

No. SONIC-027/2562

8 November 2019

Subject Management Discussion and Analysis for 9-month period ended 30 September 2019 (edit)

To. President

The stock Exchange of Thailand

Sonic Interfreight Public Company Limited ("the Company") would like to submit the Management Discussion and Analysis for 9-month period ended 30 September 2019 with details as follows:

Unit : million baht

Statements of Comprehensive Income	For the nine-month Period ended 30 September			
	2019	2018	Increase / (Decrease)	
			Amount	%
Revenues from services	851.21	860.51	(9.30)	(1.08)
Cost of services	671.02	688.44	(17.42)	(2.53)
Gross profit	180.19	172.07	8.12	4.72
Other income	2.34	0.45	1.89	420.00
Selling and Administrative expenses	130.91	118.34	12.57	10.62
Finance costs	5.43	9.00	(3.57)	(39.67)
Share of profit (loss) of associate	(0.10)	0.87	(0.97)	(111.49)
Income tax	11.45	9.00	2.45	27.22
Net profit for the period	34.64	37.05	(2.41)	(6.50)
Total comprehensive income for the period	34.64	37.05	(2.41)	(6.50)
Total comprehensive income for the period attributable to:				
Owners of the parent	33.30	35.58	(2.28)	(6.41)
Non-controlling interests	1.34	1.47	(0.13)	(8.84)

Revenue

Revenue from service for the 9-month period ended 30 September 2019 was 851.21 million baht, which is a decrease of 9.30 million baht from the same period of last year, a decrease of 1.08 percent, corresponds to the export value. Additionally, The imports of Thailand during the 9-month of the year 2019 which decreased¹.

¹ source: Economic and Financial report on September 2019, the Bank of Thailand

Which can classify income as follows:

Unit: million baht

Revenues from services	For the nine-month Period ended 30 September			
	2019	2018	Increase / (Decrease)	
			Amount	%
- Sea freight	564.36	558.73	5.63	1.01
- Land transport	237.84	225.53	12.31	5.46
- Air freight	41.29	68.99	(27.70)	(40.15)
- Other services	7.72	7.26	0.46	6.34
Total revenues from services	851.21	860.51	(9.30)	(1.08)

1. Revenue from sea freight services, which is a group income with a revenue share of 66.30 percent from service income for the nine months of the period ending 30 September 2019, the revenue was 564.36 million baht, an increase of 5.63 million baht from the same period of the previous year, equivalent to 1.01 percent as a result of a higher number of existing customers using services.

2. Revenue from Land transportation services with a revenue share of 27.94 percent from service income for the nine months ending 30 September 2019, with revenue of 237.84 million baht, an increase of 12.31 million baht from the same period of the previous year, or 5.46 percent due to the increase in truck investment in accordance with the objectives of using IPO to support the Want to use the services of more customers

3. Revenue from Airfreight services were the proportions of income is 4.85 percent from service income. For the nine months For the period ending 30 September 2019, revenue was 41.29 million baht, down from the same period of the previous year 27.70 million baht or 40.15 percent

4. Revenues from other services comprise revenue from distribution center services Income from dangerous goods equivalent to 0.46 percent of service revenue for the nine months Ending 30 September 2019, with revenue of 7.72 million baht, an increase of 0.46 million baht from 6.34 percent in the same period last year, due to the company has invested in warehouse development in accordance with the purpose of using some IPO to support the demand Increased use of customer services

Cost of service

The company has the cost of service for the first 9 months of 2019 equal to 671.02 million baht, which is equal to 78.83 percent of service revenue. Which decreased from the same period of the previous year by 17.42 million baht or 2.53 percent. The cost decreased mainly due to the revenue decreased slightly. The ratio cost of service to revenue from service There is a downward trend from the previous year due to the Group has cost management to be more effective. Which can be seen from the percentage of the cost of services when compared to the revenue from the services that decreased from the same period last year Which has a rate of 80 percent

Gross profit

The company's gross profit according to the data classified by segment of the consolidated financial statements for the 9 months of 2019 equal to 180.19 million baht or equivalent to gross margin. Equal to 21.17 percent. The company has gross profit according to the data classified by segment of the consolidated financial statements for the first 9 months of 2019 equal to 180.19 million baht or equivalent to gross margin. Equal to 21.17 percent. In this regard, the increase in gross profit, although the overall service revenue is reduced. Due to the Group has cost management to be effective in all types of services.

Other income

Other incomes consist of incomes that are not derived from the company's business operations, including Profit (loss) from disposal of assets Gain (loss) from foreign exchange Interest income Hire Purchase, etc. Which other income for the first 9 months of the year 2019 was 2.34 million baht which increased by 1.89 million baht from the same period of last year Mainly from interest received The Company has started to recognize income from financial lease agreements. End of September 2019

Selling and Administrative expenses

In the Company's selling expense was equal to 130.91 million baht or equivalent to 15.34 percent of the revenue. Thus, the increase in the expense by 12.57 million baht, or increased by 10.62 percent from the same period in 2019 was mainly a result from a reserve for share-based payment for ESOP warrant. Annual staff expense adjustment Including the provision for compensation for retired employees According to the Labor Protection Act No. 7 B.E. 2019

Net Income

In the first 9 months of 2019, the Company's Net Income was equal to 33.30 million baht or equivalent to 3.90 percent of revenues. In comparison to the same period in 2019, the decrease in the net income by 2.28 million baht or decrease by 6.41 percent was mainly a result from a reserve for share-based payment for retired employees According to the Labor Protection Act No. 7 B.E. 2019 and other selling and administrative expenses.

Financial Position Analysis

Unit : million baht

Statement of Financial Position	30 September 2019	31 December 2018	Increase / (Decrease)	
			Amount	%
Asset	837.26	842.11	(4.85)	(0.58)
Liabilities	239.88	281.28	(41.40)	(14.72)
Shareholder's equity	597.38	560.83	36.55	6.52

Assets

As of 30 September 2019 the Company's total assets was 837.26 million baht, a decrease of 4.85 million baht or 0.58 percent, with the following details:

1. Cash and cash equivalents as of 30 September 2019 equals 136.43 million baht, a decrease of 109.81 million baht from 31 December 2019 due to investments in land Building and equipment According to the purpose of using IPO
2. Trade and other receivables, net as of 30 September 2019 equals to 160.25 million baht, a decrease of 43.03 million baht from 31 December 2019 due to the company receiving payment policy.
3. Property, plant and equipment-net, as of 30 September 2019, moved 496.55 million baht, increasing lazy from 31 December 2019 in the amount of 126.94 million baht from the investment in land to expand the Pin Tong area, Sriracha District, Chonburi Province. Land transportation and development of a collection and distribution center for purposes of using IPO
4. The Assets of hide per share as of the 30 September 2019 equates to 16.47 million baht, which is a new type of business for the company regarding the hire purchase of trucks and trailers.

Liabilities

As of 30 September 2019 the Company's total liabilities was 239.88 million baht, a decrease of 41.40 million baht or 14.72 percent due to a decrease in short-term loans from financial institutions.

Shareholder's equity

As of 30 September 2019 the Company's total shareholders' equity was 597.38 million baht, an increase of 36.55 million baht or 6.52 percent, which increased from operating profit.

Please be informed accordingly,

Yours Sincerely,



(Ph.D.Santisuk Kosiarpnant)
Chief Executive Officer



(Mr.Ranut Lieolertsakulchai)
Director