



No.FTE 004/2021

13 August 2021

Subject Management Discussion and Analysis for the six-month period ended 30 June 2021

Attention The President of
The Stock Exchange of Thailand

Attachment: Report and interim financial statement for the six-month period ended 30 June 2021

Firetrade Engineering Public Company Limited (“the Company”) would like to report the operating result according to the Company’s consolidated financial statement of the Company and its subsidiary for the six-month period ended 30 June 2021 which the details are as follows:

Unit: million Baht	For the three-month period ended 30 June (Apr-Jun)			
	2021	2020	Change	% Increase (Decrease)
Revenue from sale of goods	136.66	128.52	8.14	6.33
Revenue from project works and services	113.42	87.05	26.37	30.29
Total Revenue from Sale and Services	250.08	215.57	34.51	16.01
Cost of sales of goods	100.54	92.48	8.06	8.72
Cost of project works and services	95.92	70.25	25.67	36.54
Total Costs of Sales and Services	196.46	162.73	33.73	20.73
Gross Profit	53.62	52.84	0.78	1.48
Other incomes	2.67	1.69	0.98	57.99
Distribution costs	18.30	17.27	1.03	5.96
Administrative expenses	19.06	16.36	2.70	16.50
Finance costs	1.05	0.41	0.64	156.10
Expected credit losses	0.07	2.43	(2.36)	(97.12)
Tax expense	3.41	3.50	(0.09)	(2.57)
Profit for the period	14.40	14.56	(0.16)	(1.10)
Gross Profit Margin (%)	21.44	24.51		
Net Profit Margin (%)	5.70	6.70		



Unit: million Baht	For the six-month period ended 30 June (Jan-Jun)			
	2021	2020	Change	% Increase (Decrease)
Revenue from sale of goods	285.32	285.10	0.22	0.08
Revenue from project works and services	225.94	155.49	70.45	45.31
Total Revenue from Sale and Services	511.26	440.59	70.67	16.04
Cost of sales of goods	210.14	200.97	9.17	4.56
Cost of project works and services	188.92	129.57	59.35	45.81
Total Costs of Sales and Services	399.06	330.54	68.52	20.73
Gross Profit	112.20	110.05	2.15	1.95
Other incomes	3.13	2.85	0.28	9.82
Distribution costs	37.05	35.27	1.78	5.05
Administrative expenses	40.37	36.09	4.28	11.86
Finance costs	1.84	0.41	1.43	348.78
Expected credit losses	2.52	8.23	(5.71)	(69.38)
Tax expense	6.67	6.41	0.26	4.06
Profit for the period	26.88	26.49	0.39	1.47
Gross Profit Margin (%)	21.95	24.98		
Net Profit Margin (%)	5.23	5.97		

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 the three-month period ended 30 June 2021, the Company's revenue from sales and services was THB 250.08 million, increased by THB 34.51 million or equivalent to 16.01 percent comparing to the same period of the last year.

For the six-month period ended 30 June 2021, the Company's revenue from sales and services was THB 511.26 million, increased by THB 70.67 million or equivalent to 16.04 percent comparing to the same period of the last year.

-Revenue from project works and services increased by THB 70.45 million. Due to the Company received project contracts with higher value. In addition, during the period, there are more project works completion compared to the same period of the last year resulted in more income recognized.

-Revenue from sale of goods was increased by THB 0.22 million due to the postpone of product delivery by some customers affected by the pandemic of the Coronavirus Disease 2019.



Gross Profit and Gross Profit Margin

For the three-month period ended 30 June 2021, the Company's gross profit was THB 53.62 million or equivalent to the gross profit margin of 21.44 percent compared to the same period of the last year, the Company's gross profit was THB 52.84 million or equivalent to gross profit margin of 24.51 percent.

For the six-month period ended 30 June 2021, the Company's gross profit was THB 112.20 million or equivalent to the gross profit margin of 21.95 percent compared to the same period of the last year, the Company's gross profit was THB 110.05 million or equivalent to gross profit margin of 24.98 percent.

Gross profit increased due to increased total sales and decrease in gross profit margin is a result of higher business competition in the market.

Distribution costs and Administrative Expenses

For the three-month period ended 30 June 2021, the Company's distribution costs and administrative expenses were THB 37.36 million, increased by THB 3.73 million or up 11.09 percent compared to the same period of the last year.

For the six-month period ended 30 June 2021, the Company's distribution costs and administrative expenses were THB 77.42 million, increased by THB 6.06 million or up 8.49 percent compared to the same period of the last year.

- Distribution costs are mostly the employee expenses of the sales department, increased by THB 2.50 million., as a result of higher sales.

- Most of Administrative expenses are depreciation, increased by THB 3.16 million as a result of depreciation of assets recognized by the company from lease liabilities according to TFRS 16. Leases require a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

Finance costs

For the three-month period ended 30 June 2021, the Company's finance costs was THB 1.05 million. increased by THB 0.64 million or equivalent to 156.10 percent compared to the same period of the last year.

For the six-month period ended 30 June 2021, the Company's finance costs was THB 1.84 million. increased by THB 1.43 million compared to the same period of the last year.

The finance costs arise from lease liabilities according to TFRS 16. Leases requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.



Expected credit losses

For the three-month period ended 30 June 2021, the Company's expected credit losses was THB 0.07 million, decreased by THB 2.36 million compared to the same period of the last year.

For the six-month period ended 30 June 2021, the Company's expected credit losses was THB 2.52 million, decreased by THB 5.81 million compared to the same period of the last year.

Further, to the Company has followed up and received payment from the debtors who has already set up an allowance for doubtful accounts affected by Coronavirus 2019 (COVID-19) Outbreak Situation. As a result, some debtors made late payments.

Net Profit and Net Profit Margin

For the three-month period ended 30 June 2021, the Company's net profit was THB 14.40 million which was equal to the net profit margin of 5.70 percent. Net profit and net profit margin decreased compared to the same period of the previous year. Due to the reasons mentioned above.

For the six-month period ended 30 June 2021, the Company's net profit was THB 26.88 million which was equal to the net profit margin of 5.23 percent. Net profit increased but the net profit margin decreased when compared to the same period of the previous year. Due to the reasons mentioned above.

Please be informed accordingly,

Yours sincerely,

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(Mr. TaksinTantipijit)

Managing Director

Firetrade Engineering Public Company Limited