

July 22, 2019

No.: KT/PB (COTTO) 041/2019
To: Director and Manager
The Stock Exchange of Thailand
Subject: Management's Discussion and Analysis (MD&A) of Q2/19 and 6M/19 ending June 30, 2019
(Unreviewed)

SCG Ceramics Public Company ("The Company") would like to provide operating results information of the company and its subsidiary for the period Q2/19 and 6M/19 ending June 30, 2019, as follows:

The Company reported Q2/19, Profit for the period of 21 MB, increased 11% y-o-y, however the new labor law (changed from 300 days to 400 days severance pay for staffs with +20 service years) affected profit for the period decreased 93 MB in this quarter. While EBITDA amounted to 301 MB, increased 21% y-o-y due to efficiency increasing in management and operation, and revenue from sales amounted 2,790 MB, dropped 5% due to decreasing in average selling price.

For the period of 6M/19, Profit for the period registered 151 MB, increased 182% y-o-y and EBITDA amounted 627 MB, increased 37% y-o-y, also affected by revenue from land selling in Nong Khae industrial estate 203 MB in Q1/2019

For the period of Q2/19, revenue from public utility service in Nong Khae industrial estate amounted 51 MB, remained stable from last year.

Table1: Consolidated financial Summary

Unit: Million Baht	Q2	%change	%change	Jan-Jun	%change
	2019	Y-o-Y	Q-o-Q	2019	Y-o-Y
Revenue from Sales	2,790	-5%	-7%	5,802	-4%
Profit for the Period	21	11%	-84%	151	182%
EBITDA	301	21%	-7%	627	37%
Earning per Share (Baht)	0.00	11%	-84%	0.03	182%

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 Q2/19, finance costs amounted 2 MB, whereas Q2/18 amounted 9 MB. Average interest rate at 1.94% which is fixed rate and all in Thai baht.

Table2: Debt Profile

Unit: Million Baht	Q2 2019	Q1 2019	Q4 2018	Q2 2018
Short-Term Loan	370	340	865	1,307
Baht	370	340	865	1,307
Foreign	-	-	-	-
%of Total Loan	100%	100%	100%	100%
Total Loan	370	340	865	1,307
Cash	379	375	424	750
Cash and cash equivalents	379	375	424	750
Total Net Debt	(9)	(35)	441	557
Financial Ratios	Q2 2019	Q1 2019	Q4 2018	Q2 2018
EBITDA on Assets (%)	11%	11%	6%	7%
Current Ratio (times)	2.5	2.5	2.2	1.9
Quick Ratio (times)	0.9	0.9	0.7	0.8
Interest Coverage (times)	219.7	108.5	31.0	17.7
Net Debt to EBITDA (times)	N/A	N/A	0.6	0.6
Net Debt to Equity (times)	N/A	N/A	0.1	0.1
Debt to Equity (times)	0.3	0.3	0.3	0.4
Return on Equity (%)	6%	6%	2%	1%

Note:	Net Debt	= Total debt (interest bearing), less cash and short term investment
	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 June 30, 2019, Total Assets amounted 11,730 MB, where current assets amounted 5,355 MB, property, plant and equipment amounted 5,464 MB and others non-current assets amounted 911 MB.

Total Liabilities amounted 2,664 MB, where current liabilities amounted 2,107 MB and non-current liabilities amounted 557 MB. However, the company had no long term loan with interest.

Total equity attributable to owners of the parent amounted 8,549 MB, which 94.3% of total shareholder's equity.

Table3: Statement of Financial Position			
Unit: Million Baht	June 2019	December 2018	June 2018
Total Assets	11,730	11,725	12,494
Current Assets			
Cash, cash equivalent and short term investment	379	424	750
Trade and other current receivables	1,440	1,371	1,782
Inventories	3,050	2,898	2,867
Land development for sale	486	582	586
Property, plant and equipment	5,464	5,570	5,633
Total Liabilities	2,664	2,816	3,557
Trade and other current payables	1,639	1,506	1,689
Loans	370	865	1,307
Total Shareholders' equity	9,066	8,909	8,937
Total equity attributable to owners of the parent	8,549	8,397	8,433
Non-controlling interests	517	512	504

Sincerely yours,

(Numpol Malichai)

Managing Director