

T.K.S. Technologies Public Company Limited

Management Discussion and Analysis

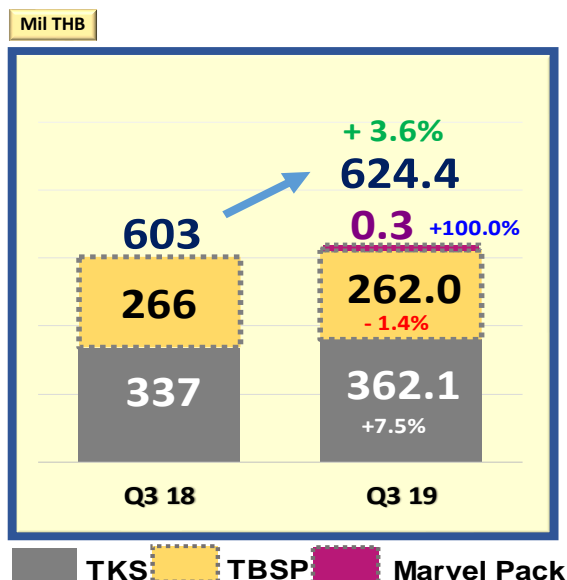
Operating Results for the period as at 30 September 2019

Business Overview

3Q19 and 9M19 Performance

Revenue Breakdown

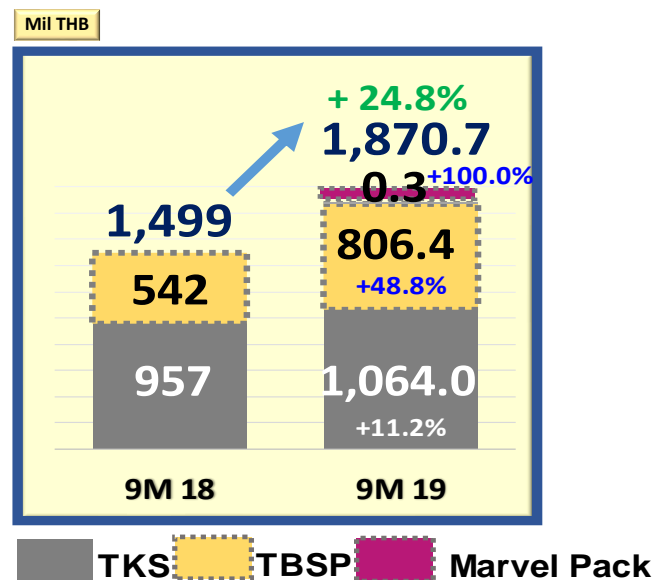
3Q19



THB million	Q3 19	Q3 18	%Chg
As Reported			
Total Revenues	624.4	603	3.6%
<i>Company</i>	<i>362.1</i>	<i>337</i>	<i>7.5%</i>
<i>TBSP</i>	<i>262.0</i>	<i>266</i>	<i>(1.4%)</i>
<i>Marvel Pack</i>	<i>0.3</i>	<i>-</i>	<i>100.0%</i>

In 3Q19, T.K.S. Technologies Public Company Limited (“Company”) reported total revenues growth of 3.6% or THB 22 mil from q-q. Excluding TBSP, Company’s core revenues increased by 7.5% or THB 25 mil from q-q, mainly caused by higher revenues from Business Form and Office Paper.

9M19



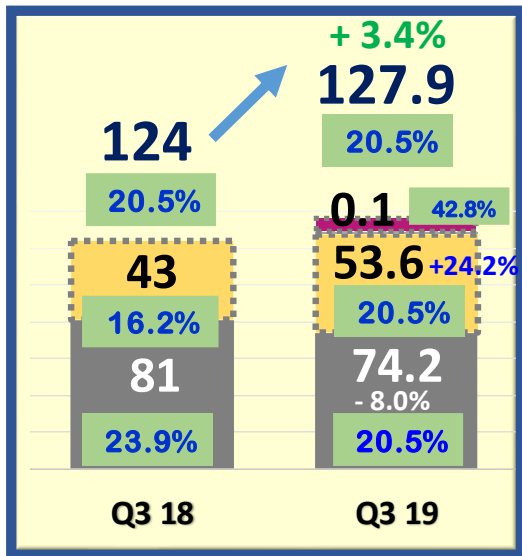
THB million	9M 19	9M 18	%Chg
As Reported			
Total Revenues	1,870.7	1,499	24.8%
<i>Company</i>	<i>1,064.0</i>	<i>957</i>	<i>11.2%</i>
<i>TBSP</i>	<i>806.4</i>	<i>542</i>	<i>48.8%</i>
<i>Marvel Pack</i>	<i>0.3</i>	<i>-</i>	<i>100.0%</i>

For 9M19, Company reported revenue growth of 24.8% y-y or THB 372 million, driven primarily by business combination. Excluding TBSP, Company’s core revenues increased by 11.2% or THB 107 mil, mainly caused by higher revenues from High-Valued Document and Digital Print and Mail.

%Gross Profit Margin

3Q19

Mil THB



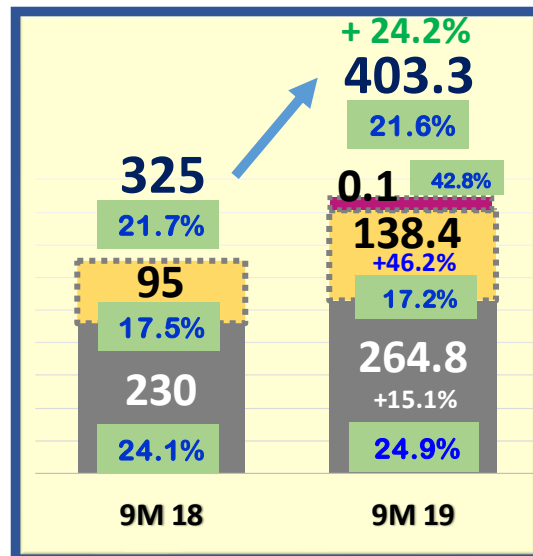
TKS TBSP
Marvel Pack %GP

% GP	Q3 19	Q3 18
As Reported (% to Sales)		
Total GP	20.5%	20.5%
Company	20.5%	23.9%
TBSP	20.5%	16.2%
Marvel Pack	42.8%	-

In 3Q19, consolidated %GP reported at 20.5%, equal to the same quarter of last year. Excluding TBSP of 20.5% GP, Company's %GP represented at 20.5%, decreased from the same quarter of last year, primary by lower Gross Profit of High-Valued Document and Digital Print and Mail.

9M19

Mil THB



TKS TBSP
Marvel Pack %GP

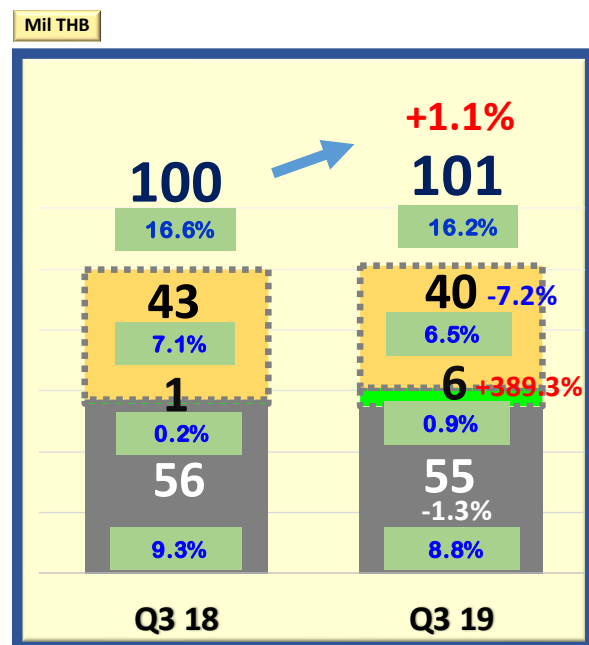
% GP	9M 19	9M 18
As Reported (% to Sales)		
Total GP	21.6%	21.7%
Company	24.9%	24.1%
TBSP	17.2%	17.5%
Marvel Pack	42.8%	-

For 9M19, consolidated %GP reported at 21.6%, nearly to %GP 9M18 represented at 21.7%. Excluding TBSP %GP at 17.2%, Company's core %GP achieved at 24.9%, primary by higher Gross Profit of High-Valued Document.

Excluding extra expenses that are combined as part of the cost of sales in 2Q19. Consisting of the impact of the legal adjustment of compensation for employee retirement 400 days of THB 15 mil (TKS 2 mil, TBSP 13 mil) and the cost of sales TBSP assets of 10 mil. The Company shows %GP at 22.9%, separated into %GP at 25.1% of TKS, %GP at 20.0% of TBSP and %GP at 42.8% of Marvel Pack.

Selling & Administrative Expenses

3Q19



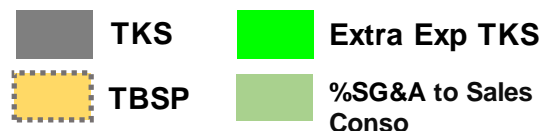
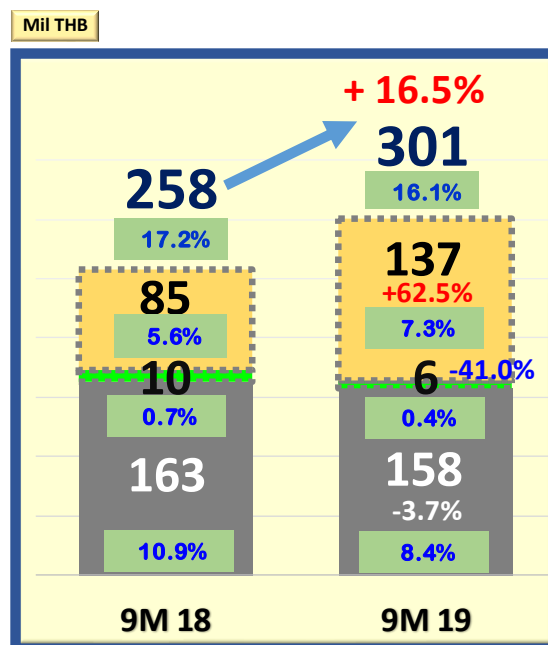
THB million	Q3 19	Q3 18	%Chg
As Reported (% to Sales)			
Total SG&A Exp.	101(16.2%)	100(16.6%)	1.1%
TKS	55(8.8%)	56(9.3%)	(1.3%)
One-off Extra exp.	6(0.9%)	1(0.2%)	389.3%
Company	61(9.7%)	57(9.5%)	6.8%
TBSP	40(6.5%)	43(7.1%)	(7.2%)

In 3Q19, Company reported consolidated Selling & Administrative expenses of THB 101 mil. (16.2%), while showed decreased % to Sales in the same quarter of last year. Excluding TBSP THB 40 mil. (6.5%), Company's Selling & Administrative expenses represented at THB 61 mil. (9.7%), +9.7% primary by one-off extra expenses for Tender Offer in TBSP approximately by THB 6 mil in 3Q19. When comparing TKS, without one-off items, Administrative expenses reduced by 1.3 % q-q which came from more effective management in logistic & distribution.

T.K.S. TECHNOLOGIES



9M19



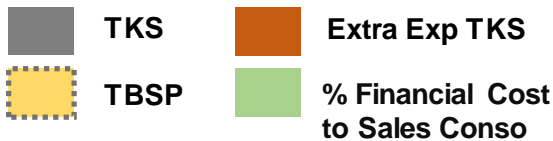
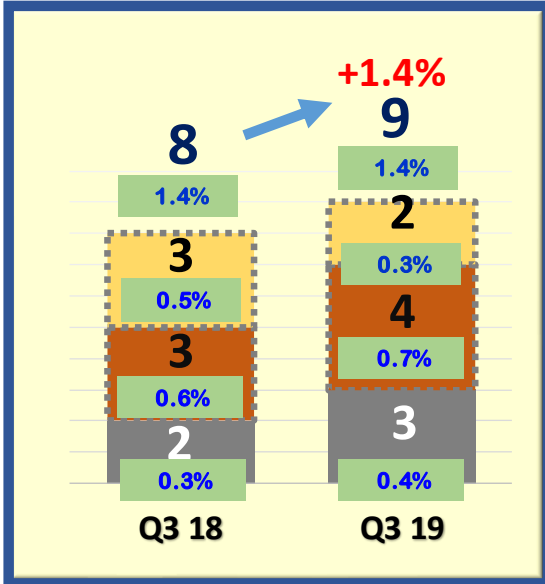
THB million	9M 19	9M 18	%Chg
As Reported (% to Sales)			
Total SG&A Exp.	301(16.1%)	258(17.2%)	16.5%
TKS	158(8.4%)	163(10.9%)	(3.7%)
One-off Extra exp.	6(0.4%)	10(0.7%)	(41.1%)
Company	164(8.8%)	173(11.6%)	(5.9%)
TBSP	137(7.3%)	85(5.6%)	62.5%

For 9M19, Company reported consolidated Selling & Administrative expenses of THB 301 mil. (16.1%), increased by 16.5% when compared same period of last year, driven primarily by business combination. Excluding TBSP THB 137 mil. (7.3%), Company's Selling & Administrative expenses represented at THB 164 mil. (8.8%), 5.9% decremental primary by one-off extra expenses for Tender Offer in TBSP approximately by THB 10 mil in 9M18. When comparing TKS, without one-off items, Administrative expenses reduced by 3.7% y-y which came from more effective management in logistic & distribution.

Finance cost

3Q19

Mil THB



THB million

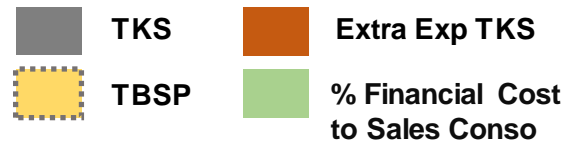
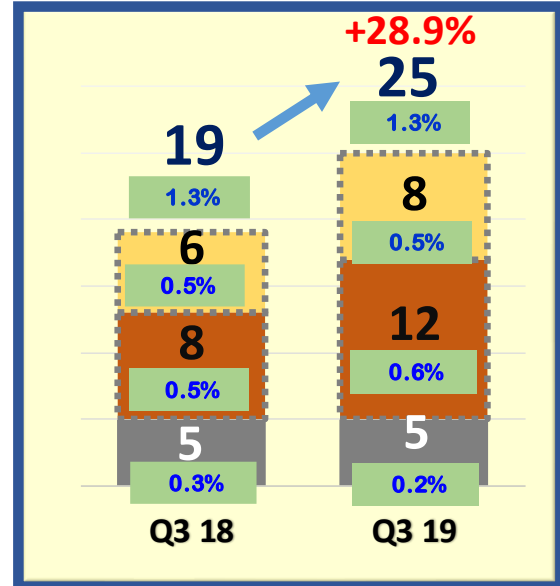
As Reported (% to Sales)

	Q3 19	Q3 18	%Chg
Total Fin Exp.	9(1.4%)	8(1.4%)	1.4%
TKS	3(0.4%)	2(0.3%)	40.3%
Extra Fin. cost	4(0.7%)	3(0.6%)	20.1%
Company	7(1.1%)	5(0.9%)	27.0%
TBSP	3(0.3%)	3(0.5%)	(38.5%)

Company consolidated finance cost in 3Q19 of THB 9 mil., +1.4% when compared same quarter of last year regarding to extra finance cost from additional long-term loan for Tender Offer in TBSP. Excluding the extra finance cost of THB 4 mil. The finance cost of Company increased by 40.3% q-q.

9M19

Mil THB



THB million

As Reported (% to Sales)

	9M 19	9M 18	%Chg
Total Fin Exp.	25(1.3%)	19(1.3%)	28.9%
TKS	5(0.2%)	5(0.3%)	(1.3%)
Extra Fin. Cost	12(0.6%)	8(0.5%)	39.0%
Company	17(0.8%)	13(0.8%)	23.6%
TBSP	8(0.5%)	6(0.5%)	40.4%

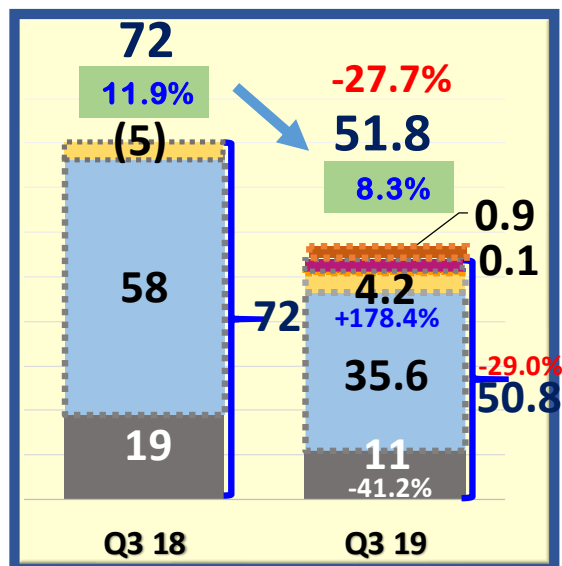
For 9M19, Company consolidated finance cost of THB 25 mil., +28.9% when compared same period of last year regarding to TBSP consolidation since April 2018 which impacted to higher extra finance cost from additional long-term loan for Tender Offer in TBSP. Excluding finance cost of TBSP of 8 mil and the extra finance cost of THB 12 mil. The finance cost of Company reduced by 1.3% y-y.



Net Profit

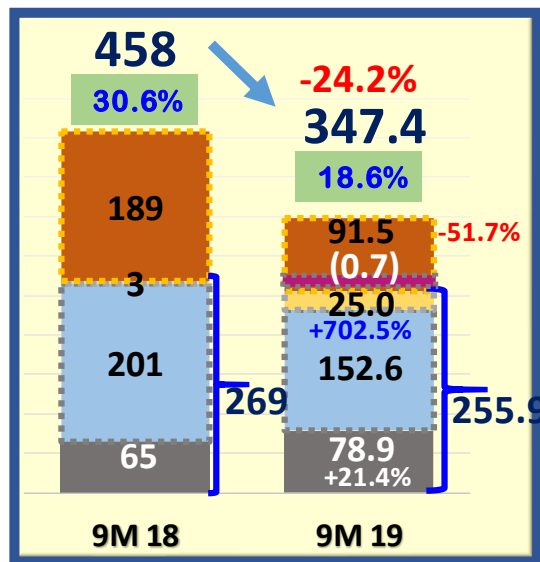
3Q19

Mil THB



9M19

Mil THB



TKS Profit sharing TBSP
Marvel Pack % NP
Gains on purchases 100% in Marvel Pack

TKS Profit sharing TBSP
Marvel Pack % NP
One-time gain(loss)

THB million	Q3 19	Q3 18	%Chg
Total NP	51.8(8.3%)	72(11.9%)	(27.7%)
TKS	11(1.8%)	19(3.1%)	(41.2%)
Profit sharing	35.6(5.7%)	58(9.7%)	(39.6%)
Company	46.6(7.5%)	77(12.8%)	(39.4%)
TBSP	4.2(0.7%)	(5)(0.9%)	178.4%
Marvel Pack	0.1(0.01%)	-	100.0%
NP from operating	50.9(8.2%)	72(11.9%)	(29.0%)
One-time gain	0.9(0.1%)	-	100.0%

THB million	9M 19	9M 18	%Chg
Total NP	347.4(18.6%)	458(30.6%)	(24.2%)
TKS	78.9(4.2%)	65(4.3%)	21.4%
Profit sharing	152.6(8.2%)	201(13.4%)	(24.0%)
Company	231.5(12.4%)	266(17.7%)	(12.9%)
TBSP	25.0(1.3%)	3(0.2%)	702.5%
Marvel Pack	(0.7)(0.04%)	-	100.0%
NP from operating	255.9(13.7%)	269(17.9%)	(4.9%)
One-time gain	91.5(4.9%)	189(12.7%)	(51.7%)

Company represented net profit in 3Q19 of THB 51.8 mil. -27.7%, when compared same quarter of last year, mainly caused by lower Share of Profit of associates contribution.

In addition, in 3Q19, the Company has gains on bargain purchases in Marvel Pack 0.9 mil. As a result, the Company's equity interest in Marvel Pack 100%.

For 9M19, Company represented net profit of THB 347.7 mil. -24.2%, when compared same period of last year, mainly caused by lower one-time gain. Excluding one-time gain and net profit from operation of TBSP, net profit of Company of THB 231.5 mil reduced by 12.9% y-y regarding to lower Share of Profit of associates contribution. While, the operating of TKS increased by 21.4%, as a result of higher revenue and gross profit for the High-Valued Document.