

MD&A

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

For the three-month period ended June 30, 2018

Major attributes to the Company's operating performance variations between Q2/2018 and Q2/2017 are:

1. Total sale revenues increased Baht 199.85 million (19.4%) from Baht 1,030.36 million to Baht 1,230.21 million because compared to Q2/2017, sale quantities of Q2/2018 increased by 21.4% from the constant demands from Asia and Africa
2. Cost of Sales increased Baht 143.32 million (17.5%) from Baht 820.17 million to Baht 963.49 million in concurrent with an increase in total sale revenues.
3. Gross profit increased Baht 56.53 million (26.9%) from Baht 210.19 million to Baht 266.72 million because of an increase in sale revenue. Meanwhile gross profit margin was increasing from 20.4% to 21.7% because the Company can increase sale price as from an increase in cost of raw material (steel). Moreover, an increase in production and sale quantities bring about lower fixed cost per unit.
4. Other Incomes increased Baht 28.76 million (64.5%) from Baht 44.61 million to Baht 73.37 million primarily due to an increase in scrap sales which is concurrent with an increase in production quantities
5. Financial Cost increased Baht 1.01 million (46.0%) from Baht 2.19 million to Baht 3.20 million since the company has to reserve more cash for purchase of raw material and for working capital
6. Income Tax increased Baht 18.54 million (75.7%) from Baht 24.49 million to Baht 43.03 million from better operating income for the period at the same tax rate of 20%
7. Net Income for the period increased Baht 61.40 million (59.9%) from Baht 102.47 million to Baht 163.87 million because of an increase sale revenue and better profitability, net with an increase in financial cost and income tax.

Yours sincerely,

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Mr. Surasak Urpsirisuk

Managing Director