

Subject : Management Discussion and Analysis for 1st quarter ended March 31, 2020

Attention : President

The Stock Exchange of Thailand

1. Operating Performance

1.1 Revenues

Consolidated financial statements		(Thousands Baht)		
	1st Quarter		Change	
	2020	2019	Amount	%
Revenue from sales	626,724	555,461	71,263	12.83%
Other income	4,194	12,346	-8,152	-66.03%
Total Revenue	630,918	567,807	63,111	11.11%

Company total revenue on 1st quarter of year 2020 increased 11.11 percent from the same period of last year. Main attributions are increasing in sale quantities from 2nd production line that reach normal capacity and higher sale price compared to 1st quarter 2019. As a result, revenue from sales increased by 12.83 percent from the same period of last year. Other income decreased significantly 66.03 percent from the same period of last year due to loss on forward contract caused by foreign exchange volatility during the Covid-19 pandemic.

1.2 Cost of goods sold and expenses

Consolidated financial statements		(Thousands Baht)		
	1st Quarter		Change	
	2020	2019	Amount	%
Cost of goods sold	-485,054	-453,166	-31,888	7.04%
Selling expenses	-65,815	-84,692	18,877	-22.29%
Administrative expenses	-38,243	-14,091	-24,152	171.40%
Finance Costs	-4,739	-5,748	1,009	-17.55%
Total	-593,851	-557,697	-36,154	6.48%

Cost of goods sold on 1st quarter of 2020 increased 7.04 percent from the 1st quarter of 2019, due to higher sales volume from higher production outputs.

Selling expenses on 1st quarter of 2020 decreased 22.29 percent from the same period of last year, due to the higher proportion of sales in FOB incoterm, resulting in decreased in freight charges.

Administrative expenses on 1st quarter of 2020 increased significantly 171.40 percent from the same period of last year, mainly due to loss on forward contract and administrative expenses for construction of S.Kleber Chemical Co,Ltd which has begun since 4th quarter of 2019

Financial cost on 1st quarter of 2020 decreased 17.55 percent from the same period of last year, due to long-term loan repayment that caused decrease in interest expense.

As a result, cost of goods sold and expenses on 1st quarter of 2020 increased 6.48 percent from the same period of last year.

1.3 Profit

Consolidated financial statements		(Thousands Baht)		
	1st Quarter		Change	
	2020	2019	Amount	%
Gross profit	141,670	102,295	39,375	38.49%
Profit before income tax	37,067	10,110	26,957	266.64%
Net profit for period	30,286	3,689	26,597	720.98%

From revenues, cost of goods sold and expenses factors, company profit before income tax of 1st quarter 2020 was 37.07 million baht increased 266.64 percent and net profit of 1st quarter ended March 31, 2020 was 30.29 million baht increased 720.98 percent from the same period of last year.

Sincerely Yours,

(Ms.Orawan Sangwongkit)

Chief Financial Officer