



บริษัท บางกอกชีทเมทัล จำกัด (มหาชน)

149 หมู่ 6 อ.สุขสวัสดิ์ ต.บางจาก อ.พระประแดง จ.สมุทรปราการ 10130

Tel. 0-2817-5555-7, 0-2817-5440-2, Fax. 0-2817-5432, Email address: bsmc@bsm1995.com, Registration No. 0107558000229

No. BM. 2017/011

August 14, 2017

Subject Management Discussion and Analysis for quarter 2 ended June 30, 2017

To The President

The Stock Exchange of Thailand

Attachment: Auditor report and Financial Statement for quarter 2 ended June 30, 2017

Bangkok Sheet Metal Public Company Limited (“the Company”) would like to clarify the operating result by considering the Company’s Financial Statement for quarter 2 ended June 30, 2017. The details are as follow,

Statement of Comprehensive Income for three-month and six-month period ended June 30, 2017

Statement of Comprehensive Income	3 Months (April-June)				6 Months (January-June)			
	2017 (Million Baht)	2016 (Million Baht)	Increase (Decrease)		2017 (Million Baht)	2016 (Million Baht)	Increase (Decrease)	
			Million Baht	%			Million Baht	%
Sales and service revenues	202.99	192.61	10.38	5.39	403.38	382.82	20.56	5.37
Other revenues	1.11	0.65	0.46	70.77	2.41	1.19	1.22	102.52
Total Income	204.10	193.26	10.84	5.61	405.79	384.01	21.78	5.67
Cost of Sales and Services	167.80	148.30	19.50	13.15	333.12	299.16	33.96	11.35
Gross Profit (excluding other revenues)	35.19	44.31	(9.12)	(20.58)	70.26	83.66	(13.40)	(16.02)
Selling Expenses	10.63	9.41	1.22	12.96	22.15	19.01	3.14	16.52
Administrative Expenses	14.29	21.53	(7.24)	(33.63)	29.39	31.28	(1.89)	(6.04)
Earnings before interest and taxes	11.38	14.02	(2.64)	(18.83)	21.13	34.56	(13.43)	(38.36)
Financial cost	0.79	1.98	(1.19)	(60.10)	1.63	4.84	(3.21)	(66.32)
Earnings before taxes	10.59	12.04	(1.45)	(12.04)	19.50	29.72	(10.22)	(34.39)
Income tax expenses	2.50	1.69	0.81	47.93	3.43	5.92	(2.49)	(42.06)
Net Profit (loss)	8.09	10.35	(2.26)	(21.84)	16.07	23.80	(7.73)	(32.48)



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Revenue Structure by different product groups for three-month and six-month period ended June 30, 2017

Revenue	3 Months (April-June)				6 Months (January-June)			
	2017 (Million Baht)	2016 (Million Baht)	Increase (Decrease)		2017 (Million Baht)	2016 (Million Baht)	Increase (Decrease)	
			Million Baht	%			Million Baht	%
Sales revenue								
1. Metal Trucking and White Conduits	114.73	99.31	15.42	15.53	229.62	193.21	36.41	18.84
2. Communication racks, Cabinets and Enclosures	16.44	27.32	(10.88)	(39.82)	38.15	55.83	(17.68)	(31.67)
3. Electrical Switchboards and Lighting Fixtures	17.67	8.40	9.27	110.36	20.70	16.49	4.21	25.53
4. Fabrication and Metal Working	5.58	11.77	(6.19)	(52.59)	11.19	24.20	(13.01)	(53.76)
5. Mold & Die Making, Machine Tools and Equipment	6.70	1.90	4.80	252.63	15.35	5.25	10.10	192.38
6. Sheet Metal Parts, Press Parts, Machine Parts and Assembly Parts	37.32	36.87	0.45	1.22	79.84	75.90	3.94	5.19
Revenue from trading ^{/1}	3.16	5.14	(1.98)	(38.52)	5.78	9.83	(4.05)	(41.20)
Revenue from selling products	201.60	190.71	10.89	5.71	400.63	380.71	19.92	5.23
Service revenue ^{/2}	1.39	1.90	(0.51)	(26.84)	2.75	2.11	0.64	30.33
Sales and service revenues	202.99	192.61	10.38	5.39	403.38	382.82	20.56	5.37
Other revenues ^{/3}	1.11	0.65	0.46	70.77	2.41	1.19	1.22	102.52
Total Revenues	204.10	193.26	10.84	5.61	405.79	384.01	21.78	5.67

Remark: /1 Revenue from trading such as revenue from sale of fitting, paint and more

/2 Revenue from services such as metal parts painting service for outside customer and installing equipment

/3 Other revenues derived from items such as interest income, gain (loss) from sale of asset, gain (loss) from amortization of asset, income from sale of scrap metal etc.

Sales and Service revenue

For three-months ended June 30, 2017, the Company had sales and service revenue of 202.99 million baht, increasing from the same period of the previous year by 10.38 million baht or equivalent to 5.39 percent due to the increase in sales revenue for the product group 1, group 3, group 5 and group 6 since the Company received purchasing orders for Metal Trucking and White Conduit continuously from quarter 1 from contractors for several projects such as Central Mahachai, Central World, Ashton Silom Condominium etc.



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together with the Internet Cabinet for Village and mold. For Combine model and metal parts for agricultural machineries have a slightly increase in volume.

Sales revenue for product group 2 and group 4 decreased since the Company had not received the order for the new projects and there were finished project in the previous year such as the communication racks project and express way pay tolls etc.

Cost of Sales and Services

For the three-month period ended June 30, 2017 the Company had cost of sales and services of 167.80 million baht increasing by 19.50 million baht or equivalent to the 13.15 percent increase compared to the same period of the previous year since there was the increase in price of metal which is the main raw material for manufacturing.

Gross Profit and Gross Profit Margin

For the three-month period ended June 30, 2017 the Company had gross profit of 35.19 million baht, equivalent to the gross profit margin of 17.34 percent compared the same period of the previous year which was 44.31 million baht equivalent to the gross profit margin of 23.01 percent resulting from the increase in price of metal which is the main raw material for manufacturing and the Company could not adjust the selling price in some products as well as there was a price competition in the market from the fluctuation of metal price.

Selling and Administrative Expenses

For the three-month period ended June 30, 2017 the Company had selling and administrative expenses of 24.92 million baht decreasing by 6.02 million baht or 19.46 percent decrease. The increase in selling expense was resulting from the increase in staff in order to support the Company. The Administrative expense varied since there was no cost relevant to the registration on the Stock Exchange of Thailand expense resulting in the decrease of 9.55 million baht although the Company's staff expense, depreciation expense and amortization expense on accounting program (ERP) increased by 2.12 million baht. As a result, the Company's administrative expense decreased from the same period of previous year.

Financial Cost

The Company had the financial cost of 0.79 million baht decreasing by 1.19 million baht or 60.10 percent decrease compared to the same period of the previous year due to the decrease in short term loans from Financial Institute.



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Net Profit and Net Profit Margin

For the three-month period ended June 30, 2017 the Company had the net profit of 8.09 million baht or equivalent to the net profit margin of 3.96 percent compared to the same period of the previous year which the net profit and net profit margin were 10.35 million baht and 5.36 percent. The net profit and net profit margin decreased due to the decrease in gross profit as mentioned above.

Please be informed accordingly,

Best Regards,

(Mr. Tanin Sajjaboribun)

Chief Executive Officer

Bangkok Sheet Metal Public Company Limited