

SBN 020/2020

November 13, 2020

Subject : Operating Result for the third 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 third quarter of 2020 as follows:-

Million Baht	Q3	Q3		Q2		9M	9M	
	2020	2019	YoY%	2019	QoQ%	2020	2019	YoY%
Revenue from sales	799.5	844.4	-5.3%	635.3	25.8%	2,107.2	2,476.2	-14.9%
Revenue from service	9.4	-		23.4	-59.8%	32.8	0.2	13396.3%
Total revenue from sales & service	808.9	844.4	-4.2%	658.7	22.8%	2,140.0	2,476.5	-13.6%
Cost of sales	428.3	388.1	10.4%	403.1	6.3%	1,147.8	1,146.1	0.2%
Gross profit	380.6	456.3	-16.6%	255.6	48.9%	992.1	1,330.4	-25.4%
%	47.1%	54.0%		38.8%		46.4%	53.7%	
Other Income	6.2	3.1	104.4%	-0.6	-1083.0%	14.8	14.2	4.2%
Total Revenue	815.1	847.5	-3.8%	658.0	23.9%	2,154.7	2,490.6	-13.5%
Selling and Administrative expenses	277.5	310.4	-10.6%	189.3	46.6%	740.5	942.1	-21.4%
Profit before interest & tax	109.4	149.0	-26.6%	65.7	66.5%	266.4	402.4	-33.8%
%	13.4%	17.6%		10.0%		12.4%	16.2%	
Finance costs	2.0	2.6	-23.3%	2.3	-15.1%	7.1	5.5	29.5%
Income tax	21.6	29.9	-27.6%	13.0	66.8%	52.6	80.3	-34.5%
Profit for the period	85.8	116.6	-26.4%	50.4	70.1%	206.7	316.6	-34.7%
%	10.5%	13.8%		7.7%		9.6%	12.7%	

Total Revenue

In 3Q20, the total revenue was Baht 815.1 million, decreased 3.8% from 3Q19 and increased 23.9% from 2Q20.

In 3Q20, the revenue from sales and service was Baht 808.9 million, decreased 4.2% from 3Q19 and increased 22.8% from 2Q20.

In 9M20, the total revenue was Baht 2,154.7 million, decreased 13.5% from 9M19.

In 9M20, the revenue from sales and service was Baht 2,140 million, decreased 13.6% from 9M19

Revenue by type

Unit : Million Bht.

	Q3 2020	%	Q3 2019	YoY% Q3 20/Q3 19	9M 2020	%	9M 2019	YoY% 9M 20/9M 19
Sabina - Retailer	572.7	71%	651.4	-12.1%	1,457.5	68%	1,937.2	-24.8%
- Non store retailing	145.1	18%	83.1	74.6%	429.0	20%	262.7	63.3%
- Export	10.8	1%	34.7	-68.7%	45.9	2%	70.7	-35.0%
OEM	80.3	10%	75.2	6.7%	207.5	10%	205.6	0.9%
Total	808.9	100%	844.4	-4.2%	2,140.0	100%	2,476.2	-13.6%

Retailer sales have not yet returned to normal despite has opened a full service in both Sabina Shop and Sabina counter in the department store it is because the purchasing power of consumers has not returned to normal. Selling in online channels (NSR) has a lot of feedback from customers, as a result, sales continued to grow from the second quarter to the third quarter of this year. Sabina Export sales have not yet recovered because the CLMV countries are still affected by the COVID-19 epidemic, this caused a slowdown in customer orders in the segment. Sabina's OEM sales with a customer base in Europe and the UK sales have grown and are not affected from cutting preferential tariffs on the US GSP.

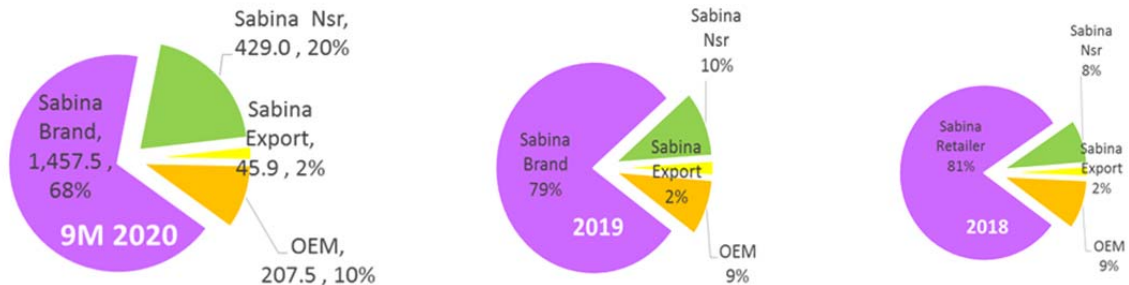
Revenue by type 3Q20

- The sales Revenue of Sabina-brand was Baht 572.7 million, decreased 12.1% from 3Q19.
- The sales Revenue of Sabina-brand Non store retailing was Baht 145.1 million, increased 74.6% from 3Q19.
- The sales Revenue of Sabina-brand Export was Baht 10.8 million, decreased 68.7% from 3Q19.
- The sales Revenue from OEM was Baht 80.3 million, increased 6.7% from 3Q19.

Revenue by type 9M20

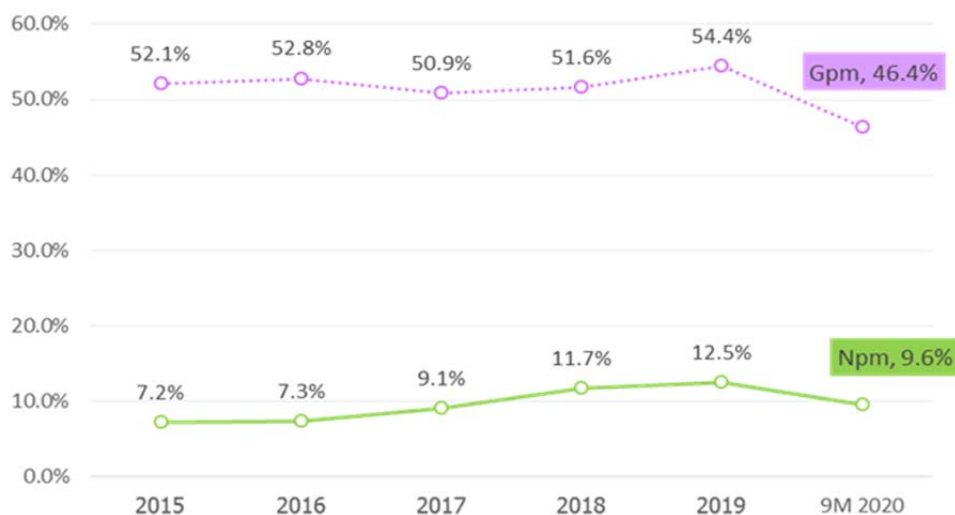
- The sales Revenue of Sabina-brand was Baht 1,457.5 million, decreased 24.8% from 9M19.
- The sales Revenue of Sabina-brand Non store retailing was Baht 429.0 million, increased 63.3% from 9M19.
- The sales Revenue of Sabina-brand Export was Baht 45.9 million, decreased 35% from 9M19.
- The sales Revenue from OEM was Baht 207.5 million, increased 0.9% from 9M19.

Comparison of revenue proportion 9M20



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 81% 2018: 79% 2019: 68% 9M 2020 with less proportion, the revenue from non-retailing sales increasing by 8% 2018: 10% 2019: 20% 9M 2020. This is consistent with the behavior of consumers who switch to a New Normal and more online trading. 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 increased by 10% compared to year 2019.

Gross profit



In 3Q20, gross profit amounted to Baht 380.6 million or 47.1% which increased 48.9% from 2Q20, decreased 16.6% from 3Q19 because the third quarter no sewing masks to donate, while the second quarter has donated cloth mask during covid-19 outbreak.

In 9M20, gross profit amounted to Baht 992.1 million or 46.4% which decreased from 9M19 due to the donation of cloth masks in the second quarter, the accumulated gross profit of 9M decreased.

Selling and Administrative expenses

In 9M20, selling and administrative expenses amounted to Baht 740.5 million or 34.4% of total revenue and decreased 21.4% from 9M19 the rate was 37.8% of total revenue. Due to non-payment of rental stores during the lock down in 2Q20 and public sector wages to staff up to 62% of salary.

Net profit

- In 3Q20, net profit amounted to Baht 85.8 million or 10.5% decreased 26.4% from 3Q19 and increased 70.1% from 2Q20. Return of Off Line sales after Lock Down is not 100% full.

- In 9M20, net profit amounted to Baht 206.7 million or 9.6% decreased 34.7% from 9M19. From the lock down in the second quarter.

Essential Financial Information

Unit: Million Baht

	Consolidated financial statements		
<u>Performance</u>	2018	2019	Q3/63
1. Total incomes	3,102.91	3,294.96	2,154.72
2. Incomes from sales and services	3,089.84	3,279.74	2,139.97
3. Gross profit	1,594.99	1,785.37	992.13
4. Operating profit	439.22	504.83	251.63
5. Net profit	361.59	413.25	206.66
<u>Financial Status</u>			
1. Total assets	2,602.02	3,017.91	2,796.63
2. Total liabilities	766.64	1,156.97	1,073.23
3. Total shareholder's equity	1,835.38	1,860.94	1,723.39
<u>Financial Ratio</u>			
<u>Liquidity Ratio</u>			
Current ratio (times)	3.05	2.33	2.39
Account receivable turnover (times)	8.3	8.00	8.06
Inventory turnover (times)	1.43	1.11	1.02
Account payable turnover (times)	8.87	8.43	8.59
<u>Profitability Ratio</u>			
Gross profit margin (%)	51.62	54.44	46.36
Net profitmargin (%)	11.65	12.54	9.59
Return on equity (%)	19.38	22.36	17.35
<u>Efficiency Ratio</u>			
Returns on assets (%)	14.49	14.71	10.47
<u>Financial Policy Ratio</u>			
Debt to equity ratio (times)	0.42	0.62	0.62

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 is paid on September 11, 2020.

Please be informed accordingly.

Respectfully yours,

(Mr.Somkid Pardungkiattisak)

Director