

April 28, 2020

No.: KT/PB (COTTO) 007/2020
To: Director and Manager, the Stock Exchange of Thailand
Subject: Management's Discussion and Analysis (MD&A) of Q1/20 (Unreviewed)

SCG Ceramics Public Company ("The Company") would like to provide operating results information of the company and its subsidiary for the period Q1/2020 ending March 31, 2020, as follows:

The Company reported Q1/2020, revenue from sales amounted 2,523 MB, dropped 16% y-o-y due to decreasing in sales volume and land selling, while profit for the period amounted to 125 MB, decreased 4% y-o-y and EBITDA amounted to 339 MB, increased 4% y-o-y due to (1) significantly lower cost of natural gas (2) operating expense control; however, there is higher depreciation amounted to 33 MB from machine improvement and sales channel expansion.

Table1: Consolidated financial Summary

Unit: Million Baht	Q1	%change	%change	Jan-Dec
	2020	Y-o-Y	Q-o-Q	2019
Revenue from Sales	2,523	-16%	-1%	11,074
Profit(Loss) for the Period	125	-4%	-278%	168
EBITDA	339	4%	360%	955
Earning per Share (Baht)	0.02	-4%	-278%	0.03

Note: EBITDA = Earnings before interest, tax, depre.& amortization
Profit for the Period = Profit for the Period attributable to owners of the parent

For the period of Q1/2020, finance costs amounted 2 MB, whereas last year amount was 3 MB. Average interest rate at 1.06% which is fixed rate and all in Thai Baht.

Table2: Debt Profile

Unit: Million Baht	Q1 2020	Q4 2019	Q1 2019
Short-Term Loan	950	160	340
Baht	950	160	340
Foreign	-	-	-
%of Total Loan	100%	100%	100%
Total Loan	950	160	340
Cash and cash equivalents	845	631	375
Total Net Debt	105	(471)	(35)
<u>Financial Ratios</u>	Q1 2020	Q4 2019	Q1 2019
EBITDA on Assets (%)	12%	8%	11%
Current Ratio (times)	2.1	2.9	2.5
Quick Ratio (times)	0.8	1.0	0.9
Interest Coverage (times)	157.8	409.4	108.5
Net Debt to EBITDA (times)	0.1	n/a	n/a
Net Debt to Equity (times)	0.0	n/a	n/a
Debt to Equity (times)	0.4	0.3	0.3
Return on Equity (%)	6%	2%	6%

Note:	Net Debt	= Total debt (interest bearing), less cash and cash equivalents
	EBITDA	= Earnings before interest, tax, depre.& amortization
	EBITDA on Assets	= Annualized EBITDA, to Total Consolidated Assets
	Current Ratio	= Current Assets, to current liabilities
	Quick Ratio	= Cash+short term investments+receivable, to current liabilities
	Interest Coverage	= EBITDA, to interest expense
	Net Debt to EBITDA	= Net debt, to annualized EBITDA
	Net Debt to Equity	= Net debt, to equity & non-controlling interest
	Debt to Equity	= Total Liabilities, to equity & non-controlling interest
	Return on Equity	= Annualized Net profit, to average total shareholder's equity (not including non-controlling interest)

As of March 31, 2020, Total Assets amounted 11,782 MB, where current assets amounted 5,410 MB, property, plant and equipment amounted 5,453 MB and others non-current assets amounted 919 MB.

Total Liabilities amounted 3,270 MB, including short-term loan from financial institutes 950 MB for investment in subsidiary company and operating expenses, where current liabilities amounted 1,613 MB and non-current liabilities amounted 707 MB. However, the company had no long term loan with interest.

Total equity attributable to owners of the parent amounted 8,512 MB, which 94% of total shareholder's equity.

Table3: Statement of Financial Position			
Unit: Million Baht	March 2020	December 2019	March 2019
Total Assets	11,782	11,395	11,533
Current Assets			
Cash, cash equivalent and short term investment	845	631	375
Trade and other current receivables	1,175	1,163	1,396
Inventories	2,904	2,844	2,903
Land development for sale	486	486	486
Property, plant and equipment	5,453	5,323	5,498
Total Liabilities	3,270	2,363	2,483
Trade and other current payables	1,427	1,417	1,667
Loans	950	160	340
Total Shareholders' equity	8,512	9,032	9,050
Total equity attributable to owners of the parent	8,512	8,505	8,528
Non-controlling interests	-	527	522

Sincerely yours,

(Numpol Malichai)

Managing Director