

**MD&A**

**SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED**

For the three-month period ended March 31, 2018

Major attributes to the Company's operating performance variations between Q1/61 and Q1/60 are:

1. Total sale revenues increased Baht 235.10 million (24.2%) from Baht 971.66 million to Baht 1,206.76 million because compared to Q1/60, sale quantities of Q1/61 increased by 15.5% from the constant demands from Asia and Africa
2. Cost of Sales increased Baht 218.94 million (29.2%) from Baht 749.73 million to Baht 968.67 million in concurrent with an increase in total sale revenues. However, steel price which increased by 22% causes cost of sale substantially increased than an increase in sales.
3. Gross profit increased Baht 16.16 million (7.3%) from Baht 221.93 million to Baht 238.09 million because of an increase in sale revenue, while gross profit margin was decreasing from 22.8% to 19.7% due to an increase in cost of raw material (steel). Although, the Company already adjusted selling price, Baht which is 10% stronger than prior period negatively affected company's profitability.
4. Other Incomes increased Baht 7.40 million (20.5%) from Baht 36.06 million to Baht 43.46 million primarily due to an increase in scrap sales which is concurrent with an increase in production quantity
5. Selling Expenses increased Baht 19.91 million (32.6%) from Baht 61.12 million to Baht 81.03 million because of an increase in CIF sales and sale promotion expense
6. Administrative Expenses increased Baht 9.95 million (22.4%) from Baht 44.47 million to Baht 54.42 million because stronger value of Baht caused loss from exchange rate
7. Financial Cost increased Baht 0.35 million (20.7%) from Baht 1.69 million to Baht 2.04 million since the company has to reserve more cash for dividend payment in April 2018 and 2017 Corporate tax payment in May 2018.
8. Net Income for the period decreased Baht 4.84 million (4.0%) from Baht 121.44 million to Baht 116.60 million because of an increase in cost of raw material and stronger value of Baht as well as an increase in selling and administrative expense while netted with an increase in sale revenue and other incomes

Yours sincerely,

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Mr. Surasak Urpsirisuk

Managing Director