

No. SONIC-030/2563

February 24, 2020

Subject Management Discussion and Analysis for the year ended 31 December 2019  
To. President  
The stock Exchange of Thailand

Sonic Interfreight Public Company Limited ("the Company") would like to submit the Management Discussion and Analysis for the year ended 31 December 2019 with details as follows:

Unit : million baht

Statements of Comprehensive Income	For the year ended 31 December			
	2019	2018	Increase / (Decrease)	
			Amount	%
Revenues from services	1,145.55	1,152.40	(6.85)	(0.59)
Cost of services	904.83	922.37	(17.54)	(1.90)
Gross profit	240.72	230.03	10.69	4.65
Other income	4.94	2.85	2.09	73.33
Selling & Administrative expenses	174.70	162.18	12.52	7.72
Finance costs	7.24	11.26	(4.02)	(35.70)
Share of profit (loss) from associate	(0.13)	0.86	(0.99)	(115.12)
Income tax	15.46	11.90	3.56	29.92
Net profit for the period	48.13	48.40	(0.27)	(0.56)
Other comprehensive income (expense):	-	0.73	(0.73)	(100.00)
Total comprehensive income for the year	48.13	49.13	(1.00)	(2.04)
Total comprehensive income for the period attributable to :				
Owners of the parent	46.53	47.32	(0.79)	(1.67)
Non-controlling interests	1.60	1.81	(0.21)	(11.60)

## Revenue

The company's service revenue for the year of 2019 is worth 1,145.55 million baht, a decrease of 6.85 million baht from the previous year, which is a decrease of 0.59 percent compared to the previous financial year. This is due to the depreciation of foreign exchange rates against a stronger than usual Thai Baht.

classified by service as follows;

Unit : million baht

Revenues from services	For the year ended 31 December			
	2019	2018	Increase / (Decrease )	
			Amount	%
Sea freight	744.81	759.25	(14.44)	(1.90)
Transportation	333.44	301.86	31.58	10.46
Air freight	54.11	83.02	(28.91)	(34.82)
Other services	13.19	8.27	4.92	59.49
Total revenues from services	1,145.55	1,152.40	(6.85)	(0.59)

1. Revenue from sea freight services is a group that receives 65.02% of the revenue from overseas travel as of 31 December 2019, with revenue of 744.81 million baht, a year earlier of 14.44 million baht. Equal to 1.90 percent
2. Revenue from transportation services With a revenue proportion of 29.11 percent from service income for the year ended 31 December 2019, with revenue of 333.44 million baht, an increase of 31.58 million baht from the same period last year, representing 10.46 percent due to the company having Increased truck tractor investment based on the purpose of using IPO funds to support the increasing demand for customer services.
3. Revenue from air freight services with revenue proportion of 4.72 percent from service income for the year ended 31 December 2019, having revenue of 54.11 million baht, down from the same period of the previous year by 28.91 million baht, representing 34.82 percent
4. Revenues from other services comprise revenue from distribution center services Service income for dangerous goods The proportion of 1.15 percent from service income for the year ended 31 December 2019, with revenue of 13.19 million baht, an increase of 4.92 million baht from the same period last year, representing 59.49 percent due to the company's investment in development. Warehouses according to the purpose of using some IPO funds to support the increasing demand for customer services

<sup>1</sup> Source: Economic and financial report, December 2019, Bank of Thailand

#### Cost of service

The company has the cost of service for year ended of 2019 equal to 904.83 million baht, which is equal to 78.99 percent of service revenue. Which decreased from the same period of the previous year by 17.54 million baht or 1.90 percent. The cost decreased mainly due to the revenue decreased slightly. The ratio of cost of service to revenue from service There is a downward trend from the previous year due to the Group has cost management to be more effective. Which can be seen from the percentage of the cost of services when compared to the revenue from the services that decreased from the same period last year Which has a rate of 80.04 percent

#### Gross profit

The company has gross profit as per segment data of the consolidated financial statements for the year 2019 of Baht 240.72 million or equivalent to gross profit margin. Equal to 21.01 percent. Gross profit increased from the same period of the previous year by 10.69 million baht, increasing to 4.65 percent. However, the increase in gross profit, even though overall service income has decreased. down Due to the Group has cost management to be effective in all types of services.

#### Other income

Other incomes consist of incomes that are not derived from the company's business operations, including Profit (loss) from disposal of assets Gain (loss) from foreign exchange Interest income under financial lease, etc. Other incomes for the year 2019 equal 4.94 million baht, which increased to 2.09 million baht from the same period last year. Mainly from interest received

#### Selling and Administrative expenses

The company has selling and administrative expenses for the year 2019 equal to 174.70 million baht, which is accounted for 15.18 percent of total revenue. For the year 2019, the company had selling and administrative expenses increased by 12.52 million baht or 7.72% increase from the same period of the previous year due to the reason that the company set aside the expenses by using Annual stock market (ESOP-warrants) Adjustment of annual staff expenses Including the provision for compensation for retired employees According to the Labor Protection Act No. 7 B.E. 2019

#### Net Income

In the year ended of 2019, the Company's Net Income was equal to 46.53 million baht or equivalent to 4.04 percent of revenues. In comparison to the same period in 2019, the decrease in the net income by 0.79 million baht or decrease by 1.67 percent was mainly a result from a reserve for share-based payment for retired employees According to the Labor Protection Act No. 7 B.E. 2019 and other selling and administrative expenses.

## Financial Position Analysis

Unit : million baht

Statement of Financial Position	31 December 2019	31 December 2018	Increase / (Decrease)	
			Amount	%
Asset	864.50	842.11	22.39	2.66
Liabilities	252.36	281.28	(28.92)	(10.28)
Shareholder's equity	612.14	560.83	51.31	9.15

### Asset

The company's assets as of December 31, 2019 equals to 864.50 million baht, an increase of 22.39 million baht or 2.66 percent, with the following details:

1. Cash and cash equivalents as of December 31, 2019 equals 130.33 million baht, a decrease of 115.90 million baht from December 31, 2018 due to investments in land Building and equipment According to the purpose of using IPO funds
2. Trade and other receivables - net as of December 31, 2019 equals 184.21 million baht, decreased from December 31, 2018 in the amount of 19.07 million baht due to the company's payment policy.
3. Property, plant and equipment - net as of December 31, 2019 equals 506.72 million baht, an increase of 137.11 million baht from December 31, 2018 from investment in land purchase to expand the area of logistics services Pinthong Sriracha Project District, Chonburi Province, purchase transportation vehicles for the land transportation business and develop the collection and distribution center According to the purpose of using IPO funds.
4. Assets under the financial lease agreement as of December 31, 2019, equal to 16.03 million baht for hire purchase of tractor and tail trucks.

### Liabilities

The company had liabilities as of December 31, 2019 equal to 252.36 million baht, a decrease of 28.92 million baht or 10.28 percent due to a decrease in short-term loans from financial institutions.

### Shareholder's equity

The Company has shareholders' equity as of 31 December 2019, equal to 612.14 million baht, an increase of 51.31 million baht or 9.15 percent, which increased from operating profit.

Please be informed accordingly,



(Ph.D.Santisuk Kosiapanant)  
Chief Executive Officer



Yours Sincerely,

SONIC INTERFREIGHT PUBLIC COMPANY LIMITED  
บริษัท อินเตอร์เฟรท พับลิค จำกัด (มหาชน)



(Mr.Ranut Lieolertsakulchai)  
Director