

November 7, 2022

No.: COTTO 022/2022
To: Director and Manager, the Stock Exchange of Thailand
Subject: Management's Discussion and Analysis (MD&A) of Q3/22 and 9M/22 ending September 30, 2022
(Reviewed)

SCG Ceramics Public Company ("The Company") hereby submits the reviewed consolidated financial statements and management discussion and analysis (MD&A) for the period Q3/22 and 9M/22, ended September 30, 2022. Details of the operating results are as follows:

For the period of Q3/22, consolidated revenue from sales amounted to 3,397 MB, increased 18% y-o-y due to total sales volume increased 23% y-o-y from both domestic and export while average selling price increased 5% y-o-y. Profit for the period amounted to 135 MB, decreased 17% y-o-y and EBITDA amounted to 324 MB, decreased 11% 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. In addition, there was revenue from land selling in Nong Khae industrial estate amounted 131 MB in Q3/21. Excluding this item, revenue from sale increased 24% y-o-y, EBITDA increased 8% y-o-y and profit for the period increases 22% y-o-y.

For the period 9M/22, Revenue from sales registered to 10,003 MB, increased 18% y-o-y due to increasing in both domestic and export sales volume, amounted to 59 million sq.m, increased 17% y-o-y, which mainly from higher market demand and average selling price increased 4% y-o-y. Profit for the period amounted to 513 MB, decreased 2% y-o-y and EBITDA amounted to 1,115 MB, decreased 3% y-o-y.

Table1: Consolidated financial Summary

Unit: Million Baht	Q3	%change	%change	Jan.- Sep.	%change
	2022	Y-o-Y	Q-o-Q	2022	Y-o-Y
Revenue from Sales	3,397	18%	1%	10,003	18%
Profit for the Period	135	-17%	-19%	513	-2%
EBITDA	324	-11%	-12%	1,115	-3%
Earning per Share (Baht)	0.02	-17%	-19%	0.09	-2%

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 Q3/22, finance costs amounted to 1 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	Q3 2022	Q2 2022	Q4 2021	Q3 2021
Short-Term Loan	-	-	-	-
Baht	-	-	-	-
Foreign	-	-	-	-
%of Total Loan	n/a	n/a	n/a	n/a
Total Loan	-	-	-	-
Cash & Cash Under Management	1,431	1,546	1,324	951
Cash and cash equivalents	731	1,346	1,324	951
Short-term Investment	700	200	-	-
Total Net Debt (Net Cash)	(1,431)	(1,546)	(1,324)	(951)
<u>Financial Ratios</u>	Q3 2022	Q2 2022	Q4 2021	Q3 2021
EBITDA on Assets (%)	12%	13%	12%	13%
Current Ratio (times)	3.1	3.0	3.7	3.4
Quick Ratio (times)	1.5	1.5	1.7	1.5
Interest Coverage (times)	303.8	397.1	242.3	405.1
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 (%)	7%	8%	6%	8%
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 September 30, 2022, Total assets amounted to 12,417 MB, where current assets amounted to 6,904 MB, property, plant and equipment amounted to 4,705 MB and others non-current assets amounted to 808 MB.

Total Liabilities amounted to 2,934 MB, where Trade and other current payables liabilities amounted to 2,073 MB, others liabilities amounted to 133 MB and non-current liabilities amounted to 728 MB.

Total equity attributable to owners of the parent amounted to 9,484 MB, which 100% of total shareholder's equity.

Table3: Statement of Financial Position			
Unit: Million Baht	September	December	September
	2022	2021	2021
Total Assets	12,417	11,521	11,604
Current Assets	6,904	5,872	5,857
Cash, cash equivalent	731	1,324	951
Short term investment	700	-	-
Trade and other current receivables	1,778	1,348	1,674
Inventories	3,265	2,770	2,802
Land development for sale	430	430	430
Property, plant and equipment	4,705	4,825	4,886
Others non-current Assets	808	824	861
Total Liabilities	2,934	2,271	2,439
Current Liabilities	2,206	1,597	1,724
Trade and other current payables	2,073	1,487	1,598
Loans	-	-	-
Others	133	110	126
Others non-current Liabilities	728	674	715
Total Shareholders' equity	9,484	9,250	9,165

Sincerely yours,

(Numpol Malichai)

Managing Director