

August 9, 2021

No.: KT/PB (COTTO) 018/2021  
To: Director and Manager, the Stock Exchange of Thailand  
Subject: Management's Discussion and Analysis (MD&A) for the period of Q2/21 and 6M/21, ended June 30, 2021  
(Reviewed)

SCG Ceramics Public Company ("The Company") hereby submits the reviewed interim consolidated financial statements and management discussion and analysis (MD&A) for the period of Q2/21 and 6M/21, ended June 30, 2021. Details of the operating results are as follows:

For the period of Q2/21, Profit for the period amounted to 177 MB, increased 328% y-o-y and EBITDA amounted to 384 MB, increased 69% y-o-y. Consolidated revenue from sales increased 16% y-o-y to 2,807 MB, mainly from (1) Sales volume increased from positive market demand in upcountry, (2) Efficiency increasing in management and operations, and (3) Continuously improved the production efficiency. However, there was a non-recurring item, which is Mutual Separation Plan expense (MSP) amounted to 6 MB. Without MSP, EBITDA would increase 71% y-o-y.

For the period 6M/21, revenue from sales registered 5,613 MB, increased 12% y-o-y due to rising in total sales volume from both domestic and export, amounted to 34.9 million sq.m, increased 11% y-o-y, thanks to increasing demand. While average selling price decreased 1% y-o-y. Profit for the period amounted to 364 MB, increased 119% y-o-y and EBITDA amounted to 781 MB, increased 38% y-o-y. However, there was a non-recurring item, which was Mutual Separation Plan expense (MSP) amounted to 6 MB. Without MSP, profit for the period and EBITDA would increase 122% y-o-y and 39% y-o-y, respectively.

**Table1: Consolidated financial Summary**

Unit: Million Baht	Q2	%change	%change	Jan.-Jun.	%change
	2021	Y-o-Y	Q-o-Q	2020	Y-o-Y
Revenue from Sales	2,807	16%	0%	5,613	12%
Profit for the Period	177	328%	-5%	364	119%
EBITDA	384	69%	-3%	781	38%
Earning per Share (Baht)	0.03	328%	-5%	0.06	119%

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 Q2/21, finance costs amounted to 1 MB, compared to Q2/20 amounted to 3 MB, which was interest expense on the lease contract under Thai Financial Reporting Standards no. 16 “Leases” (IFRS 16). The company had no short-term and long-term loan from financial institute.

**Table2: Debt Profile**

Unit: Million Baht	Q2 2021	Q1 2021	Q4 2020	Q2 2020
Short-Term Loan	-	-	-	500
Baht	-	-	-	500
Foreign	-	-	-	-
%of Total Loan	n/a	n/a	n/a	100%
Total Loan	-	-	-	500
Cash and cash equivalents	1,056	1,133	731	572
Total Net Debt (Net Cash)	(1,056)	(1,133)	(731)	(72)
<b>Financial Ratios</b>	Q2 2021	Q1 2021	Q4 2020	Q2 2020
EBITDA on Assets (%)	13%	14%	11%	10%
Current Ratio (times)	3.1	3.0	3.4	2.5
Quick Ratio (times)	1.3	1.3	1.3	1.0
Interest Coverage (times)	469.6	476.2	294.9	76.1
Net Debt to EBITDA (times)	n/a	n/a	n/a	n/a
Net Debt to Equity (times)	n/a	n/a	n/a	n/a
Debt to Equity (times)	0.3	0.3	0.2	0.3
Return on Equity (%)	8%	8%	5%	4%

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 June 30, 2021, total assets amounted to 11,568 MB, where current assets amounted to 5,770 MB, property, plant and equipment amounted to 4,928 MB and others non-current assets amounted to 870 MB.

Total liabilities amounted to 2,565 MB, where trade and other current payables liabilities amounted to 1,698 MB, others liabilities amounted to 182 MB and non-current liabilities amounted to 685 MB.

Total equity attributable to owners of the parent amounted to 9,003 MB or 100% of total shareholder's equity.

<b>Table3: Statement of Financial Position</b>			
Unit: Million Baht	June	December	June
	2021	2020	2020
<b>Total Assets</b>	<b>11,568</b>	<b>10,913</b>	<b>11,294</b>
Current Assets	5,770	4,950	5,050
Cash, cash equivalent and short term investment	1,056	731	572
Trade and other current receivables	1,404	1,104	1,394
Inventories	2,823	2,629	2,598
Land development for sale	487	486	486
Property, plant and equipment	4,928	5,071	5,326
Others non-current Assets	870	892	918
<b>Total Liabilities</b>	<b>2,565</b>	<b>2,101</b>	<b>2,741</b>
Current Liabilities	1,880	1,444	2,048
Trade and other current payables	1,698	1,232	1,363
Loans	-	-	500
Others	182	212	185
Others non-current Liabilities	685	657	693
<b>Total Shareholders' equity</b>	<b>9,003</b>	<b>8,812</b>	<b>8,553</b>
Total equity attributable to owners of the parent	9,003	8,812	8,553
Non-controlling interests	-	-	-

Sincerely yours,

(Numpol Malichai)

Managing Director