter of 2021, the Company's gross profit margin was at Baht 23.2 million, 9.3% of sales, reduced from the gross profit margin of Baht 28.7 million, 7.5% of sales, in the same period last year. This derived from the decrease in sales volume totaling MT 14,044 while the increase in gross profit rate came from the increase of the metal spread (the spread between the selling price of steel bars and the cost of the major raw material – steel billet) as the selling price of steel bars has increased at the higher rate than the cost of billet. Cost of steel billet generally accounts for 85-90% of total cost of the goods sold, therefore, the change in Metal Spread has caused the major impact to the gross margin.

The selling expenses in Q3 of 2021 and 2020 were at Baht 2.1 million and Baht 4.5 million, respectively. The major expense was the transportation cost which its change directly related with the sales amount at the approximate rate of 1-2%. The administrative expenses were mostly represented the employee expenses remained at Baht 5.9 million and Baht 6.2 million in Q3 of 2021 and 2020, respectively.

In Q3 of 2021, the Company had the manufacturing costs incurred during the shutdown of 14.1 baht, which were the fixed costs of the factory incurred during the shutdown in July and September.

As a result, the Company had the net income, after the financial cost and tax, of Baht 1.4 million in Q3 of 2021, 90.6% decreased comparing to the net income of Baht 14.6 million in the same period last year. For the nine-month ended 30 September 2021, the Company had the net income of Baht 66.6 million, 1.9% increase from the net income of Baht 65.3 million in the same period of last year.

Analysis of Statement of Financial Position, for the Quarter Ended 30 September 2021

As at 30 September 2021, the Company's total assets, Baht 1,920.3 million, were slightly decreased from the balance of Baht 1,958.5 million at the end of 2020. Cash balance was increased while the inventory balance was reduced from the end of last year. The Company's average periods of trade receivable was at 52 days of revenue from sales and the inventory held was at 44 days of cost of the goods sold.

Total liabilities as at 30 September 2021, Baht 39.6 million, were decreased from those of Baht 43.4 million at end of 2020. The major decrease came from the reduction in Income Tax Payable of Baht 8.5 million from the income tax paid for the year 2020 and 2021 while the Accrued Withholding Tax was increased by Baht 5.6 million from the payment of interim dividend.

The Company's liquidity ratio (Current Assets / Current Liabilities) as at 30 September 2021 was still in the high level at 44 times comparing to this ratio as at 31 December 2020 of 41 times. Moreover, the Company's debt-to-equity ratios as at 30 September 2021 and 31 December 2020 were still low at 0.02 and 0.02 time for both period. These derived from the low level of current liabilities and no any long term loan financing.

Yours sincerely,

(Mr. Sathit Kosinanondh)
Deputy Managing Director

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