

January 24, 2023

No.: KT/PB (COTTO) 001/2023
To: Director and Manager, the Stock Exchange of Thailand
Subject: Management's Discussion and Analysis (MD&A) for the period of Q4/22 and FY2022, ended December 31, 2022 (Unaudited)

SCG Ceramics Public Company ("The Company") hereby submits the unreviewed consolidated financial statements and management discussion and analysis (MD&A) for the period of Q4/22 and FY2022, ended December 31, 2022. Details of the operating results are as follows:

For the period of Q4/22, consolidated revenue from sales amounted to 3,154 MB, increased 14% y-o-y due to total sales volume increased 2% y-o-y from both domestic and export while average selling price increased 11% y-o-y. Loss for the period amounted to 741 MB and EBITDA loss amounted to 778 MB, There was non-recurring items which were allowance for impairment of assets and inventory devaluation amounted to 847 MB and Mutual Separation Plan expense (MSP) amounted to 20 MB. Without non-recurring items normalized Loss for the period would register 47 MB, decreased 178% y-o-y and normalized EBITDA would amount to 89 MB, decreased 62% y-o-y due to increasing raw materials and energy cost, especially natural gas price that increase continuously. However, the company had adjusted product price to reflect cost increase and also closely control cost management and production efficiency in order to mitigate the impact.

For the period FY2022, revenue from sales registered to 13,157 MB, increased 17% y-o-y due to increasing in sales volume. Domestic and Export sales volume amounted to 75.5 million sq.m, increased 13% y-o-y, due to increasing demand. while average selling price increased 6% y-o-y. Loss for the period amounted to 228 MB, decreased 139% y-o-y and EBITDA amounted to 337 MB, decreased 76% y-o-y. Without key items, normalized Profit for the period would register 469 MB, decreased 13% y-o-y and normalized EBITDA would amount to 1,207 MB, decreased 9% y-o-y.

The Board of Directors of SCG Ceramics proposes to get approval for the dividend payment for 2022 at the rate of 0.040 Bt/sh at the 2023 Annual General Meeting of Shareholders. The dividend shall be payable on April 21, 2023 to the shareholders entitled to receive dividend in accordance with the Company's Articles of Association, of record as of April 3, 2023 (The Stock Exchange of Thailand shall post the "XD" sign or the date on which the buyers of securities shall have no rights to receive dividend on March 31, 2023)

Table1: Consolidated financial Summary

Unit: Million Baht	Q4	%change	%change	Jan.- Dec.	%change
	2022	Y-o-Y	Q-o-Q	2022	Y-o-Y
Revenue from Sales	3,154	14%	-7%	13,157	17%
Profit (Loss) for the Period	(741)	n/a	n/a	(228)	-139%
EBITDA	(778)	-434%	-340%	337	-76%
Earning (Loss) per Share (Baht)	(0.12)	n/a	n/a	(0.04)	-139%

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 FY2022, finance costs amounted to 4 MB, which was stable y-o-y, from the interest expense on the lease contract under Thai Financial Reporting Standards no. 16 “Leases” (TFRS 16). The company had no short-term and long-term loan from financial institute.

Table2: Debt Profile

Unit: Million Baht	Q4	Q3	Q4
	2022	2022	2021
Short-Term Loan	-	-	-
Baht	-	-	-
Foreign	-	-	-
%of Total Loan	n/a	n/a	n/a
Total Loan	-	-	-
Cash & Cash Under Management	1,212	1,431	1,324
Cash and cash equivalents	712	731	1,324
Short-term Investment	500	700	-
Total Net Debt (Net Cash)	(1,212)	(1,431)	(1,324)
Financial Ratios	Q4	Q3	Q4
	2022	2022	2021
EBITDA on Assets (%)	3%	12%	12%
Current Ratio (times)	3.5	3.1	3.7
Quick Ratio (times)	1.5	1.5	1.7
Interest Coverage (times)	-562.7	303.8	242.3
Net Debt to EBITDA (times)	n/a	n/a	n/a
Net Debt to Equity (times)	n/a	n/a	n/a
Debt to Equity (times)	0.3	0.3	0.2
Return on Equity (%)	-3%	7%	6%

Note: Net Debt = Total debt (interest bearing exclude lease liabilities), 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, 2022, Total assets amounted to 11,310 MB, where current assets amounted to 6,331 MB, property, plant and equipment amounted to 4,055 MB and others non-current assets amounted to 924 MB.

Total liabilities amounted to 2,493 MB, where trade and other current payables liabilities amounted to 1,706 MB, others current liabilities amounted to 125 MB and others non-current liabilities amounted to 662 MB.

Total equity attributable to owners of the parent amounted to 8,810 MB, which 99.9% of total shareholder's equity.

Table3: Statement of Financial Position			
Unit: Million Baht	December	December	September
	2022	2021	2022
Total Assets	11,310	11,521	12,417
Current Assets	6,331	5,872	6,904
Cash, cash equivalent	712	1,324	731
Short term investment	500	-	700
Trade and other current receivables	1,621	1,348	1,778
Inventories	3,068	2,770	3,265
Land development for sale	430	430	430
Property, plant and equipment	4,055	4,825	4,705
Others non-current Assets	924	824	808
Total Liabilities	2,493	2,271	2,934
Current Liabilities	1,831	1,597	2,206
Trade and other current payables	1,706	1,487	2,073
Others	125	110	133
Others non-current Liabilities	662	674	728
Total Shareholders' equity	8,817	9,250	9,484
Total equity attributable to owners of the parent	8,810	9,250	9,484
Non-controlling interests	7	-	-

Sincerely yours,

(Numpol Malichai)

Managing Director