

No. GTB-AC003/2561

7 August 2018

Subject : Management Discussion and Analysis for the Second quarter of 2018
(Ending 30 June 2018)

To : Managing Director
The Stock Exchange of Thailand

Getabec Public Company Limited (“Company”) and its subsidiaries would like to clarify the operating results of the second quarter of 2018 (ending 30 June 2018). According to consolidated financial statements, the Company had total revenue at 229.47 million Baht, down 55.99 million Baht, or a decrease of 19.61%, compared with the same period of previous year. The Company had a net loss of 25.01 million Baht, down 25.18 million Baht, compared to the previous year which has net profit 0.17 million Baht. The additional details will be described as follows :

1. Revenue from contract work

In the second quarter of 2018, the Company and its subsidiaries had revenue from contract work amount of 189.77 million Baht, decrease of 23.45% from the second quarter of 2017 which had revenue from contract work of 247.92 million Baht due to investment slowdown of most projects in the market.

2. Cost of contract work

In the second quarter of 2018, the Company and its subsidiaries had cost of contract work amount of 204.21 million Baht, the ratio of cost contract work to revenue from contract work was 107.61%, or a gross profit margin of (7.61)%. While the second quarter of 2017, the cost of contract work was 223.55 million Baht which was 90.17% of revenue from contract work, or a gross margin of 9.83%. The low gross margin is a tool company used to penetrate the new market segment, to create high potential growth for the company in future.

3. Revenue from services

In the second quarter of 2018, the Company and its subsidiaries had revenue from services amount of 39.70 million Baht, an increase of 5.76% from the second quarter of 2017, which had revenue from services amount of 37.54 million Baht from branch expansion and increasing customers.

4. Cost of services

In the second quarter of 2018, the Company and its subsidiaries had cost of services amount of 27.15 million Baht, the ratio of cost of service to revenue from services was 68.38%, or a gross profit margin of 31.62%. While the second quarter of 2017, the cost of services was 27.23 million Baht which 72.55% of revenue from service, or a gross profit margin of 27.45%. The reason for increase in the gross margin ratio was due to controlling expenses, save time and reduce traveling expenses from branch expansion.

5. Net profit

In the second quarter of 2018, the Company and its subsidiaries had a net loss of 25.01 million Baht or net loss margin 10.90%. While the second quarter of 2017, the net profit was 0.17 million Baht or net profit margin 0.06%. This is due to the open market, and reduce prices to reach new customer which will be a new customer base in the future



Sincerely yours,



(Mr.Suchat Mongkhonaripong)
Chief Executive Officer
Getabec Public Company Limited