



บริษัท ที เอส ฟลาวมิลล์ จำกัด (มหาชน)
T S FLOUR MILL PUBLIC COMPANY LIMITED

“เรา คือ ผู้ผลิตแป้งทาลีชั้นนำ โดยมุ่งเน้นการพัฒนาสู่ความเป็นเลิศ ทั้งในด้านพาณิชย์และคุณภาพผลิตภัณฑ์อย่างเป็นมืออาชีพ”

November 14, 2019

Subject: Clarification on the cause of changes in operating results.

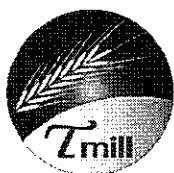
To: Director and Manager
The Stock Exchange of Thailand

According to T S Flour Mill Public Company Limited ("the Company"), the financial statements for Q3/2019 Ended on September 30, 2019. The company's financial statement showed net profit of 22.03 million baht. Compared to Q3/2018, net profit decreased by 12.82 million baht or 36.8%. The Company would like to clarify as follows :

Unit : Thousand Baht

Description	Q3/2019		Q3/2018		Q3/2019 compare with Q3/2018	
	Amount	%	Amount	%	More (Less) Amount	%
Average Capacity Utilization	-	72.65%	-	67.27%	-	5.38%
Revenue from sales	363,678	100.0%	343,319	100.0%	20,359	5.9%
Cost of sales	(306,022)	(84.1%)	(272,144)	(79.3%)	33,878	12.4%
Gross profit	57,656	15.9%	71,175	20.7%	(13,519)	(19.0%)
Gain from Exchange Rate	455	0.1%	5,116	1.5%	(4,661)	(91.1%)
Other income	200	0.1%	143	0.0%	57	39.9%
Selling expenses	(7,741)	(2.1%)	(8,576)	(2.5%)	(835)	(9.7%)
Administrative expenses	(21,204)	(5.8%)	(21,653)	(6.3%)	(449)	(2.1%)
Finance cost	(1,672)	(0.5%)	(3,020)	(0.9%)	(1,348)	(44.6%)
Profit before income tax	27,694	7.6%	43,185	12.6%	(15,491)	(35.9%)
Income tax expenses	(5,667)	(1.6%)	(8,337)	(2.4%)	(2,670)	(32.0%)
Profit for the period	22,027	6.1%	34,848	10.2%	(12,821)	(36.8%)
Basic earnings per share	0.06	บาท	0.10	บาท	(0.04)	(40.0%)

The Company's sales revenue in Q3/2019 increased 5.9% comparing to the same period of 2018. Wheat sales volume increased by 7.4%, but average wheat flour sales decreased by 0.2%. Wheat bran sales volume increased by 5.8% but average wheat bran price decreased by 6.6%.



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Cost of sales in Q3/2019 accounted for 84.6% of revenue, up from 79.3% in Q3/2018. As a result, the average price of raw materials increased.

Due to the average selling price decreased and this higher raw material price, resulting in the gross profit margin in Q3/2019 decreased by 4.8%.

The average capacity utilization rate for Q3/2019 was 72.65%. Increased 5.38% comparing to the same period of 2018.

Selling and Administrative expenses in Q3/2019 were similar to the same period of last year.

And from the financial statements for the nine months ended September 30, 2019. The company's financial statement showed net profit of 68.84 million baht. Compared to the same period of last year, net profit decreased by 19.72 million baht or 22.3%. The Company would like to clarify as follows :

Unit : Thousand Baht

Description	9m/2019		9m/2018		9m/2019 compare with 9m/2018	
	Amount	%	Amount	%	Amount	%
Average Capacity Utilization	-	72.65%	-	69.93%	-	2.72%
Revenue from sales	1,099,649	100.0%	1,056,037	100.0%	43,612	4.1%
Cost of sales	(925,805)	(84.2%)	(847,126)	(80.2%)	78,679	9.3%
Gross profit	173,844	15.8%	208,911	19.8%	(35,067)	(16.8%)
Gain from Exchange Rate	5,595	0.5%	2,580	0.2%	3,015	116.9%
Other income	629	0.1%	1,400	0.1%	(771)	(55.1%)
Selling expenses	(23,907)	(2.2%)	(24,127)	(2.3%)	(220)	(0.9%)
Administrative expenses	(63,691)	(5.8%)	(67,648)	(6.4%)	(3,957)	(5.8%)
Finance cost	(5,963)	(0.5%)	(10,738)	(1.0%)	(4,775)	(44.5%)
Profit before income tax	86,507	7.9%	110,378	10.5%	(23,871)	(21.6%)
Income tax expenses	(17,671)	(1.6%)	(21,820)	(2.1%)	(4,149)	(19.0%)
Profit for the period	68,836	6.3%	88,558	8.4%	(19,722)	(22.3%)
Basic earnings per share	0.17	บาท	0.26	บาท	(0.09)	(34.6%)



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The Company's revenue from sales in the nine months of 2019 increased by 4.1% when compared to the same period of 2018. Wheat sales volume increased by 3.6% and the average wheat flour price increased by 0.6% Wheat bran sales volume increased by 3.5% but average wheat bran price decreased 0.4%

Cost of sales is 84.2% of revenue, up from 80.2% in 2018. As a result, the average price of raw materials increased. As a result, gross margins narrowed by 4.0%

The average capacity utilization rate in 2019 was 72.65%. Increased 2.72% compared to the same period of 2018.

Selling and Administrative expenses in 2019 decreased by 4.18 million baht mainly from the personnel expenses.

Please be informed accordingly.

Yours sincerely,

Waewta Kullachotthada

(Ms. Waewta Kullachotthada)

Deputy Finance & Accounting Director / Company Secretary