

May 14, 2019

No.: KT/PB (COTTO) 037/2019

Subject: Management's Discussion and Analysis (MD&A) of Q1/2019

To: The President of the stock exchange of Thailand

SCG Ceramics Public Company ("The Company") would like to provide operating results information of the company and subsidiaries for the period Q1/19 ending March 31, 2019, as follows:

The Company reported Q1/19, Profit for the period of 130 MB, increased 277% y-o-y and EBITDA amounted to 325 MB, increased 56% y-o-y, also affected by revenue from land selling in Nong Khae industrial estate increased 203 MB and operating cost reduction 3% due to operational efficiency improvement. While gas price increased 6% and sales revenue amounted 3,012 MB, dropped 3% due to decreasing in sales volume and average selling price.

For the period of Q1/19, revenue from public utility service in Nong Khae industrial estate amounted 28 MB, increased 4%.

Table1: Consolidated financial Summary

Unit: Million Baht	Q1	%change	%change	Jan-Dec
	2019	Y-o-Y	Q-o-Q	2018
Revenue from Sales	3,012	-3%	11%	11,557
Profit for the Period	130	277%	97%	10
EBITDA	325	56%	43%	730
Earning per Share (Baht)	0.02	277%	97%	0.00

Note: EBITDA = Earnings and dividends, before interest, tax, depre.& amortization
Profit for the Period = Profit for the Period attributable to owners of the parent

For the period of Q1/19, finance costs amounted 3 MB, whereas Q1/18 amounted 6 MB. Average interest rate at 1.95% which is fixed rate and all in Thai Baht.

Table2: Debt Profile			
Unit: Million Baht	Q1	Q4	Q1
	2019	2018	2018
Short-Term Loan	340	865	681
Baht	340	865	681
Foreign	-	-	-
%of Total Loan	100%	100%	100%
Total Loan	340	865	681
Cash	375	424	927
Cash and cash equivalents	375	424	927
Total Net Debt	(35)	441	(245)
<u>Financial Ratios</u>	Q1	Q4	Q1
	2019	2018	2018
EBITDA on Assets (%)	11%	6%	7%
Current Ratio (times)	2.5	2.2	2.2
Quick Ratio (times)	0.9	0.7	1.0
Interest Coverage (times)	108.5	31.0	37.0
Net Debt to EBITDA (times)	N/A	0.6	N/A
Net Debt to Equity (times)	N/A	0.1	N/A
Debt to Equity (times)	0.3	0.3	0.3
Return on Equity (%)	6%	2%	2%
Note:	Net Debt	= Total debt (interest bearing), less cash	
	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 March 31, 2019, Total Assets amounted 11,533 MB, where current assets amounted 5,160 MB, property, plant and equipment amounted 5,498 MB and others non-current assets amounted 875 MB.

Total Liabilities amounted 2,483 MB, where current liabilities amounted 2,063 MB and non-current liabilities amounted 421 MB. However, the company had no long term loan with interest.

Total equity attributable to owners of the parent amounted 8,527 MB, which 94.2% of total shareholder's equity.

Table3: Statement of Financial Position			
Unit: Million Baht	March	December	March
	2019	2018	2018
Total Assets	11,533	11,725	12,752
Current Assets			
Cash, cash equivalent and short term investment	375	424	927
Trade and other current receivables	1,396	1,371	1,764
Inventories	2,903	2,898	2,774
Land development for sale	486	582	586
Property, plant and equipment	5,498	5,570	5,687
Total Liabilities	2,483	2,816	3,294
Trade and other current payables	1,667	1,506	2,101
Loans	340	865	681
Total Shareholders' equity	9,050	8,909	9,458
Total equity attributable to owners of the parent	8,528	8,397	8,933
Non-controlling interests	522	512	525

Sincerely yours,

(Numpol Malichai)

Managing Director