

Translation

MD&A

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

For the three-month period ended September 30, 2020

Major attributes to the Company's operating performance variations between Q3/2020 and Q3/2019 are:

1. Revenue from Sales increased Baht 229.87 million (31.6%) from Baht 726.52 million to Baht 956.39 million because customers in South Asia who delayed order in last year began ordering since last quarter of 2019 until present. In addition, Africa customers increased orders due to high demand. U.S. customers still placed orders resulting from trade war between the U.S and China
2. Cost of sales increased Baht 120.31 million (21.1%) from Baht 570.40 million to Baht 690.71 million in concurrent with an increase in total sale revenues. Moreover, steel price of Q3/2020 is lower than Q3/2019 by 17%, therefore, percentage of cost increased is less than percentage of sale increased.
3. Gross profit increased Baht 109.56 million (70.2%) from Baht 156.12 million to Baht 265.68 million. At the same time, gross profit margin increased from 21.5% to 27.8% because Baht currency is weaker and a decrease in steel market price led to better profitability
4. Other income increased Baht 27.10 million (79.8%) from Baht 33.96 million to Baht 61.06 million because a weaker of Baht currency gained on exchange rate. At the same time, revenue from scrap sale increased in concurrent with an increase in production quantities
5. Costs of distribution increased Baht 21.03 million (58.8%) from Baht 35.74 million to Baht 56.77 million because of an increase in sale promotion expenses and freight expenses in concurrent with an increase in sale.
6. Financial costs decreased Baht 1.22 million (39.4%) from Baht 3.10 million to Baht 1.88 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. Moreover, market interest rate decreased.
7. Income tax increased Baht 22.28 million (104.9%) from Baht 21.23 million to Baht 43.51 million in concurrent with an increase in operational profit at the same tax rate of 20%
8. Profit for the period increased Baht 90.34 million (100.2%) from Baht 90.12 million to Baht 180.46 million because of an increase in sale revenues, better profitability and an increase in other incomes, net with an increase in costs of distribution and income tax

Yours sincerely,

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Mr. Surasak Urpsirisuk

Managing Director