

Translation

MD&A

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

For the three-month period ended March 31, 2020

Major attributes to the Company's operating performance variations between Q1/2020 and Q1/2019 are:

1. Total sale revenues increased Baht 165.82 million (21.3%) from Baht 779.23 million to Baht 945.05 million because customers in South Asia who delayed order in last year began ordering since last quarter of 2019 until present. In addition, U.S. customers still placed orders resulting from trade war between the U.S and China
2. Cost of sales increased Baht 98.10 million (15.4%) from Baht 636.79 million to Baht 734.89 million in concurrent with an increase in total sale revenues. Moreover, steel price of Q1/2020 is lower than Q1/2019 by 16%, therefore, percentage of cost increased is less than percentage of sale increased.
3. Gross profit increased Baht 67.72 million (47.5%) from Baht 142.44 million to Baht 210.16 million. At the same time, gross profit margin increased from 18.3% to 22.2% because a decrease in steel market price led to lower cost of raw material.
4. Other income increased Baht 25.07 million (56.6%) from Baht 44.28 million to Baht 69.35 million because a weaker of Baht currency made the company gained on exchange rate from debt collection from foreign customers. Moreover, revenue from scrap sale increased in concurrent with an increase in production quantities
5. Cost of distribution increased Baht 11.82 million (30.5%) from Baht 38.78 million to Baht 50.60 million because of an increase in freight expense in concurrent with an increase in sale. Moreover, sale promotion expense increased.
6. Financial costs decreased Baht 1.66 million (43.6%) from Baht 3.81 million to Baht 2.15 million because the company has enough cash and working capital due to better operating performance. In order to decrease interest expenses, the company made early repayment of loan.
7. Income tax increased Baht 15.72 million (78.6%) from Baht 19.99 million to Baht 35.71 million in concurrent with an increase in operational profit at the same tax rate of 20%
8. Net profit for the period increased Baht 61.40 million (72.3%) from Baht 84.92 million to Baht 146.32 million because of an increase in sale revenues, profitability and other income, net with an increase in cost of distribution and income tax

Yours sincerely,

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Mr. Surasak Urpsirisuk

Managing Director