



No.FTE 002/2022

17 May 2022

Subject Management Discussion and Analysis for the three – month period ended 31 March 2022

Attention The President of
The Stock Exchange of Thailand

Attachment: Report and interim financial statement for the three-month period ended 31 March 2022

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 three – month period ended 31 March 2022 which the details are as follows:

Unit: million Baht	For the three-month period ended 31 March			
	2022	2021	Change	% Increase (Decrease)
Revenues from sales of goods	155.88	148.66	7.22	4.86
Revenues from project works and services	80.35	112.52	(32.17)	(28.59)
Total Revenues from Sales and Services	236.23	261.18	(24.95)	(9.55)
Cost of sales of goods	111.00	109.60	1.40	1.28
Cost of project works and services	66.50	93.00	(26.50)	(28.49)
Total Costs of Sales and Services	177.50	202.60	(25.10)	(12.39)
Gross Profit	58.73	58.58	0.15	0.26
Other incomes	2.41	0.46	1.95	423.91
Distribution costs	18.11	18.76	(0.65)	(3.47)
Administrative expenses	19.79	21.31	(1.52)	(7.13)
Finance costs	1.93	0.78	1.15	147.44
Expected credit losses	13.40	2.45	10.95	446.94
Tax expense	1.17	3.26	(2.09)	(64.11)
Profit for the period	6.74	12.48	(5.74)	(45.99)
Gross Profit Margin (%)	24.86	22.43		
Net Profit Margin (%)	2.82	4.77		

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.



Revenues from Sales and Services

For the three-month period ended 31 March 2022, the Company's revenues from sales and services was THB 236.23 million, decreased by THB 24.95 million or 9.55 percent comparing to the same period of the last year.

The company had impact from the coronavirus (COVID-19) pandemic causing some customer to delay orders and/or postponing goods delivery. However, the company has backlog order which is expected to be delivered within this year.

Gross Profit and Gross Profit Margin

For the three-month period ended 31 March 2022, the Company's gross profit was THB 58.73 million or 24.86 percent of the gross profit margin. The company can make a gross profit and has an increased gross profit margin compare to the same period of last year due to lower cost management.

Other income

For the three-month period ended 31 March 2022, the Company's other income were THB 2.41 million, increased by THB 1.95 million or equivalent to 423.91 percent compared to the same period of last year. Most of the income is from foreign exchange gains.

Distribution Costs and Administrative Expenses

For the three-month period ended 31 March 2022, the Company's distribution costs and administrative expenses were THB 37.90 million, decreased by THB 2.17 million or 5.42 percent. Due to a decrease allowance is made for obsolete and slow-moving inventories compared to the same period of the last year.

Finance costs

For the three-month period ended 31 March 2022, the Company's finance costs was THB 1.94 million, increased by THB 1.15 million or 147.44 percent compared to the same period of the last year.

Most of these financial costs arise from interest on short-term loans from financial institutions and type of promissory note, for the purpose of working capital in the business.

Expected credit losses

For the three-month period ended 31 March 2022, the Company had an expected credit losses of THB 13.40 million, increased by THB 10.95 million compared to the same period of the last year.

It is an allowance for the cause of the debtor's late payment. However, the company has expedited the management of debtor tracking, as well as increase the process of considering more details the credit limit of customers.



Net Profit and Net Profit Margin

For the three-month period ended 31 March 2022, the Company's net profit was THB 6.74 million or 2.82 percent of the net profit margin. Net profit and net profit margin decreased 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. Taksin Tantipijit)

Chief Executive Officer

Firetrade Engineering Public Company Limited