

SBN 009/2019

August 13, 2019

Subject : Operating Result for the second quarter of 2019

To : The Managing Director, The Stock Exchange of Thailand

Sabina Public Co.,Ltd. Would like to clarify the operating result for the second quarter of 2019 as follows:-

Million Baht	Q2	Q2		Q1		Jan-Jun	Jan-Jun	
	2019	2018	YoY%	2019	QoQ%	2019	2018	YoY%
Revenue from sales	861.9	783.1	10.1%	769.9	12.0%	1,631.8	1,469.1	11.1%
Revenue from service	-	-		0.2		0.2	-	
Total revenue from sales & service	861.9	783.1	10.1%	770.1	11.9%	1,632.0	1,469.1	11.1%
Cost of sales	408.9	387.3	5.6%	349.1	17.1%	758.0	709.6	6.8%
Gross profit	453.0	395.7	14.5%	421.0	7.6%	874.0	759.5	15.1%
%	52.6%	50.5%		54.7%		53.6%	51.7%	
Other Income	6.8	2.4	180.8%	4.3	55.8%	11.1	6.0	85.4%
Total Revenue	868.7	785.5	10.6%	774.5	12.2%	1,643.1	1,475.1	11.4%
Selling and Administrative expenses	327.3	277.1	18.1%	304.4	7.5%	631.7	544.4	16.0%
Profit before interest & tax	133.0	121.0	9.9%	121.0	9.9%	254.0	221.1	14.9%
%	15.3%	15.4%		15.6%		15.5%	15.0%	
Finance costs	1.6	0.2	658.6%	1.3	19.6%	2.9	0.3	782.8%
Income tax	26.1	24.3	7.4%	24.4	7.0%	51.1	44.9	13.8%
Profit for the period	104.8	96.5	8.6%	95.2	10.1%	200.0	175.8	13.7%
%	12.1%	12.3%		12.3%		12.2%	11.9%	

Total Revenue

In 2Q19, the total revenue was Baht 868.7 million, increased 10.6% from 2Q18 and increased 12.2% from 1Q19.

In 2Q19, the revenue from sales and service was Baht 861.9 million, increased 10.1% from 2Q18 and increased 11.9% from 1Q19.

In 1H19, the total revenue was Baht 1,643.1 million, increased 11.4% from 1H18.

In 1H19, the revenue from sales and service was Baht 1,632.0 million, increased 11.1% from 1H18.

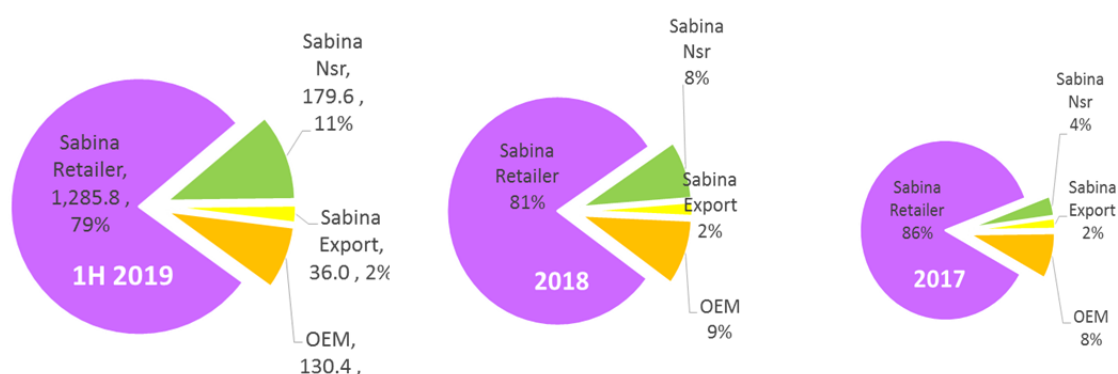
Revenue by type in 1H19

Unit : Million Bht.

	Jan-Jun 2019	%	Jan-Jun 2018	YoY% 1H19/1H18
Sabina - Retailer	1,285.8	79%	1,186.0	8.4%
- Non store retailing	179.6	11%	121.7	47.5%
- Export	36.0	2%	28.7	25.6%
OEM	130.4	8%	132.6	-1.7%
Total	1,631.80	100%	1,469.1	11.1%

In the first half of the year 2019, the company has a policy to increase advertising and marketing promotion. Resulting retail sales increased by 8.4% compared to the first half of year 2018, including non store retailing (online) sales that increase sales by 47.5% compared to the first half of 2018. Brand Sabina Export is able to grow by 25.6%. OEM sales decreased by 1.7% due to the ongoing Brexit problem. Causing customers to postpone the delivery of some products.

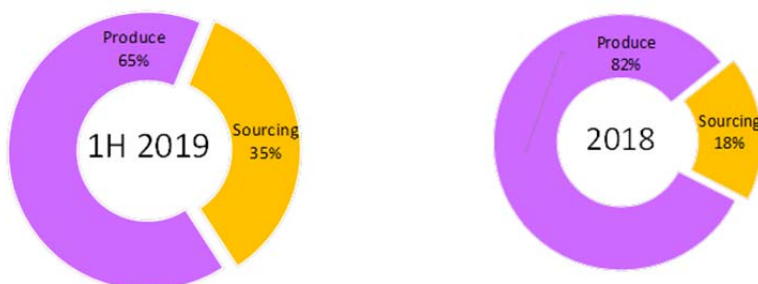
Comparison of revenue proportion 1H19



From the chart, it can be seen that the proportion of income from the 4 main structures of the company, there is a change in revenue from retail stores that changed from 86% to 2017: 81% 2018: 79% 1H 2019 with less proportion in increasing growth rates with the revenue from non-retailing sales increasing by 4% 2017: 8% 2018: 11% 1H 2019 which NSR sales will enable the company to save more sales and administrative expenses. Resulting in higher net profit as for the revenue from Sabina export, the proportion is unchanged, revenue from OEMs decreased by 1% compared to year 2018, resulting from the postponement of customer shipments due to the ongoing Brexit crisis.

Gross profit

The result of increasing production efficiency, including sourcing of low cost products in greater proportion resulting in higher gross profit.



Gross Profit Margin	1H 2019	2018
Produce	53%	50%
Sourcing	57%	59%
Sum Gpm.	54%	52%

In 2Q19, gross profit amounted to Baht 453 million or 52.6% which increased from 2Q18, amounted to Baht 395.7 million or 50.5%.

In 1H19, gross profit amounted to Baht 874 million or 53.6% which increased from 1H18, amounted to Baht 759.5 million, or 51.7%

Selling and Administrative expenses

In 1H19, selling and administrative expenses amounted to Baht 631.7 million or 38.4% of total revenue and increased 16% from 1H18.

In 2Q19, there was extraordinary item ,accounting records employee benefit expenses (Increase from 300 days to 400 days)amounted to Baht 14 million.

In 1H19 ,if there is no extraordinary item , selling and administrative expenses were Baht 617.7 million or 37.6% of total revenue which increased 13.5% from 1H18

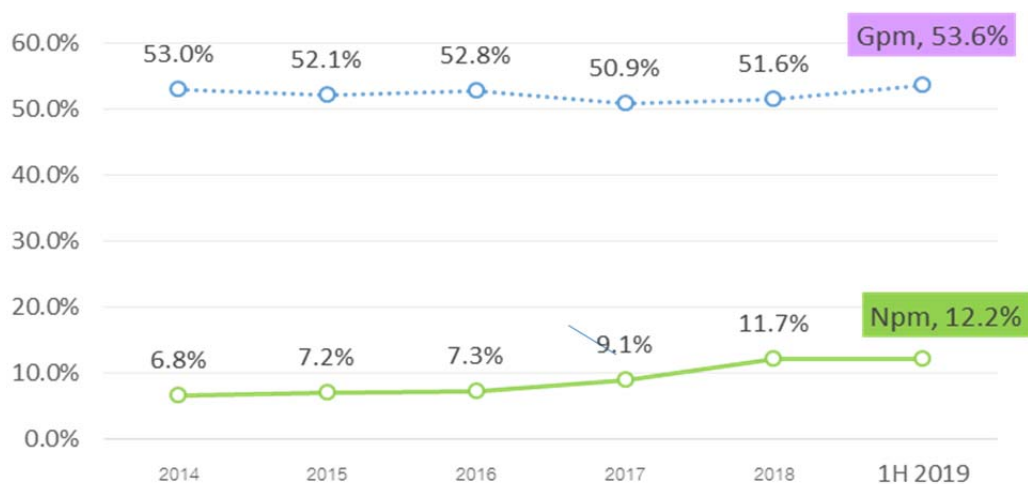
Net profit

In 2Q19, net profit amounted to Baht 104.8 million or 12.1%, increased 8.6% from 2Q18 and increased 10.1% from 1Q19.

In 2Q19, normal net profit (excluding extraordinary item) amounted to Baht 118.8 million or 13.7%, increased 23.1% from 2Q18 and increased 24.8% from 1Q19

In 1H19, net profit amounted to Baht 200 million or 12.2%, increased 13.7% from 1H18.

In 1H19, normal net profit (excluding extraordinary item) amounted to Baht 214 million or 13.0%, increased 21.7% from 1H18



Statement of financial position

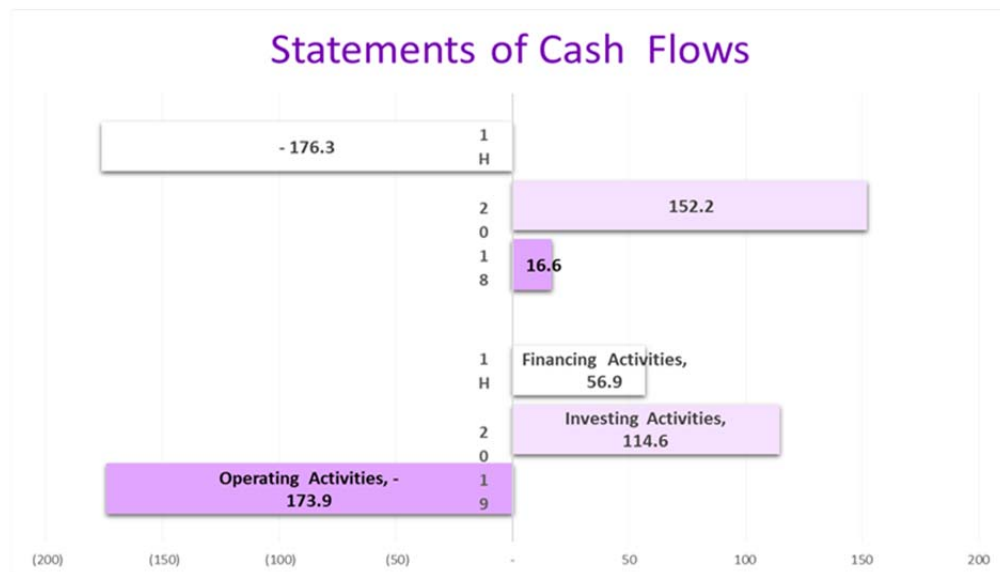
As of June 30, 2019 total assets amounted to Baht 2,821.6 million increased by Baht 219.6 million or 8.4%.

- Temporary Investment decreased Baht 110 million (Used to circulate within the business)
- Trade receivable increased Baht 44 million (Revenue increase)
- Inventories increased Baht 268 million (For support sales and market policies)

As of June 30, 2019 total liabilities amounted to Baht 964.8 million increased by Baht 198.1 million or 25.8%.

- Short-Term loans increased Baht 245 million (Used to circulate within the business and sourcing products. to support sales and marketing policies)
- Trade payables increased Baht 51 million
- Other payables decreased Baht 112 million

Statements of Cash Flows



Operating Activities

In 1H19, the company had net cash inflows of Baht -173.9 million

- Net profit Baht 200 million
- Increase in trade receivable Baht -44 million (Revenue increase)
- Increase in inventories Baht -268 million (for support sales and market policies)
- Decrease in Other payables Baht -112 million

Investing Activities

In 1H19, the company had net cash inflows of Baht 114.6 million

- Redemption of temporary investments Baht 110 million (Used to circulate within the business)
- Decrease of Available-for-sale securities Baht 20 million
- Buy the assets during the period Baht -15 million (Expand the warehouse to support sales, purchase of machinery and tools to be more modern).

Financing Activities

In 1H19, the company had net cash inflows of Baht 56.9 million

- Dividend payment of -188 million baht (100% from net profit of 1H18, to 0.54 baht per share).
- Increase of short-term loans Baht 245 million (Used to circulate within the business including buying more sourcing products).

Dividend payment

The company had the dividend payment policy stipulated that dividends shall be paid at the rate of not less than 40 % of net profit after deduct tax and statutory reserve.

On August 13, 2019, Board of Directors Meeting No. 3/2562 considered to pay interim dividend payment for the first six months of the year 2019 operating results at the rate of Baht 0.57 per share totaling 198.08 Million Baht of the retained earnings from financial operations for the first six months of the year 2019. Regarding the above dividend distribution, the shareholder is subjected to withholding tax. The individual shareholder shall be entitled to a tax credit under Section 47 bis of the Revenue Code. The record date for the shareholders who have right to receive the interim dividend will be on August 27, 2019. The dividend will be paid on September 6, 2019.

Please be informed accordingly.

Respectfully yours,

(Mr.Somkid Pardungkiattisak)

Director