

SBN 013/2019

November 12, 2019

Subject : Operating Result for the third 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 third quarter of 2019 as follows:-

Million Baht	Q3	Q3		Q2		9M	9M	
	2019	2018	YoY%	2019	QoQ%	2019	2018	YoY%
Revenue from sales	844.4	849.0	-0.5%	861.9	-2.0%	2,476.2	2,318.1	6.8%
Revenue from service	-	-		-		0.2	-	
<b>Total revenue from sales &amp; service</b>	844.4	849.0	-0.5%	861.9	-2.0%	2,476.5	2,318.1	6.8%
Cost of sales	388.1	430.2	-9.8%	408.9	-5.1%	1,146.1	1,139.8	0.6%
<b>Gross profit</b>	456.3	418.8	9.0%	453.0	0.7%	1,330.4	1,178.3	12.9%
<b>%</b>	54.0%	49.3%		52.6%		53.7%	50.8%	
Other Income	3.1	3.6	-15.4%	6.8	-54.9%	14.2	9.6	47.5%
<b>Total Revenue</b>	847.5	852.6	-0.6%	868.7	-2.4%	2,490.6	2,327.7	7.0%
Selling and Administrative expenses	310.4	284.4	9.1%	327.3	-5.2%	942.1	828.8	13.7%
<b>Profit before interest &amp; tax</b>	149.0	138.0	8.0%	132.4	12.5%	402.4	359.1	12.1%
<b>%</b>	17.6%	16.2%		15.2%		16.2%	15.4%	
Finance costs	2.6	0.4	619.6%	1.6	61.0%	5.5	0.7	698.2%
Income tax	29.9	27.4	9.1%	26.1	14.5%	80.3	72.2	11.2%
<b>Profit for the period</b>	116.6	110.3	5.7%	104.8	11.3%	316.6	286.1	10.6%
<b>%</b>	13.8%	12.9%		12.1%		12.7%	12.3%	

## Total Revenue

In 3Q19, the total revenue was Baht 847.5 million, decreased 0.6% from 3Q18 and decreased 2.4% from 2Q19.

In 3Q19, the revenue from sales and service was Baht 844.4 million, decreased 0.5% from 3Q18 and decreased 2% from 2Q19.

In 9M19, the total revenue was Baht 2,490.6 million, increased 7% from 9M18.

In 9M19, the revenue from sales and service was Baht 2,476.5 million, increased 6.8% from 9M18.

## Revenue by type in 2019

Unit : Million Bht.

	Q3		Q3		YoY%		9M		YoY%	
	2019	%	2018	Q3 19/Q3 18			2019	%	2018	9M19/9M18
Sabina - Retailer	651.4	77%	669.1	-2.6%			1,937.2	78%	1,855.1	4.4%
- Non store retailing	83.1	10%	77.4	7.3%			262.7	11%	199.2	31.9%
- Export	34.7	4%	17.2	102.0%			70.7	3%	45.9	54.2%
OEM	75.2	9%	85.3	-11.9%			205.6	8%	218.0	-5.7%
<b>Total</b>	<b>844.4</b>	<b>100%</b>	<b>849.0</b>	<b>-0.5%</b>			<b>2,476.2</b>	<b>100%</b>	<b>2,318.1</b>	<b>6.8%</b>

The result of the Thai-American trade war, Brexit problems and the strengthening of the Thai currency resulted in the state of Demand for consumer spending in every country has decreased. In the third quarter of the year 2019, there was still the impact from natural disasters, flooding in the northeast region of Thailand in many provinces. For offline and online sales, the company released new products including sales promotion to stimulate demand of customer As for Brand Sabina Export, distributors have expanded online channels, including being trusted by OEM customers, resulting in continued orders until 2019.

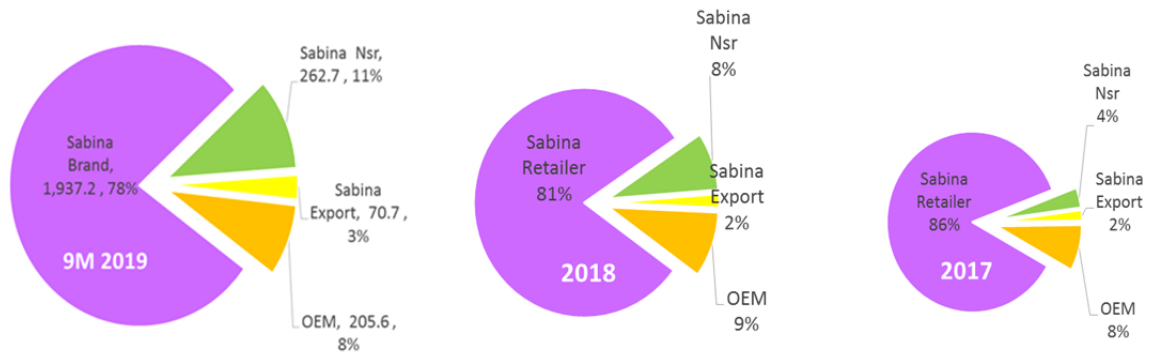
### Revenue by type in Q3 2019

- The sales revenue of Sabina Brand was Baht 651.4 million , decreased 2% from 3Q18
- The sales revenue of Non store retailing was Baht 83.1 million, increased 7.3% from 3Q18
- The sales revenue of Sabina export was Baht 34.7 million, increased 102% from 3Q18
- The sales revenue of OEM was Baht 75.2 million , decreased 11.9% from 3Q18

### Revenue by type in 9M19

- The sales revenue of Sabina Brand was Baht 1,937.2 million , increased 4.4% from 9M18
- The sales revenue of Non store retailing was Baht 262.7 million, increased 31.9% from 9M18
- The sales revenue of Sabina export was Baht 70.7 million, increased 54.2% from 9M18
- The sales revenue of OEM was Baht 205.6 million , decreased 5.7% from 9M18

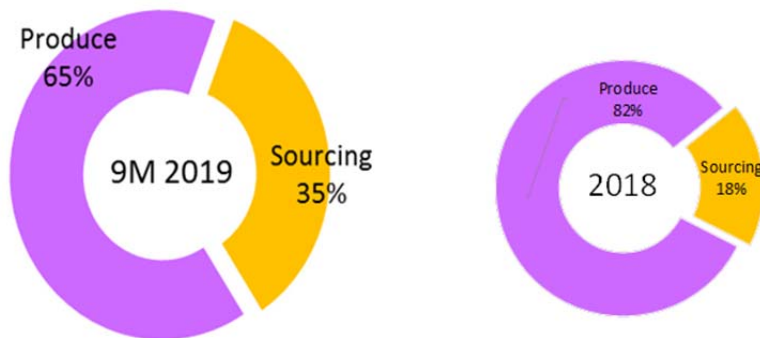
### Comparison of revenue proportion 9M19



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: 78% 9M 2019 with less proportion in increasing growth rates with the revenue from non-retailing sales increasing by 4% 2017: 8% 2018: 11% 9M 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.

### 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	9M 2019	2018
Produce	53%	50%
Sourcing	58%	59%
Sum Gpm.	54%	52%

In 3Q19, gross profit amounted to Baht 456.3 million or 54% which increased from 3Q18, amounted to Baht 418.8 million or 49.3%.

In 9M19, gross profit amounted to Baht 1,330.4 million or 53.7% which increased from 9M18, amounted to Baht 1,178.3 million, or 50.8%

### Selling and Administrative expenses

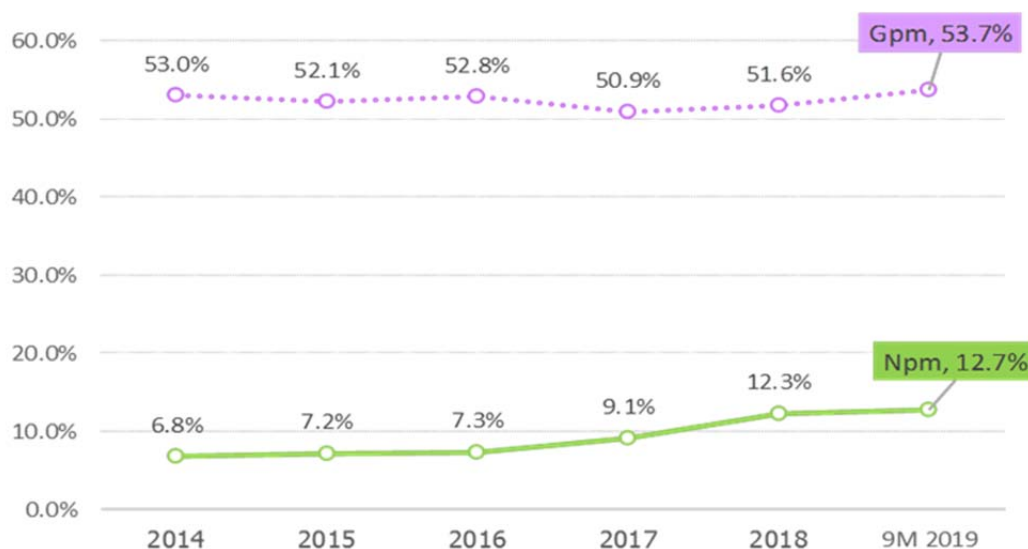
In 9M19, selling and administrative expenses amounted to Baht 942.1 million or 37.8% of total revenue and increased 13.7% from 9M18.

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

### Net profit

In 3Q19, net profit amounted to Baht 116.6 million or 13.8%, increased 5.7% from 3Q18 and increased 11.3% from 2Q19.

In 9M19, net profit amounted to Baht 316.6 million or 12.7%, increased 10.6% from 9M18.



## Statement of financial position

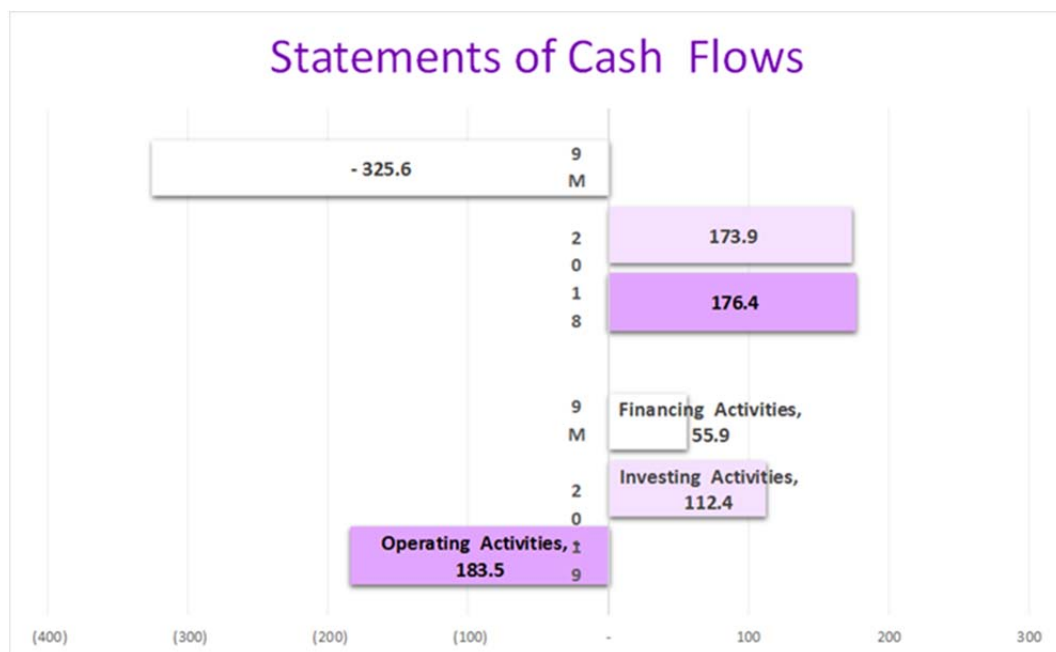
As of September 30, 2019 total assets amounted to Baht 2,991.2 million increased by Baht 389.1 million or 15%.

- Temporary Investment decreased Baht 117 million (Used to circulate within the business)
- Trade receivable increased Baht 15 million (Revenue increase)
- Inventories increased Baht 373 million (For support sales and market policies)
- Other current assets increased Baht 69 million (Prepaid corporate income tax)

As of September 30, 2019 total liabilities amounted to Baht 1,220.2 million increased by Baht 453.6 million or 59.2%.

- Short-Term loans increased Baht 442 million (Used to circulate within the business and sourcing products. to support sales and marketing policies)
- Other payables decreased Baht 82 million
- Accrued corporate income tax increased 54 million

## Statements of Cash Flows



### Operating Activities

In 9M19, the company had net cash inflows of Baht -183 million

- Net profit Baht 317 million
- Increase in trade receivable Baht -14 million (Revenue increase)
- Increase in inventories Baht -373 million (for support sales and market policies)
- Decrease in Other payables Baht -82 million

### **Investing Activities**

In 9M19, the company had net cash inflows of Baht 112.4 million

- Redemption of temporary investments Baht 117.6 million (Used to circulate within the business)
- Decrease of Available-for-sale securities Baht 20 million
- Buy the assets during the period Baht -24 million (Expand the warehouse to support sales, purchase of machinery and tools to be more modern).

### **Financing Activities**

In 9M19, the company had net cash inflows of Baht 55.9 million

- Dividend payment of -385.9 million baht (100% from net profit of 2H18, to 0.54 baht per share and 99% from net profit of 1H19, to 0.57 baht per share).
- Increase of short-term loans Baht 441.8 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