

February 11, 2020

No.: KT/PB (COTTO) 004/2020
To: Director and Manager, the Stock Exchange of Thailand
Subject: Management's Discussion and Analysis (MD&A) of Q4/19 and FY2019 (Audited)

SCG Ceramics Public Company ("The Company") would like to provide operating results information of the company and its subsidiary for the period Q4/19 and FY2019 ending December 31, 2019, as follows:

The Company reported Q4/19, revenue from sales amounted 2,545 MB, dropped 6% y-o-y due to decreasing in sales volume and average selling price. While profit for the period amounted to (70) MB, decreased 207% y-o-y and EBITDA amounted to 74 MB, decreased 68% y-o-y due to non-recurring expense, was from Mutual Separation Plan (MSP) amounted to 85 MB.

For the period of FY2019, revenue from sales amounted 11,074 MB, dropped 4% y-o-y due to decreasing in sales volume and average selling price, and revenue from land selling in Nong Khae industrial estate amounted 203 MB in 2019 while 2018 amounted 43 MB, whereas profit for the period registered 168 MB, increased 158 MB from last year and EBITDA amounted 955 MB, increased 31% y-o-y, also affected by (1) Declining in energy cost from last year (2) Efficiency increasing in management and operation (3) Increasing profit for period from land selling in Nong Khae industrial estate.

Table1: Consolidated financial Summary

Unit: Million Baht	Q4	%change	%change	Jan-Dec	%change
	2019	Y-o-Y	Q-o-Q	2019	Y-o-Y
Revenue from Sales	2,545	-6%	-7%	11,074	-4%
Profit(Loss) for the Period	(70)	-207%	-180%	168	n/a
EBITDA	74	-68%	-71%	955	31%
Earning per Share (Baht)	(0.01)	-207%	-180%	0.03	n/a

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 FY2019, finance costs amounted 5 MB, whereas FY2018 amounted 25 MB. Average interest rate at 1.43% which is fixed rate and all in Thai baht.

Table2: Debt Profile			
Unit: Million Baht	Q4 2019	Q3 2019	Q4 2018
Short-Term Loan	160	145	865
Baht	160	145	865
Foreign	-	-	-
%of Total Loan	100%	100%	100%
Total Loan			
Cash and cash equivalents	631	435	424
Total Net Debt	(471)	(290)	441
<u>Financial Ratios</u>	Q4 2019	Q3 2019	Q4 2018
EBITDA on Assets (%)	8%	10%	6%
Current Ratio (times)	2.9	3.0	2.2
Quick Ratio (times)	1.0	1.0	0.7
Interest Coverage (times)	409.4	572.4	58.1
Net Debt to EBITDA (times)	n/a	n/a	0.6
Net Debt to Equity (times)	n/a	n/a	0.0
Debt to Equity (times)	0.3	0.2	0.3
Return on Equity (%)	2%	4%	0%
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 December 31, 2019, Total Assets amounted 11,395 MB, where current assets amounted 5,125 MB, property, plant and equipment amounted 5,319 MB and others non-current assets amounted 951 MB.

Total Liabilities amounted 2,363 MB, where current liabilities amounted 1,719 MB and non-current liabilities amounted 644 MB. However, the company had no long term loan with interest.

Total equity attributable to owners of the parent amounted 8,505 MB, which 94% of total shareholder's equity.

Table3: Statement of Financial Position			
Unit: Million Baht	December 2019	December 2018	September 2019
Total Assets	11,395	11,725	11,444
Current Assets			
Cash, cash equivalent and short term investment	631	424	435
Trade and other current receivables	1,163	1,371	1,293
Inventories	2,844	2,898	2,915
Land development for sale	486	582	486
Property, plant and equipment	5,323	5,570	5,384
Total Liabilities	2,363	2,816	2,284
Trade and other current payables	1,417	1,506	1,526
Loans	160	865	145
Total Shareholders' equity	9,032	8,909	9,160
Total equity attributable to owners of the parent	8,505	8,397	8,636
Non-controlling interests	527	512	524

Sincerely yours,

(Numpol Malichai)

Managing Director