



Always Thinking Beyond  
ซีลิคคิด เพื่ออนาคต เพื่อคุณ

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## Management Discussion and Analysis

For the quarter and three-month period ended

March 31<sup>st</sup>, 2018

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Investor Relation

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## Executive Summary

- Sales Revenue was 142.32 million Baht, an increase of 3.4% compared with the same quarter last year.
- Gross profit percentage slightly improved QoQ from 23.32% of Sales Revenue in Q4-2017 to 24.88% in Q1-2018.
- EBITDA decreased 40% QoQ from Q4/2017, partially from the increase of Selling and Administration Expenses.

Unit : Million Baht	Q1/2018	Q4/2017	%QoQ	Q1/2018	Q1/2017	%YoY
Sales - Net	142.32	157.71	(9.8%)	142.32	137.62	3.4%
Other income	0.69	0.58	19.8%	0.69	1.28	(45.8%)
<b>Total Revenue</b>	<b>143.02</b>	<b>158.29</b>	<b>(9.6%)</b>	<b>143.02</b>	<b>138.90</b>	<b>3.0%</b>
Cost of Sales	106.91	120.93	(11.6%)	106.91	98.47	8.6%
<b>Gross Profit (Excluding Other Revenue)</b>	<b>35.41</b>	<b>36.78</b>	<b>(3.7%)</b>	<b>35.41</b>	<b>39.15</b>	<b>(9.6%)</b>
Selling Expenses	2.82	3.32	(15.0%)	2.82	4.06	(30.4%)
Administrative Expenses	32.63	29.33	11.2%	32.63	27.61	18.2%
<b>EBITDA</b>	<b>6.50</b>	<b>10.83</b>	<b>(40.0%)</b>	<b>6.50</b>	<b>14.07</b>	<b>(53.8%)</b>
Depreciation	5.84	6.12	(4.5%)	5.84	5.30	10.1%
EBIT	0.66	4.71	(86.0%)	0.66	8.76	(92.5%)
Financial Cost	0.05	0.06	(17.0%)	0.05	0.15	(66.2%)
EBT	0.61	4.65	(87.0%)	0.61	8.61	(93.0%)
Tax	0.17	1.17	(85.4%)	0.17	1.67	(89.8%)
<b>Net Profit for the Year</b>	<b>0.44</b>	<b>3.48</b>	<b>(87.5%)</b>	<b>0.44</b>	<b>6.95</b>	<b>(93.7%)</b>

## Operating performance overview

### Sales revenue

In Q1/2018, Selic Corp Public Company Limited' sales revenue was 142.32 Million Baht, an increase of 3.4% compared with the same quarter last year. This revenue growth confirmed the strong demand for Adhesive in the market both domestic and international.

### Costs and Gross profit

Cost of sales has been decreased by 11.6% from 120.93 million Baht to 106.91 million Baht in the first 3 months of 2018, resulted in an increase of Gross profit from 23.32% to 24.88% in the first quarter of 2018. However, in term of monetary value, the gross profit for the 1<sup>st</sup> quarter dipped slightly at 3.7% QoQ, this is partially due to the appreciation of Thai Baht against US dollars in the period.





## Net Profit

Ending of first 3 month period, net profit amounted to 0.44 million Baht which decrease from the same period of last year.

Administrative expense increase 11.2% QoQ and 18.2% YoY as the company embarked on organizational restructuring after change in vision and strategy by revitalizing the sales department and adjust workforce in order to be in the more competitive position. The impact of these changes will start to shows in the 2<sup>nd</sup> quarter of this year.

Cost and Expense (Unit : MB)	Q1/2018	%	Q4/2017	%	%QoQ	Q1/2018	%	Q1/2017	%	%YoY
Selling Expenses	2.82	1.97%	3.32	2.10%	(15.0%)	2.82	1.97%	4.06	2.92%	(30.4%)
Administrative Expenses	32.63	22.81%	29.33	18.53%	11.2%	32.63	22.81%	27.61	19.88%	18.2%

In Addition, the Thai bath appreciation against US Dollars resulted in losses on exchange rate for the quarter of 1.42 MB. The company managed to profit from Realized Gain and Loss on exchange rate of 1.08MB but Losses on the Accounting realization of Unrealized Gain and Loss on exchange rate for both Foreign currency bank account and International Accounts Receivables of 2.5MB.

Gain and Loss on Exchange Rate	Consolidated Q1/2018
Realized Gain/Loss on Exchange Rate	1.08
Unrealized Gain/Loss on Exchange Rate	(2.50)
Total	(1.42)

### 1.1 Domestic vs International market

Sales revenue continued to grow from the same period of last year, the total sales revenue of this period amounted to 142.32 million Baht with increase of 3.4% year on year.

Domestic sales slightly increase at 4% YoY and 7% QoQ, as a result of company strategy to reduce the impact of Dollar depreciation in this period. As for the international market, it is seasonally for the market in the begininig of the year to be slower than the 4<sup>th</sup> Quarter caused the drop of this market at 28.9% QoQ. Despite the drop from the 4<sup>th</sup> quarter of 2017, the company still be able to expand the international market at 2.2% YoY.

Statement of Income	Q1/2018	Q4/2017	Q3/2017	Q2/2017	Q1/2017
Domestic Sales	89.31	83.16	85.16	77.40	85.74
Internatioanl Sales	53.02	74.56	68.14	66.00	51.88



## 1.2 Adhesive sales

Sales Revenue By Product Group	Q1/2018	Q4/2017	Q3/2017	Q2/2017	Q1/2017
Solvent	75.57	84.14	87.17	85.43	85.13
Hotmelt	53.18	56.10	52.75	47.52	37.25
Water Based	9.88	11.84	10.60	9.22	9.53
Other	3.70	5.63	2.79	1.23	5.72

Aligned with adhesive market demand, hotmelt demonstrated the high growth in the first 3 month period of this year with 43% growth YoY when compared to Q1 of the same quarter last year.



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