

No. NDR013/2020

13 August 2020

Subject: Management Discussion and Analysis (MD&A) Report for Q1/2020**Attention:** Directors and Manager, The Stock Exchange of Thailand

N.D. Rubber Public Company Limited (“the Company” or “NDR”) would like to present the MD&A for the Three-Month period ended 31 March 2020 which was affected by the spread of COVID-19 as follows:

Revenue

Unit: Million Baht

		Q1/19	Q4/19	Q1/20
Consolidated Statement	Revenue	194.29	222.62	167.85
	Profit(loss) from exchange rate	0.54	0.35	0.20
	Other Revenue	2.10	1.32	2.59
		196.92	224.29	170.64
NDR Statement	Revenue	140.25	148.07	120.92
	Profit(loss) from exchange rate	0.53	0.33	0.20
	Other Revenue	1.35	1.89	12.49
		142.13	150.29	133.59

- Total revenues have declined as the spread of COVID-19 outbreak has resulted in the closure of partner countries resulting in the Company cannot be exported to partner countries in March.
- Comparing between Q1/2020 and Q1/2019, our revenue is downed by 26.44 Million Baht (13.60%)
- Comparing between Q1/2020 and Q4/2019, our revenue is downed by 54.77 Million Baht (24.60%)
- NDR statement has additional other revenue in Q1/2020 due to the dividend income of FKRMM at the amount of 11,166,000.00 Baht.

Cost and Expenses

Unit: Million Baht

		Q1/19	Q4/19	Q1/20
Consolidated Statement	Revenue	194.29	222.62	167.85
	Cost of goods sold	163.05	174.92	137.64
		83.92%	78.57%	82.00%
	Selling Expenses	11.26	13.57	9.13
		5.80%	6.10%	5.44%
	Admin Expenses	25.73	28.81	24.47
13.24%		12.94%	14.58%	
	Loss on impairment of intangible asset	-	19.68	-
NDR Statement	Revenue	140.25	148.07	120.92
	Cost of goods sold	133.17	133.95	108.43
		94.95%	90.46%	89.67%
	Selling Expenses	4.44	3.88	2.51
		3.17%	2.62%	2.08%
	Admin Expenses	10.01	9.52	10.66
7.14%		6.43%	8.82%	

- Even though in Q1/2020 the cost of raw material is still low closing to Q4/2019, but due to low utilizing production rate causing higher in factory overhead cost. That is the reason why our cost of goods sold of Q1/2020 is a little bit lower than Q1/2019 (1.92%) but higher than Q4/2019 (3.43%).
- The selling expenses of Q1/2020 is much lower due to cutting of unnecessary expenses. However, the administration expenses are almost unchanged because of fixed expenses such as salaries and NDR do not have a lay off policy.

Company Performance

Unit: Million Baht

		Q1/19	Q4/19	Q1/20
Consolidated Statement	Revenue	194.29	222.62	167.85
	Gross Profit	31.23	47.69	30.21
		16.07%	21.42%	18.00%
	Net Profit (loss)	-5.02	-12.08	-2.41
-2.58%		-5.38%	-1.43%	
NDR Statement	Revenue	140.25	148.07	120.92
	Gross Profit	7.08	14.12	12.49
		5.05%	9.54%	10.33%
	Net Profit (loss)	-7.24	1.10	10.36
-5.16%		0.74%	8.57%	

- At the beginning of 2020, the overall performance of Q1/2020 is quite better than both Q1/2019 and Q4/2019. Without the spread of COVID-10, the Company believe that our revenue would grow more and be able to make profits. However, despite the COVID-19 epidemic situation, the Company's revenue has decreased a lot but for Q1/2020, the Company had a loss of only 2.41 Million Baht, less than Q1/2019 of 2.61 Million Baht and less than Q4/2019 of 9.67 Million Baht.

Assets and Liabilities

Unit: Million Baht

		Q1/19	Q4/19	Q1/20	YoY		QoQ	
Consolidated Statement	Current Assets	351.93	330.46	309.33	(42.60)	-12.89%	(21.13)	-6.00%
	Fixed Assets	796.11	730.89	735.43	(60.68)	-8.30%	4.54	0.57%
	Total Assets	1,148.04	1,061.35	1,044.76	(103.28)	-9.73%	(16.59)	-1.45%
	Current Liabilities	316.66	293.75	258.33	(58.33)	-19.86%	(35.42)	-11.19%
	Long term Liabilities	83.49	64.94	62.35	(21.14)	-32.55%	(2.59)	-3.10%
	Retained Earnings	747.90	702.67	724.09	(23.81)	-3.39%	21.42	2.86%
NDR Statement	Current Assets	163.20	137.06	131.57	(31.63)	-23.08%	(5.49)	-3.36%
	Fixed Assets	883.33	866.51	859.16	(24.17)	-2.79%	(7.35)	-0.83%
	Total Assets	1,046.53	1,003.57	990.73	(55.80)	-5.56%	(12.84)	-1.23%
	Current Liabilities	266.57	240.59	221.09	(45.48)	-18.90%	(19.50)	-7.32%
	Long term Liabilities	38.78	26.55	23.85	(14.93)	-56.23%	(2.70)	-6.96%
	Retained Earnings	721.16	736.43	745.80	24.64	3.35%	9.37	1.30%

- In Q1/2020, the Company had not invested according to slowdown policy due to the spread of COVID-19.

Due to the spread of COVID-19 that originated from Wuhan in China and found infected in many other countries, the Company is concerned about the health of its employees. Therefore, NDR announced measures and requesting cooperation during the COVID-19 epidemic as follows:

- All employees and visitors must enter into the screening point for fever screening before entering the Company;
- All employees are required to wear a surgical mask at all times when in public areas;
- Encourage employees to regularly wash their hands with water or alcohol and keep social distance;
- The Company has prohibited all employees including executives from leaving the provincial area since March;
- The Company reduced production in March to minimize expenses and control cash flow in accordance with income.

Please be informed accordingly,

Yours faithfully,



(Mr. Chaiyasit Samrittivanicha)

Managing Director