

Ocean Glass Public Company Limited

Management Discussion and Analysis

Consolidated Financial Results
For the period ended June 30, 2021

Operating Results

2nd Quarter 2021

In the 2st quarter of 2021, Ocean Glass Public Company Limited and its subsidiaries (“the Company”) reported consolidated revenues of Baht 333.5 million, increased by 76.1% compared to the same quarter last year. Sales revenues reported at Baht 332.2 million, increased by 87.2% among challenges of container availability, high freight charges, and the pandemic of Coronavirus 2019. Export sales increased by 112.3%, while domestic sales increased by 14.6% compared to the same quarter last year. Other income reported at Baht 1.3 million, mainly from transportation, sales of scraps, and obsolete equipment.

Gross profit margin decreased from 36.8% to 32.7% due to the increased of energy prices and low sales in domestic. However, with the decrement of operating expenses from controlled spending measurements, the Company reported net loss of Baht 5.9 million while same quarter last year reported net loss at Baht 54.4 million. Loss per share reported at Baht 0.28.

Six-Month Period

The Company reported consolidated revenues of Baht 605.6 million, increased by 33.0% compared to same period last year. Sales revenues reported Baht 603.1 million, increased by 33.0%. Export sales increased by 44.9%, while domestic sales decreased by 1.5% compared to same period last year. Other income reported at Baht 2.5 million from transportation, sales of scraps, obsolete equipment.

Gross profit margin decreased from 35.8% to 34.4%, while total expenses were Baht 639.8 million, increased by 0.1%. As a result, the Company reported net loss of Baht 39.2 million, while last report net loss at Baht 156.4 million. Loss per share presented at Baht 1.84.

Statement of Comprehensive Income

▪ Total Revenues (Million Baht)

	Quarterly		Change	Six-month End June 30,		Change
	2/2021	2/2020	%	2021	2020	%
Revenue from sales						
Domestic sales	52.3	45.7	14.6	114.9	116.6	(1.5)
Export sales	279.9	131.8	112.3	488.2	336.9	44.9
Total revenue from sales	332.2	177.5	87.2	603.1	453.5	33.0
Foreign exchange gain	-	11.1	n/a	-	-	-
Other income	1.3	0.8	63.3	2.5	1.9	33.2
Total revenues	333.5	189.4	76.1	605.6	455.4	33.0

▪ Total Expenses (Million Baht)

	Quarterly		Change	Six-month End June 30,		Change
	2/2021	2/2020	%	2021	2020	%
Cost of goods sold	223.5	112.2	99.2	395.6	291.0	35.9
Temporary shutdown expenses	31.4	63.6	(50.6)	87.8	108.5	(19.1)
Loss (reversal) on the decline in value of inventory	0.7	4.2	(83.7)	(5.8)	10.1	(157.2)
Selling expenses	48.8	43.8	11.4	97.9	107.5	(8.9)
Administrative expenses	25.4	26.4	(3.9)	50.8	59.2	(14.2)
Foreign exchange loss	6.5	-	n/a	13.5	63.1	(78.5)
Total expenses	336.3	250.2	34.4	639.8	639.4	0.1

2nd Quarter 2021

▪ Cost of Goods Sold

Total cost of goods sold presented at Baht 223.5 million, increased by 99.2% along with the increment in sales value and energy price.

▪ Temporary Shutdown Expenses

Temporary shutdown for maintenance and inventory management causing expense of Baht 31.4 million, decreased by 50.6% compared to same quarter last year.

▪ Loss (reversal) on the decline in value of inventory

Loss on the decline in value of inventory presented at Baht 0.7 million, decreased by 83.7% compared to same quarter last year, due to provision of obsolete for long-aged finished products.

▪ Selling and Administrative Expenses

Selling expenses presented at Baht 48.8 million, increased by 11.4% from marketing activities expenses and logistic fee for export sales.

Administrative expenses presented at Baht 25.4 million, decreased by 3.9% due to spending controlled measurements.

▪ Loss on Foreign Exchange

Loss on foreign exchange presented at Baht 6.5 million from forward contract, while same quarter last year gain for Baht 11.1 million.

▪ Finance Costs

Finance costs presented at Baht 3.7 million, decreased by 39.9% from the decrement of interest expenses.

Six-Month Period

▪ Cost of Goods Sold

Total cost of goods sold presented at Baht 395.6 million, increased by 35.9% along with the increment in sales value and energy price.

▪ Temporary Shutdown Expenses

Temporary shutdown for maintenance and inventory management causing expenses of Baht 87.8 million, decreased by 19.1% from the same period last year.

- **Loss (reversal) on the decline in value of inventory**

Reversal on the declined in value of inventory presented at Baht 5.8 million, while same period last year presented loss at Baht 10.1 million.

- **Selling and Administrative Expenses**

Selling expenses presented at Baht 97.9 million, and administrative expenses presented at Baht 50.8 million, decreased by 8.9% and 14.2% respectively, from spending controlled measurements.

- **Loss on Foreign Exchange**

Loss on foreign exchange presented at Baht 13.5 million, decreased by 78.5% from same period last year.

- **Finance Costs**

Finance costs presented at Baht 10.2 million, decreased by 0.7% due to decrement in interest expenses.

Statements of Financial Position as at June 30, 2021

	June 30, 2021 (Million Baht)	December 31, 2020 (Million Baht)	Change (%)
Current Assets	1,122.6	1,191.8	(5.8)
Non-Current Assets	2,220.4	2,248.0	(1.2)
Total Assets	3,343.0	3,439.8	(2.8)
Current Liabilities	986.7	1,004.9	(1.8)
Non-Current Liabilities	560.6	601.1	(6.7)
Total Liabilities	1,547.3	1,606.0	(3.7)
Total Shareholders' Equity	1,795.7	1,833.8	(2.1)
Current Ratio (times)	1.14	1.19	
Debt to Equity Ratio (times)	0.86	0.88	

Total Assets

As of June 30, 2021, total assets presented at Baht 3,343.3 million, decreased by 2.8%. Current assets were Baht 1,122.6 million, decreased by 5.8% from decrement in trade accounts receivable and repayment of short-term loan. Non-current assets presented at Bath 2,220.4 million, decrease by 1.2% from the depreciation net with investment in machine and equipment.

Total Liabilities

Total liabilities presented at Baht 1,547.3 million, decreased by 3.7% primarily from decrement in short-term loans.

Total Shareholders' Equity

Total shareholders' equity presented at Baht 1,795.7 million, decreased by 2.1% from the recognition of operating loss during the period.