

Management Discussion and Analysis: MD&A

1. Company Situation

The company situation in the Q1 of 2021 remained in a good direction due to the fact that the Chief Executive Officer decided to proceed with the early retirement program and cut off all unnecessary costs and expenses. As a result, the revenue for the Q1 of 2021 showed the positive number. However, with the current situation, analytically, there will be less industrial waste coming to the facilities, therefore, it is to be expected that the revenue for the upcoming quarters will be affected. Not only the waste treatment, the real estate business will be affected as well.

In terms of investments, the company decides to not spend any budget on the major investments for now due to the ongoing COVID-19 situation, seemingly high number of infected people for a period of time.

Risks and Effects from the COVID-19 Outbreak

The COVID-19 outbreak has been affecting many businesses and the company is no exception. The company had many impacts, including stricter method on waste coming from the clients' factories, employees' transportation to the facilities, and fewer customers visiting the real estate units.

2. Operating Results (Company and Subsidiaries)

Total revenue of the consolidated financial statements for Q1/2021 amounted 52.9 million baht compared to Q1/2020 with total revenue of 66.2 million baht, decreased by 13.3 million baht or 20.1%. Due to the impact from COVID-19 outbreak since the Q2 of 2020 until today, the executives decided on the organization restructure and 15% salary deduction of the remaining employees as an adaptability. Some unnecessary costs have also been reduced but the quality of the services remained the same.

This continuity of the adaptability had an impact on the performance for Q1/2021 was profit 0.9 million baht compared to Q1/2020 that was loss 5.0 million baht, increased 5.9 million baht or 118.0%.

	1 st Quarter			
	March 31		Inc.	
	2021	2020	(Dec.)	%
Revenues				
Treatment business	47.9	60.1	(12.2)	-20.3%
Real estate business	-	1.2	(1.2)	-100.0%
Others business	0.8	-	0.8	100.0%
Other income	4.2	4.9	(0.7)	-14.3%
Total Revenues	52.9	66.2	(13.3)	-20.1%
Expenses				
Cost of treatment	30.7	43.0	(12.3)	-28.6%
Cost of real estate	-	0.8	(0.8)	-100.0%
Cost of others	2.3	-	2.3	100%
Selling & Admin Exp.	17.6	25.4	(7.8)	-33.5%
Finance costs	1.2	1.7	(0.5)	-29.4%
Total Expenses	51.8	71.0	(19.2)	-27.0%
Share from associate	(0.3)	(0.1)	(0.2)	-200.0%
Income tax	1.0	(0.2)	0.3	150.0%
Gain (Lost) - Net	0.9	(5.0)	5.9	118.0%

(1) Waste Treatment Business Income

Revenue from waste treatment business for Q1/2021 amounted 47.9 million baht, decreased 12.2 million baht or 20.3% compared to Q1/2020. The cost of service was 64.1% for Q1/2020, decreasing from the same period in the previous year with costs of 71.5% due to the mentioned situational adaptability.

(2) Real Estate Business Income

Revenue from sale real estate shows no room transfer in the Q1 of 2021, where in the Q1 of 2563, the revenue was 1.2 million baht in sales. The cost of good was 66.7 percent.

Revenue from rental real estate (Other income) for Q1/2021 amounted 3.0 million baht, decreasing in number when compared to the same quarter of last year, with the rental cost at 63.3%, similarly to 2020.

(3) Interest income

Interest income for Q1/2021 was amounted 0.1 million baht, decreased 0.1 million baht or 50.0% compared with Q1/2020.

(4) Other Income

Other income for Q1/2021 was amounted 1.2 million baht, decreased 0.4 million baht or 25.0% compared with Q1/2020.

(5) Selling and Administrative Expenses

Selling and administrative expenses for Q1/2021 was amounted 15.7 million baht, decreased 7.8 million baht or 30.7% compared with Q1/2020. The selling and administrative expenses was approximately 33.3% of the Company's total revenue, compared to 38.4% for the same period of year 2020. The number shows the adaptability and expense control of the management team.

3. Financial Status (Company and Subsidiaries)

(1) Total Assets

Company's total assets as of March 31, 2021 were 1,528.3 million baht, a slight increase of the total assets at 31 December 2020.

(1.1) Current Assets

As of March 31, 2021 current assets amounted 503.1 million baht, decreased 20.8 million baht or 4.0% compared to current assets as of December 31, 2020. Mostly due to classified as non-current assets (Investment in properties). Causing real estate development costs decreased 19.3 million baht.

(1.2) Non-Current Assets

As of March 31, 2021 non-current assets amounted 1,025.2 million baht, increased 21.5 million baht or 2.1% compared to non-current assets as of December 31, 2020.

(2) Total Liabilities

Company's total liabilities as of March 31, 2021 were 200.8 million baht, decreased 2.2 million baht or 1.1% compared to the total liabilities as of December 31, 2020.

(3) Shareholders' Equity

Total shareholders' equity as of March 31, 2021 was 1,327.5 million baht, increased 3.0 million baht or 0.2% compared to total shareholders' equity as of December 31, 2020.

4. Cash flows (Company and Subsidiaries)

	For the three-month Period	
	2021	2020
Cash and Cash Equivalent on 1 st January	162.9	172.2
Net Cash Provided by (Used in) Operating Activities	18.0	4.3
Net Cash Provided by (Used in) Investing Activities	(4.4)	(4.9)
Net Cash Provided by (Used in) Financing Activities	(9.1)	(8.5)
Net Cash Increased by (Decreased)	4.5	(9.1)
Cash and Cash Equivalent on 30 th March	167.4	163.1

5. Financial ratios

	As at	
	March 31, 2021	December 31, 2020
Current Ratio	5.9	6.7
Debt to Equity Ratio	0.2	0.2