

SBN 017/2020

August 13, 2020

Subject : Operating Result for the second quarter of 2020

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 2020 as follows:-

Million Baht	Q2 2020	Q2 2019	YoY%	Q1 2020	QoQ%	1H20	1H19	YoY%
Revenue from sales	635.3	861.9	-26.3%	672.4	-5.5%	1,307.7	1,631.8	-19.9%
Revenue from service	23.4			-		23.4	0.2	
<b>Total revenue from sales &amp; service</b>	658.7	861.9	-23.6%	672.4	-2.0%	1,331.1	1,632.0	-18.4%
Cost of sales	403.1	408.9	-1.4%	316.5	27.4%	719.6	758.0	-5.1%
<b>Gross profit</b>	255.6	453.0	-43.6%	355.9	-28.2%	611.5	874.0	-30.0%
<b>%</b>	38.8%	52.6%		52.9%		45.9%	53.6%	
Other Income	-0.6	6.8	-109.4%	9.1	-106.9%	8.5	11.1	-23.4%
<b>Total Revenue</b>	658.0	868.7	-24.2%	681.6	-3.5%	1,339.6	1,643.1	-18.5%
Selling and Administrative expenses	189.3	327.3	-42.2%	273.8	-30.9%	463.0	631.7	-26.7%
<b>Profit before interest &amp; tax</b>	65.7	132.4	-50.4%	91.3	-28.0%	157.0	253.4	-38.0%
<b>%</b>	10.0%	15.2%		13.4%		11.7%	15.4%	
Finance costs	2.3	1.6	45.6%	2.8	-17.7%	5.2	2.9	75.7%
Income tax	13.0	26.1	-50.3%	18.0	-28.2%	31.0	50.5	-38.6%
<b>Profit for the period</b>	50.4	104.8	-51.9%	70.4	-28.4%	120.9	200.0	-39.6%
<b>%</b>	7.7%	12.1%		10.3%		9.0%	12.2%	

### Total Revenue

In 2Q20, the total revenue was Baht 658.0 million, decreased 24.2% from 2Q19 and decreased 3.5% from 1Q20.

In 2Q20, the revenue from sales and service was Baht 658.7 million, decreased 23.6% from 2Q19 and decreased 2% from 1Q20.

In 1H20, the total revenue was Baht 1,339.6 million, decreased 18.5% from 1H19.

In 1H20, the revenue from sales and service was Baht 1,331.1 million, decreased 18.4% from 1H19

## Revenue by type

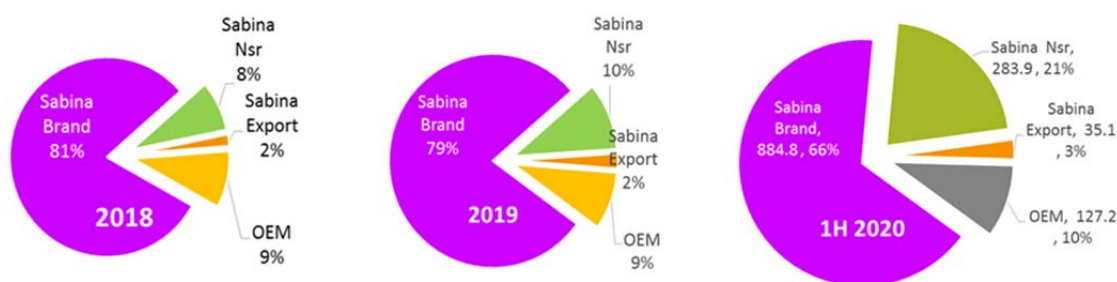
Unit: Million Bht.

	1H 2020	%	1H 2019	YoY% 1H 20/1H 19
Sabina - Retailer	884.8	66%	1,285.8	-31.2%
- Non store retailing	283.9	21%	179.6	58.1%
- Export	35.1	3%	36.0	-2.6%
OEM	127.2	10%	130.4	-2.4%
<b>Total</b>	<b>1,331.1</b>	<b>100%</b>	<b>1,631.8</b>	<b>-18.4%</b>

Consequences of the coronavirus outbreak, that the government decided to announce Lockdown to contain the epidemic by shutting down shopping malls from the end of the first quarter to the middle of the second quarter. Causing the income to change as follows:

- The sales Revenue of Sabina-brand decreased 31.2% in 1H20
- The sales Revenue of Sabina-brand Non store retailing increased 58.1% in 1H20
- The sales Revenue of Sabina-brand Export decreased 2.6% in 1H20
- The sales Revenue from OEM decreased 2.4% in 1H20

## Comparison of revenue proportion 1H20

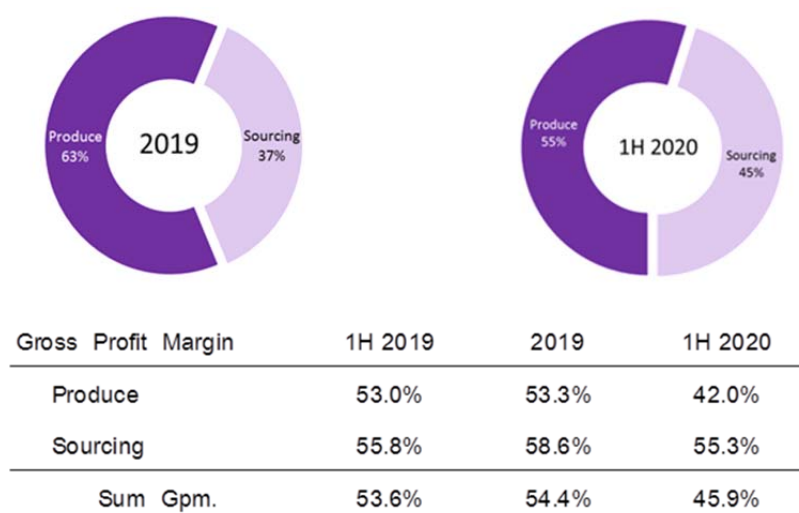


From the chart, it can be seen that the impact of such events make the income proportion the changes are as follows.

- The sales Revenue of Sabina-brand 81%2018 : 79%:2019 : 66%1H2020
- The sales Revenue of Sabina-brand Non store retailing 8%2018 : 10%2019 : 21%1H2020
- The sales Revenue of Sabina-brand Export 2%2018 : 2%2019 : 3%1H2020
- The sales Revenue from OEM 9%2018 : 9%2019 : 10%1H2020

## Gross profit

The result of the COVID-19 incident resulted in the company adjust manufacturing strategies from underwear to a cloth mask, where the company has produced a cloth mask to donate to the hospital Government sector during the period of another shortage of masks, the company worked to manufacture cloth masks. For various organizations according to the production order (Which will receive not much GPM because it is a contract production), including the production of cloth masks. Under the brand Sabina From the crisis causing the economic slowdown the purchasing power of consumers has decreased. Therefore, the company has released various promotions for more customers. To help reduce the burden of consumers. During the crisis cause part of the lower gross profit.



In 2Q20, gross profit amounted to Baht 256 million or 38.8% which decreased from 2Q19, amounted to Baht 453 million or 52.6%.

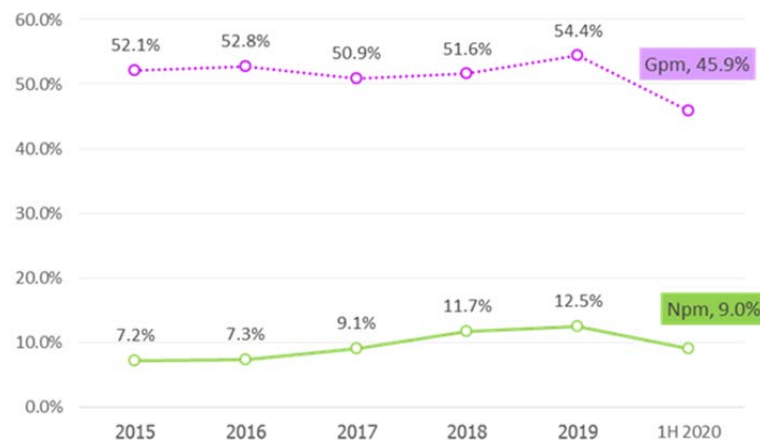
In 1H20, gross profit amounted to Baht 611.5 million or 45.9% which decreased from 1H19, amounted to Baht 874 million or 53.6%.

## Selling and Administrative expenses

In 1H20, selling and administrative expenses amounted to Baht 463 million or 34.6% of total revenue and decreased 26.7% from 1H19.

During Lockdown, the shopping mall was closed. Expenses from sales and administration during such a reduction in normal sales, for example, a rental discount. This includes exemptions from business partners and expenses that vary according to sales, such as commission value joining fees with the store.

## Net profit



- In 2Q20, net profit amounted to Baht 50.4 million or 7.7% decreased 51.9% from 2Q19 and decreased 28.4% from 1Q20.
- In 1H20, net profit amounted to Baht 120.9 million or 9.0% decreased 39.6% from 1H19.

## 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, 2020, Board of Directors Meeting No. 5/2020 considered to pay interim dividend payment for the first six months of the year 2020 operating results at the rate of Baht 0.35 per share, with 347.50 Million shares totaling 121.63 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, 2020. The dividend will be paid on September 11, 2020.

Please be informed accordingly.

Respectfully yours,

(Mr.Somkid Pardungkiattisak)

Director