

(Translations)

At ICHI- 012/2019

August 14th, 2019

Subject : Report on operating results of Quarter 2/2019, ended June 30th, 2019.

To : President
The Stock Exchange of Thailand

Ichitan Group Public Company Limited (“the Company”) reported on operating results of Quarter 2/2019, ended June 30th, 2019 as following;

Revenue

In Quarter 2/2019, the Company had sales revenue of 1,645.1 million baht, which increased by 23.4% from the same period of last year that had earned sales revenue of 1,333.0 million baht due to 37.8% growth in domestic sales ,while as export sales decreased by 3.8%. The domestic sales mainly grew from the group of new product together with improve strategy of marketing activities. In the first half of year 2019 and year 2018, the Company had earned sales revenue of 2,964.5 million baht and 2,654.5 million baht respectively, which increased by 309.9 million baht or equivalent to 11.7%, due to 13.7% growth in domestic sales and export sales increased 7.1%, the domestic sales mainly grew from the group of new product together with improve strategy of marketing activities.

Cost of sales

In Quarter 2/2019, the Company had cost of sales was 1,326.8 million baht or equivalent to the cost of sales to revenue of 80.6%. The cost of sales in the same period of the previous year was 1,119.3 million baht or 84.0% of sales. Also, the cost of sales decreased because effective cost management. In the first half of year 2019 and year 2018, the Company had cost of sales of 2,387.2 million baht and 2,215.2 million baht respectively, which were accounted for 80.5% and 83.4% of sales revenue, respectively, the percentage cost of sales decreased because effective cost management.

Distribution Costs

The Company had distribution costs in Quarter 2/2019 and Quarter 2/2018, were accounted for 144.8 million baht and 168.3 million baht respectively, while as distribution costs in Quarter 2/2019 equal to 8.8% which was less than Quarter 2/2018 that equal to 12.6%, the ratio of distribution costs decreased because effective promotion budget planning. In the first half of year 2019 and year 2018, the Company had distribution cost of 240.3 million baht and 309.9 million baht or equivalent to 8.1% and 11.7% of sales revenue respectively, the percentage of distribution costs decreased due to effective promotion budget planning.

Administrative Expenses

The Company had administrative expenses in Quarter 2/2019 and Quarter 2 / 2018 were 40.6 million baht and 39.0 million baht respectively, while as administrative expense ratio per sales were 2.5% and 2.9% respectively that reflected administrative expenses had decreased. In the first half of year 2019 and year 2018, the Company had administrative expenses equal to 77.1 million baht and 70.7 million baht, or 2.6% and 2.7% of sales revenue respectively, which reflected administrative expenses, had decreased.

Finance Costs

The Company had finance costs in Quarter 2/2019 equivalent to 10.2 million baht which decreased from Quarter 2/2018 that had finance costs of 16.0 million baht, due to decrease of loan from financial institutions. In the first half of year 2019 and year 2018, the Company had financial costs of 21.9 million baht and 32.1 million baht respectively, due to decrease of loan from financial institutions.

Share of losses of investment in joint venture


The Company had share of losses of investment in joint venture in Quarter 2/2019 and Quarter 2/2018 were 4.8 million baht and 55.5 million baht respectively. The proportion of share of losses from investment had been decreased by 50.6 million baht, due to control of marketing budget in Indonesia effectively. In the first half of year 2019 and year 2018, the Company had share of losses of 11.3 million baht and 86.8 million baht respectively which show share of losses decreased by 75.5 million baht due to control of marketing budget in Indonesia effectively.

Net (loss) Profit

In Quarter 2/2019, the Company earned net profit of 136.8 million baht or equivalent to net profit margin of 8.3% , as compared to the same period of the previous year that loss equal to (30.4) million baht or (2.3)% of sales revenue as a result net profit increased by 550.0 %. In the first half of year 2019 and year 2018, the Company earned net profit of 251.0 million baht or equivalent to net profit margin of 8.5%.The net profit increased as compared to the same period of last year which was 2.5 million baht or equivalent to net profit margin of 0.1%, so net profit increased 9,940.0%

Please be informed accordingly.

Yours Sincerely



(Mrs. Eng Passakornnatee)

Senior Executive Vice President

Ichitan Group Plc.