

No. SONIC-017/2019

May 10, 2019

Subject Management Discussion and Analysis for 3-month period ended 31 March 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 3-month period ended 31 March 2019 with details as follows:

Unit : million baht

Statements of Comprehensive Income	For the three-month period ended 31 March			
	2019	2018	Increase / (Decrease)	
			Amount	%
Revenues from services	273.62	271.89	1.73	0.64
Cost of services	218.79	215.66	3.13	1.45
Gross profit	54.83	56.23	(1.40)	(2.49)
Other income	0.64	0.15	0.49	326.67
Selling & Administrative expenses	40.91	37.26	3.65	9.80
Finance costs	2.13	2.70	(0.57)	(21.11)
Share of profit (loss) from associate	(0.03)	0.81	(0.84)	(103.70)
Income tax	3.15	3.61	(0.46)	(12.74)
Net profit for the period	9.25	13.62	(4.37)	(32.09)
Total comprehensive income for the period	9.25	13.62	(4.37)	(32.09)
Total comprehensive income for the period attributable to :				
Owners of the parent	8.92	13.13	(4.21)	(32.06)
Non-controlling interests	0.33	0.49	(0.16)	(32.65)

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 3-month period ended 31 March 2019 was amounted to 273.62 million baht, increased in revenue of 1.73 million baht from the same period in 2018, or by 0.64 percent. The increase in revenue was a result from the revenue growth of 11.66 million baht or 6.78 percent from prior year in Seafreight business unit, resulted from the hike in shipment volume. Nevertheless, the Company's Transport service had decreased by 6.84 million baht or by 8.41 percent in the late of 2018 and the Airfreight service had decreased by 2.93 million baht or by 17.92 percent in the late of 2018. In January and February, both service groups had decreased in revenue, due to some customers had relocated the transportation base however, the company can earn income to compensate by March.

Cost of service

In the first 3 months of 2019, the Company's cost of service was equivalent to 218.79 million baht or amounted to 79.96 percent from the revenue from service. Thus, the increase in cost of 3.13 million baht from the same period in 2018, or by 1.45 percent due to the increase cost in volume and sales growth in Seafreight business unit. Nevertheless, the cost of the proportion of the Transport business unit and the Airfreight business unit had decreased from prior year due to the efficiency in cost management.

Gross Profit

In the first 3 months of 2019, the Company's Gross Profit was equal to 54.83 million baht, or equivalent to 20.04 percent of Gross Profit Margin. Thus, the decrease in Gross Profit of 1.40 million baht from the same period in 2018, or by 2.49 percent. The company's gross profit on sea freight was slightly dropped resulted from the company's expend to the new big-volume shipment customer, and the high competition in this service area. The company's gross profit and Gross Profit Margin on transportation increased resulted from the efficiency in cost management. The company's gross profit and Gross Profit Margin on air-freight increased resulted the selling strategy.

Selling and Administrative expenses

In the first 3 months of 2019, the Company's selling expense was equal to 40.91 million baht or equivalent to 14.92 percent of the revenue. Thus, the increase in the expense by 3.65 million baht, or increased by 9.80 percent from the same period in 2018 was mainly a result from a reserve for share-based payment for ESOP warrant.

Net Income

In the first 3 months of 2019, the Company's Net Income was equal to 8.92 million baht or equivalent to 3.25 percent of revenues. In comparison to the same period in 2018, the decrease in the net income by 4.21 million baht or decrease by 32.06 percent was mainly a result from a reserve for share-based payment for ESOP warrant and other selling and administrative expenses.

Please be informed accordingly,

Yours Sincerely,



(Dr.Santisuk Kosiarpant)
Chief Executive Officer



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(Mr.Ranut Lieolertsakuichai)
Director