

No 12/2020

August 10, 2020

Subject : Management Discussion and Analysis for Q2 of FY2020
 To : Director and Manager, the Stock Exchange of Thailand

Dear Sir,

We are pleased to present you our Q2 of FY2020 analysis together with comparable figures:

Unit : Baht

Profit and Loss	% YoY	Q2/2020	Q2/2019	Q3/2019	Q4/2019	Q1/2020	% QoQ
Sales revenue	(15.99%)	730,550,631.92	869,617,897.44	830,470,636.49	780,258,493.27	937,266,335.99	(22.06%)
Cost of goods sold	21.26%	(457,476,835.66)	(580,962,713.67)	(557,758,155.74)	(505,458,453.60)	(560,318,828.24)	18.35%
Gross profit	(5.40%)	273,073,796.26	288,655,183.77	272,712,480.75	274,800,039.67	376,947,507.75	(27.56%)
Other income	57.69%	11,686,588.42	7,411,005.46	5,309,967.40	6,391,854.92	6,062,364.93	92.77%
Selling expense	6.79%	(14,558,533.84)	(15,619,231.56)	(15,703,942.43)	(16,124,918.82)	(20,120,943.60)	27.64%
Administration expense	7.00%	(13,258,749.15)	(14,256,289.44)	(14,367,568.01)	(24,128,767.21)	(14,808,424.94)	10.46%
Interest expense	99.70%	(10,764.72)	(3,607,065.83)	(1,688,644.93)	(77,072.56)	(4,325.96)	(148.84%)
Profit before tax	(2.15%)	256,932,336.97	262,583,602.40	246,262,292.78	240,861,136.00	348,076,178.18	(26.19%)
Income tax	(5.04%)	(28,620,910.24)	(27,247,084.66)	(28,960,950.56)	(27,924,250.03)	(42,500,122.08)	32.66%
Net operating profit	(2.99%)	228,311,426.73	235,336,517.74	217,301,342.22	212,936,885.97	305,576,056.10	(25.28%)
Net operating profit ratio	-	31.25%	27.06%	26.17%	27.29%	32.60%	-

The effect of COVID-19 pandemic started to hit our customers severely in May. The overall sales volume was down, the finished goods inventory increased dramatically and the selling prices sharply reduced.

To cope with the situation, we decided to reduce our production volume by moving up our yearly maintenance program to Q2. The production volume was purposely reduced by around 5,000 tons.

As a result, compared to same period of last year, the sales revenue decreased by 139,067,265.52 baht or 15.99%. The net profit decreased by 7,025,091.01 baht or 2.99%. However, the net profit ratio moved up from 27.06% to 31.25% due to the lower cost of waste paper.

Please kindly be informed accordingly.

Sincerely yours,

(Mr. Wachara Chinsethawong)
 Deputy Managing Director