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THIP-SET/056/2020

November 13, 2020

Subject : Filing of Reviewed Financial Statements for the 3<sup>rd</sup>  
Quarter of 2020 and 2019 and Management  
Discussion and Analysis

Attention : The President  
The Stock Exchange of Thailand

Enclosures : 1. Reviewed Financial Statements and the Auditor's  
Review Report for the 3<sup>rd</sup> Quarter of 2020 and 2019  
2. Management Discussion and Analysis

The Board of Directors Meeting No. 8/2020 of Thantawan Industry Public Company Limited which was held on November 13, 2020 had approved the Reviewed Financial Statements for three-month and nine-month period ended September 30, 2020. The Management Discussion and Analysis for the 3<sup>rd</sup> Quarter of this year can be clarified as attached.

Please be informed accordingly.

Very truly yours,

(Mr.Detbordin Riensubdee)(Mrs.Pojanard Prinyapatpakorn)

Authorized Director



OFFICE

32<sup>nd</sup> Fl., Sun Towers Bldg.A, 123 Vibhavadi-Rangsit Rd., Chomphon, Chatuchak, Bangkok 10900 Thailand.  
Tel. + 66 2273 8333 Fax. + 66 2273 8282 , 273 8484 Website : [www.thantawan.com](http://www.thantawan.com)

FACTORY

143-144 Moo 8, Soi Kangval 2, Phetkasem Rd., Omyai, Sampran, Nakornpathom 73160 Thailand.  
Tel. + 66 2431 3051 , 811 4700 Fax. + 66 2420 3180 Website : [www.thantawan.com](http://www.thantawan.com)



## Management Discussion and Analysis for Q3 2020

### A) Results of Operations

The net profit after tax of Q3 2020 was THB 115.9 million which increased by THB 37.3 million or 47.4% compared to Q3 2019. Earnings per share was THB 1.45 higher than Q3 2019 by THB 0.47 mainly because of the revenue increased by THB 128.8 or 16.7%. Detail will be described below:

- Overall product sales increased by 16.7% compared to Q3 2019 summarized as below.

Sales Revenue	Drinking Straw		Bags		Other Products		Total Sales Revenue	
	Q3/20	Q3/19	Q3/20	Q3/19	Q3/20	Q3/19	Q3/20	Q3/19
International sales	25.0	34.7	738.7	597.1	35.3	31.0	799.0	662.8
Domestic sales	33.0	31.3	57.9	61.5	11.3	16.8	102.2	109.6
Total sales	58.0	66.0	796.6	658.6	46.6	47.8	901.2	772.4
Inc.(Dec)								
International sales		-28.0%		23.7%		13.9%		20.5%
Domestic sales		5.4%		-5.9%		-32.7%		-6.8%
Total sales Inc.(Dec)		-12.1%		21.0%		-2.5%		16.7%

- After countries reopen from COVID19 lockdown demand for reusable bags grown up from household use during lockdown and for hygiene purpose resulting in the revenue of reusable bags growth by 21.0% in Q3 2020 and the overall of revenue increased by 16.7%
- Own brand is still the core strategy of the company.



- The company categorizes 3 main brand groups for variety consumer purpose. "SUN Mum&Baby" the product for mother and baby such as breast milk storage bags, "SUN Kitchen" the product for the



*Detbordin Riensubdee*  
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*Pojanard Prinyapatkorn*  
Mrs. Pojanard Prinyapatkorn  
Director

kitchen such as zipper bag, life extending fresh&fresh product bag, garbage bag and “SUN Eco” 100% compostable product<sup>1</sup> for consumers who care for the environment. The flagship product of the company is still SUN MUM the company recently received Mommy’s Choice award for the best breast milk storage bag brand from the event Amarin Baby & Kids Awards 2020 voted by more than 10,000 mothers nationwide. This is the result of a proactive marketing from 2019 throughout the year as a result YTD own brand sale increased by 6.2% from 2019.

- The company’s overall expenses increased by 52.7% compared to Q3 2019, mainly due to
  - Administrative expenses increased by THB 13.4 million or 21.9% mainly due to loss for fixed assets unused and plan for sales by THB 9.2 million. This is part of the plan to optimize production space for capacity expansion next year.
  - Cost of sales increased by 9.9% in line with the revenue increases but lower percentage than sales. This is mainly due to the company receives a continuous order, efficient production, less production waste and resulting in better cost management.
  - Selling and distribution expenses increased 16.3% compare to Q3 2019 mainly increased from marketing expenses.
- Gross profit margin in Q3 2020 was 25.8% increased 4.5% compare to Q3 2019 from lower cost as mention earlier.

## B) Financial position

### Assets

As of September 30, 2020, Company’s total assets were THB 2,411.5 million, increased from December 31, 2019 by THB 204.9 million or 9.3%. Significant changes in assets were followings;

- 1.) Total current assets were THB 1,464.0 million, increased by THB 162.0 million or 12.4% mainly due to cash and cash equivalent increased by THB 273.1 million or 81.5% compared to December 31, 2019.
- 2.) Total non-current assets were THB 947.6 million, increased by THB 42.9 million or 4.7%. The main reason from right-of use-assets which increased from the impacted of adoption in TFRS16 in the amount of THB 66.8 million.



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Director

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Director

<sup>1</sup> Compostable product can be degraded itself in the right temperature and humidity.



## Liabilities and Shareholders' Equity

As of September 30, 2020, company's total liabilities were THB 497.4 million, increased from December 31, 2019 amount of THB 99.0 million or 24.8% mainly due to liabilities under lease agreement which increased from the impact from the adoption in TFRS16 in the amount of THB 50.2 million and increased from trade and other payables by THB 38.7 million in line with purchase of raw material to support production in Q3 and Q4 2020.

Shareholders' equity as of Sep 30, 2020 was THB 1,914.2 million, increased by THB 105.9 million or 5.9% compared to December 31, 2019 totally added up from the comprehensive income for Q3 2020.

## C) Key Financial Ratios

Description	Unit	Q3/20	Q3/19
Gross profit margin	%	25.82%	21.29%
Net profit margin	%	12.80%	10.07%
Return on shareholders' equity	%	6.03%	4.66%
Return on total assets	%	4.80%	3.61%
Liquidity ratio	Times	3.73	2.89
Cash cycle	Days	53	60
Debt to Equity ratio	Times	0.25	0.28
Book value per share	THB/share	23.93	21.35
Basic earnings per share	THB/share	1.45	0.98



  
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