

October 29, 2019

No.: KT/PB (COTTO) 047/2019  
To: Director and Manager, the Stock Exchange of Thailand  
Subject: Management's Discussion and Analysis (MD&A) of Q3/19 and 9M/19 ending September 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 Q3/19 and 9M/19 ending September 30, 2019, as follows:

The Company reported Q3/19, Profit for the period of 87 MB, increased 180% y-o-y, due to Non-recurring expense in Q3/18, where by 162 MB was from Mutual Separation Plan (MSP). While EBITDA amounted to 254 MB, increased 469% y-o-y due to (1) Declining in energy cost from last year (2) Efficiency increasing in management and operation, and revenue from sales amounted 2,728 MB, dropped 2% due to decreasing in average selling price.

For the period of 9M/19, Profit for the period registered 238 MB, increased 527% y-o-y and EBITDA amounted 881 MB, increased 76% y-o-y, also affected by (1) Non-recurring expense in Q3/18, Mutual Separation Plan (MSP) (2) Declining in energy cost from last year (3) Efficiency increasing in management and operation (4) Revenue from land selling in Nong Khae industrial estate 203 MB in Q1/2019

For the period of Q3/19, revenue from public utility service in Nong Khae industrial estate amounted 25 MB, remained stable from last year.

**Table1: Consolidated financial Summary**

Unit: Million Baht	Q3	%change	%change	Jan-Sep	%change
	2019	Y-o-Y	Q-o-Q	2019	Y-o-Y
Revenue from Sales	2,728	-2%	-2%	8,529	-4%
Profit for the Period	87	180%	312%	238	527%
EBITDA	254	469%	-16%	881	76%
Earning per Share (Baht)	0.01	180%	312%	0.04	527%

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 Q3/19, finance costs amounted 0.4 MB, whereas Q3/18 amounted 7 MB. Average interest rate at 1.67% which is fixed rate and all debt is in Thai Baht.

## Table2: Debt Profile

Unit: Million Baht	Q3 2019	Q2 2019	Q4 2018	Q3 2018
Short-Term Loan	145	370	865	1,030
Baht	145	370	865	1,030
Foreign	-	-	-	-
%of Total Loan	100%	100%	100%	100%
Total Loan	145	370	865	1,030
Cash and cash equivalents	435	379	424	412
Total Net Debt	(290)	(9)	441	618

## Financial Ratios

	Q3 2019	Q2 2019	Q4 2018	Q3 2018
EBITDA on Assets (%)	10%	11%	6%	6%
Current Ratio (times)	3.0	2.5	2.2	2.1
Quick Ratio (times)	1.0	0.9	0.7	0.7
Interest Coverage (times)	572.4	159.1	58.1	6.5
Net Debt to EBITDA (times)	n/a	n/a	0.6	0.9
Net Debt to Equity (times)	n/a	n/a	0.0	0.1
Debt to Equity (times)	0.2	0.3	0.3	0.3
Return on Equity (%)	4%	4%	0%	-1%

Note:	<p>Net Debt = Total debt (interest bearing), less cash and cash equivalents</p> <p>EBITDA = Earnings before interest, tax, depre.&amp; amortization</p> <p>EBITDA on Assets = Annualized EBITDA, to Total Consolidated Assets</p> <p>Current Ratio = Current Assets, to current liabilities</p> <p>Quick Ratio = Cash+short term investments+receivable, to current liabilities</p> <p>Interest Coverage = EBITDA, to interest expense</p> <p>Net Debt to EBITDA = Net debt, to annualized EBITDA</p> <p>Net Debt to Equity = Net debt, to equity &amp; non-controlling interest</p> <p>Debt to Equity = Total Liabilities, to equity &amp; non-controlling interest</p> <p>Return on Equity = Annualized Net profit, to average total shareholder's equity (not including non-controlling interest)</p>
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As of September 30, 2019, Total Assets amounted 11,444 MB, where current assets amounted 5,130 MB, property, plant and equipment amounted 5,384 MB and others non-current assets amounted 930 MB.

Total Liabilities amounted 2,284 MB, where current liabilities amounted 1,717 MB and non-current liabilities amounted 567 MB. However, the company had no long term loan with interest.

Total equity attributable to owners of the parent amounted 8,636 MB, which 94.3% of total shareholder's equity.

<b>Table3: Statement of Financial Position</b>			
Unit: Million Baht	September	December	September
	2019	2018	2018
<b>Total Assets</b>	<b>11,444</b>	<b>11,725</b>	<b>11,874</b>
Current Assets			
Cash, cash equivalent and short term investment	435	424	412
Trade and other current receivables	1,293	1,371	1,453
Inventories	2,915	2,898	2,878
Land development for sale	486	582	586
Property, plant and equipment	5,384	5,570	5,634
<b>Total Liabilities</b>	<b>2,284</b>	<b>2,816</b>	<b>3,041</b>
Trade and other current payables	1,526	1,506	1,481
Loans	145	865	1,030
<b>Total Shareholders' equity</b>	<b>9,160</b>	<b>8,909</b>	<b>8,833</b>
Total equity attributable to owners of the parent	8,636	8,397	8,324
Non-controlling interests	524	512	509

Sincerely yours,

(Numpol Malichai)

Managing Director