



บริษัท บางกอกซีทเมทัล จำกัด (มหาชน)

149 หมู่ 6 ถ.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

BM.2018/009

May 14, 2018

Subject Management Discussion and Analysis for quarter 1 ended March 31, 2018

To The President

The Stock Exchange of Thailand

Attachment: Auditor report and Financial Statement for quarter 1 ended March 31, 2018

Bangkok Sheet Metal Public Company Limited (“the Company”) would like to clarify the operating result by considering the Company’s Financial Statement for quarter 1 ended March 31, 2018. The details are as follow,

Statement of Comprehensive Income for three-month period ended March 31, 2018

Statement of Comprehensive Income	Three-month period Year 2018 (Equity Method)		Three-month period Year 2017 (Cost Method)		Increase (Decrease)	
	Million baht	%	Million baht	%	Million baht	%
Sales and service revenues	214.50	99.29	200.39	99.36	14.11	7.04
Other revenues	1.53	0.71	1.30	0.64	0.23	17.69
Total Income	216.03	100.00	201.69	100.00	14.34	7.11
Cost of Sales and Services	184.29	85.92	165.32	82.50	18.97	11.47
Gross Profit (excluding other revenues)	30.21	14.08	35.07	17.50	(4.86)	(13.86)
Selling Expenses	11.38	5.27	11.52	5.71	(0.14)	(1.22)
Administrative Expenses	22.91	10.61	15.10	7.49	7.81	51.72
Earnings before Shares of profit (loss) from investing in associated company, interest and tax	(2.55)	(1.18)	9.75	4.83	(12.30)	(126.15)
Shares of profit (loss) from investing in associated company	12.84	5.94	-	-	12.84	N/A
Earnings before interest and	10.29	4.76	9.75	4.83	0.54	5.54



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Statement of Comprehensive Income	Three-month period Year 2018 (Equity Method)		Three-month period Year 2017 (Cost Method)		Increase (Decrease)	
	Million baht	%	Million baht	%	Million baht	%
taxes						
Financial cost	0.47	0.22	0.84	0.41	(0.37)	(44.05)
Earnings before taxes	9.82	4.54	8.91	4.42	0.91	10.21
Income tax expenses	0.46	0.21	0.93	0.46	(0.47)	(50.54)
Net Profit (loss)	9.36	4.33	7.98	3.96	1.38	17.29

Revenue Structure by different product groups for three-month period ended March 31, 2018

Revenue	Three-month period (January-March)					
	Year 2018 (Equity Method)		Year 2017 (Cost method)		Increase (Decrease)	
	Million baht	%	Million baht	%	Million baht	%
Sales revenue						
1.Metal Trucking and White Conduits	116.40	53.88	114.90	56.97	1.50	1.31
2.Communication racks, Cabinets and Enclosures	17.14	7.93	21.71	10.76	(4.57)	(21.05)
3.Electrical Switchboardsand Lighting Fixtures	10.92	5.05	3.04	1.51	7.88	259.21
4.Fabrication and Metal Working	20.86	9.66	5.61	2.78	15.25	271.84
5.Mold & Die Making, Machine Tools and Equipment	5.96	2.76	8.64	4.28	(2.68)	(31.02)
6.Sheet Metal Parts, Press Parts, Machine Parts and Assembly Parts	38.17	17.67	42.53	21.09	(4.36)	(10.25)
7.Revenue from trading ^{/1}	3.61	1.67	2.61	1.30	1.00	38.31
Revenue from selling products	213.06	98.62	199.04	98.69	14.02	7.04
Service revenue ^{/2}	1.44	0.67	1.35	0.67	0.09	6.67
Sales and service revenues	214.50	99.29	200.39	99.36	14.11	7.04
Other revenues ^{/3}	1.53	0.71	1.30	0.64	0.23	17.69
Total Revenues	216.03	100.00	201.69	100.00	14.34	7.11

หมายเหตุ: /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 revenue 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.



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Sales and Service revenue

For three-months ended March 31, 2018, the Company had sales and service revenue of 214.50 million baht, increasing from the same period of the previous year by 14.11 million baht or equivalent to 7.04 percent due to the increase in sales revenue for the product group 1, group 3 and group 4 since the Company received purchasing orders of metal trucking and white conduits for continuous projects from the previous year such as ICONSIAM Condominium, BTS Green-line etc. For product group 3, the Company accepted new project, which is the manufacturing of communication racks for TRUE and for product group 4, the Company received the order to manufacture stanchion for DTAC.

Sales revenue for product group 2, group 5 and group 6 decreased since the Company had not received the order for the new projects and there were decrease of purchasing order from one major client for sprayer, combine harvester and tractor compared to the same period of the previous year.

Cost of Sales and Services

For the three-month period ended March 31, 2018 the Company had cost of sales and services of 184.29 million baht increasing by 18.97 million baht or equivalent to the 11.47 percent increase compared to the same period of the previous year corresponding with the increase of sales and service revenue and since there was the increase in price of metals which is the main raw material for manufacturing. In addition, the Company started to produce new products such as stanchion for DTAC, which was the initial period of manufacturing so that the Company was not familiar with the production process resulting in high cost. Moreover, the Company had higher expenses from overtime, electricity, waste materials, depreciation of factory and machineries for 2.62 million baht compared to the same period of the previous year.

Gross Profit and Gross Profit Margin

For the three-month period ended March 31, 2018 the Company had gross profit of 30.21 million baht, equivalent to the gross profit margin of 14.08 percent compared to the same period of the previous year which was 35.07 million baht equivalent to the gross profit margin of 17.50 percent. The Company's gross profit reduced by 4.86 million baht, or fell 13.86 percent resulting from the increase in cost of sales and services mentioned above.

Selling and Administrative Expenses

For the three-month period ended March 31, 2018 the Company had selling and administrative expenses of 34.29 million baht increasing by 7.67 million baht or 38.81 percent increase since there were the



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increase of financial advisory expenses for Private Placement and joint venture with Nitto Kogyo Corporation Public Company Limited and valuation of shares of MECT Company Limited totaling of 5.75 million baht, delivery expense of 0.70 million baht and doubtful account of 0.67 million baht.

Profit (loss) shared from investing in associated company

The Company has profit shared from investing in associated company, Nitto Kogyo BM (Thailand) Company Limited (NBT) (former name was Nitto Kogyo Trading (Thailand) Company Limited), since November 28, 2017, for three-month period ended March 31, 2018 of 12.84 million baht.

Financial Cost

For the three-month period ended March 31, 2018 the Company had the financial cost of 0.47 million baht decreasing by 0.37 million baht or 44.05 percent decrease compared to the same period of the previous year due to the decrease in short term loans from Financial Institution.

Net Profit and Net Profit Margin

For the three-month period ended March 31, 2018 the Company had the net profit of 9.36 million baht or equivalent to the net profit margin of 4.33 percent compared to the same period of the previous year of which the net profit and net profit margin were 7.98 million baht and the net profit margin of 3.96 percent respectively. The net profit and net profit margin increased due to the increase of sales and services revenue and profit shared from investment in associated company.

Please be informed accordingly,

Best Regards,

(Mr. Tanin Sajjaboribun)

Chief Executive Officer

Bangkok Sheet Metal Public Company Limited