

No. SONIC-011/2019

February 22, 2019

Subject Management Discussion and Analysis for the year ended 31 December 2018

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 2018 with details as follows:

Unit : million baht

Statements of Comprehensive Income	For the year ended 31 December			
	2018	2017	Increase / (Decrease)	
			Amount	%
Revenues from services	1,152.41	964.30	188.11	19.51
Cost of services	922.37	760.99	161.38	21.21
Gross profit	230.03	203.31	26.72	13.14
Other income	2.85	2.43	0.42	17.38
Selling and Administrative expenses	162.18	132.58	29.61	22.33
Finance costs	11.26	8.15	3.10	38.02
Share of profit (loss) of associate	0.86	(4.43)	5.28	(119.35)
Income tax expense	11.90	12.66	(0.76)	(6.00)
Net profit for the year	48.40	47.92	0.48	1.00
Other comprehensive income (expense):	0.73	0.00	0.73	100.00
Total comprehensive income for the year	49.13	47.92	1.21	2.53
Profit for the year attributable to :				
Owners of the parent	47.33	45.83	1.50	3.26
Non-controlling interests	1.81	2.09	(0.28)	(13.52)

Revenue

As a total logistic services provider, the main revenue of the Company is comprised of Seafreight, Transport, and Airfreight. Furthermore, the revenue from service for period of 2018 was amounted to 1,152.41 million baht, increased in revenue of 188.11 million baht from the same period in 2017, or by 19.51 percent. Respectively, the increase in revenue was a result from the revenue growth of 148.69 million baht or 24.35 percent from prior year in Seafreight business unit, resulted from the new-hiring of salesperson and the hike in shipment volume. Nevertheless, the Company's Transport service had increased by 23.91 million baht or by 8.60 percent in the late of 2017 from the new-truck-fleets investment. Moreover, the Airfreight service that benefited from Land-Air service also drove the company revenue by 16.08 million baht or 24.02 percent growth in comparison to the late 2017.

Cost of service

For the period of 2018, the Company's cost of service was equivalent to 922.37 million baht, or amounted to 80.04 percent from the revenue from service. Thus, the increase in cost of 161.38 million baht from the same period in 2017, or by 21.21 percent was a result of the increase in the Seafreight index since the late of 2017, as well as the increase in shipment volume the Airfreight services. Nevertheless, the cost of the proportion of the Transport business unit to the overall service cost had decreased in relative to prior year due to the revision of the salvage value for the trucks to better reflect the value.

Gross Profit

In 2018, the Company's Gross Profit was equal to 230.03 million baht, or equivalent to 19.96 percent of Gross Profit Margin. Thus, the increase in Gross Profit of 26.72 million baht from the same period in 2017, or by 13.14 percent was attributable to the increase in service volume as well as the strategic change in Seafreight that focused more on the East Asia and ASEAN trade route. Furthermore, the Gross Profit for 2018 was surged from the truck investment, however, as for Airfreight, the Gross Profit margin dropped due to the hike in the freight cost.

Selling and Administrative expenses

Selling expenses

In 2018, the Company's selling expense was equal to 62.91 million baht or equivalent to 5.46 percent of the revenue from service. Thus, the increase in the expense by 12.52 million baht, or increased by 24.84 percent from the same period in 2017 was a result from sales and CS new hiring.

Administrative expenses

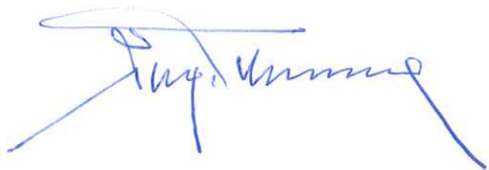
In 2018, the Administrative expense was 99.27 million baht or 8.48 percent of revenue from service. The expense increased by 17.09 million baht, or 20.79 percent from the year 2017 resulting from new recruitment and the extraordinary expenses of the initial public offering (IPO) approximate 7.61 million baht.

Net Income

For the fiscal year of 2018, the Company's Net Income was equal to 48.40 million baht or equivalent to 4.20 percent of sales. In comparison to the same period in 2017, Thus, the Net Income for the year of 2018 increased from 2017 by 1.21 million baht or by 2.53 percent due to the increase in sales.

Please be informed accordingly,

Yours Sincerely,



(Dr.Santisuk Kosiarpant)

Chief Executive Officer



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(Mr.Ranut Lieolertsakulchai)

Director