



No. FTE 005/2561

13 November 2018

Subject Management Discussion and Analysis for the third quarter ended 30 September 2018

Attention President
The Stock Exchange of Thailand

Attachment Report and interim financial statement for the third quarter ended 30 September 2018

Firetrade Engineering Public Company Limited (“the Company”) would like to report the operating results according to the Company’s consolidated financial statements of the Company and its subsidiary for the third quarter ended 30 September 2018 as per the following details:

Unit: million Baht	For 3-month period (July-Sep)			
	2018	2017	Change	% Increase (Decrease)
Revenue from sale of goods	170.35	194.63	(24.28)	(12.47)
Revenue from project works and services	75.71	83.35	(7.64)	(9.17)
Total Revenue from Sale and Services	246.06	277.98	(31.92)	(11.48)
Cost of sales	115.75	139.33	(23.58)	(16.92)
Cost of project works and services	55.76	65.43	(9.67)	(14.78)
Total Costs of Sales and Services	171.51	204.76	(33.25)	(16.24)
Gross Profit	74.55	73.22	1.33	1.82
Other income	2.48	1.91	0.57	29.84
Distribution costs	17.69	16.54	1.15	6.95
Administrative expenses	21.03	12.32	8.71	70.70
Finance costs	0.00	0.38	(0.38)	(100.00)
Tax expense	7.74	5.79	1.95	33.68
Net Profit - attributable to equity holders of the parent	30.57	40.10	(9.53)	(23.76)
Gross Profit Margin (%)	30.30	26.34		
Net Profit Margin (%)	12.30	14.33		



Unit: million Baht	For 9-month period (Jan- Sep)			
	2018	2017	Change	% Increase (Decrease)
Revenue from sale of goods	480.25	503.83	(23.58)	(4.68)
Revenue from project works and services	239.93	221.89	18.04	8.13
Total Revenue from Sale and Services	720.18	725.72	(5.54)	(0.76)
Cost of sales	333.93	367.41	(33.48)	(9.11)
Cost of project works and services	184.32	169.64	14.68	8.65
Total Costs of Sales and Services	518.25	537.05	(18.80)	(3.50)
Gross Profit	201.93	188.67	13.26	7.03
Other income	7.30	6.83	0.47	6.88
Distribution costs	49.69	46.40	3.29	7.09
Administrative expenses	48.08	34.53	13.55	39.24
Finance costs	0.00	1.53	(1.53)	(100.00)
Tax expense	22.43	18.49	3.94	21.31
Net Profit - attributable to equity holders of the parent	89.03	94.55	(5.52)	(5.84)
Gross Profit Margin (%)	28.04	26.00		
Net Profit Margin (%)	12.24	12.91		

Remark: 1) Net profit margin is calculated from the net profit attributable to equity holders of the parent on consolidated financial statement.
2) Decimal numbers shown in this management discussion and analysis are likely to be different from the Company's financial statement due to the rounding to 2-digit decimal and unit changed to million baht.

Revenue from Sales and Services

For 3-month period ended 30 September 2018, the Company's revenue from sales and services was THB 246.06 million, decreased by THB 31.92 million or equivalent to 11.48 percent compared to the same period of last year.

For 9-month period ended 30 September 2018, the Company's revenue from sales and services was THB 720.18 million, decreased by THB 5.54 million or equivalent to 0.76 percent compared to the same period of last year.

Revenue from sale of goods was decreased equivalent to 4.68 percent decreased compared to the same period of last year.

Revenue from project works and services were increased by THB 18.04 million or equivalent to 8.13 percent increase compared to the same period of last year, from those on-going projects in 2017 and the Company and its subsidiary its establishment to obtain more projects in 2018.

Gross Profit and Gross Profit Margin

For 3-month period ended 30 September 2018, the Company's gross profit was THB 74.55 million or equivalent to the gross profit margin of 30.30 percent; whilst in the same period last year, the Company's gross profit was THB 73.22 million or equivalent to the gross profit margin of 26.34 percent.

For 9-month period ended 30 September 2018, the Company's gross profit was THB 201.93 million or equivalent to the gross profit margin of 28.04 percent; whilst in the same period last year, the Company's gross profit was THB 188.67 million or equivalent to the gross profit margin of 26.00 percent.

A higher in gross profit and gross profit margin were a consequence of the fact that driven mainly by Thai Baht appreciation. As a result, the costs of purchase decline compared to the same period of last year.



Distribution Costs and Administrative Expenses

For 3 - month period ended 30 September 2018, the Company's distribution costs and administrative expenses were THB 38.72 million, increased by THB 9.86 million or up 34.16 percent compared to the same period last year;

For 9- month period ended 30 September 2018, the Company's distribution costs and administrative expenses were THB 97.77 million, increased by THB 16.84 million or up 20.81 percent compared to the same period last year.

Increases in such expenses resulted from rising salesperson and management expenses in order to accommodate the Company's expansion including consulting fee, public relations and the Company has set aside allowance for doubtful accounts. For debtors who have tracked debt and overdue debt so on.

Finance Costs

For 3-month and for 9-month period ended 30 September 2018, the Company has no financial cost due to incoming cash flow from the Initial Public Offering (IPO).

Tax expense

For 3 - month and for 9-month period ended 30 September 2018, income tax expense varied according to the reasons mentioned earlier.

Net Profit and Net Profit Margin

For 3-month period ended 30 September 2018, the Company's net profit attributable to equity holders of the parent was THB 30.57 million which was equal to the net profit margin of 12.30 percent. Whereas, in the same period last year, the Company's net profit attributable to equity holders of the parent was THB 40.10 million which was equal to the net profit margin of 14.33 percent.

For 9-month period ended 30 September 2018, the Company's net profit attributable to equity holders of the parent was THB 89.03 million which was equal to the net profit margin of 12.24 percent. Whilst, in the same period last year, the Company's net profit attributable to equity holders of the parent was THB 94.55 million which was equal to the net profit margin of 12.91 percent.

The decrease in net income for of the third quarter was as mentioned earlier

Please be informed accordingly,

Yours sincerely,

(Mr. Taksin Tantipijit)

Managing Director

Firetrade Engineering Public Company Limited

