

May 15, 2020

Subject: Management Discussion and Analysis for the 1st quarter ended March 31, 2020

To: President
The Stock Exchange of Thailand

Sherwood Corporation (Thailand) Public Company Limited (“The Company”) would like to submit herewith the reviewed consolidated financial statements for the 1st quarter ended March 31, 2020, with the financial analysis compared to the financial statement for the 1st quarter ended March 31, 2019. The performance can be summarized as follows;

The Company and its subsidiary had net profit of THB 4.03 million for the 1st quarter ended March 31, 2020 in which there was a profit attributable to equity holders of the Company of THB 4.01 million, decreased by THB 34.16 million or 89.49% as compared to the same period in the previous year which was shown the net profit of THB 38.17 million.

Revenue:

Sales Revenue for the 1st quarter ended March 31, 2020 was THB 166.04 million, decreased by THB 171.57 million or 50.82% as compared to the same period in the previous year. This resulted mainly from economic slowdown according to the coronavirus disease 2019 (COVID-19) pandemics leading to city lockdown and severely affected the global economy in almost all industrial groups including the Company and its subsidiaries’ performances, together with the slump on demand of household chemicals, industrial and agrochemicals, in which people change their behavior to stock up on necessary supplies for living more than the chemical product as well as the weaker consumption sentiment following pandemic concerns. However, the Company has closely monitoring the situation and evolving products "Teepol alcohol gel and Teepol alcohol spray", which are alcohol cleaning products to supply consumers during the epidemic situation and helps increase sales. The Company has launched marketing activities through online media to help increase sales which the Teepol Power Clean and Teepol Ultra Pure advertising for "Teepol" product. Furthermore, the Company also continues to focus both sales growth in other product groups and the growth in revenue from its subsidiaries.

Cost of goods sold:

Cost of goods sold for the 1st quarter ended March 31, 2020, increased from 65.62% to 69.90% of sales amount resulting from increased price of the importing raw materials and packagings. Moreover, the Company also keeps production manpower although the coronavirus disease 2019 (COVID-19) pandemics affected to sales which resulting in lower production volume.

Selling and distribution expenses:

Selling and distribution expenses for the 1st quarter ended March 31, 2020 was THB 24.81 million, decreased by THB 6.61 million or 21.04% as compared to the same period in the previous year resulting from the change in advertising plan that consistent with the sales decline.

Administrative expenses:

Administrative expenses for the 1st quarter ended March 31, 2020 was THB 16.29 million, decreased by THB 20.17 million or 55.32% as compared to the same period in the previous year resulting from the adjusting accounting entries and the control of expenses during uncertain economic conditions.

Please be informed accordingly.

Sincerely yours,

Thakerngbol Laobisuddhi
Authorized Signature