

November 7, 2018

Re: Management Discussion and Analysis Q3/2018

To: Director and Manager of the Stock Exchange of Thailand

Revenue from sales and rendering of services

L&E's consolidated revenue from sales of goods and rendering of services in Q3/2018 was recorded at Baht 727 million, higher 8% Y-O-Y. The revenue increased in most channels as follows:

- Despite the sales recognition of some turnkey projects postponed to next quarters, Project sales up 5% Y-O-Y driven by the continued growth in construction industry and the expansion of new Shopping complexes;
- Wholesales/Retails sales up 5% Y-O-Y thanks to the increase in same-store sales figures from company Lighting Solution Centers at both Ratchadapisek and Ratchapruck branches;
- Export sales jump 55% Y-O-Y due primarily to the favorable growth of L&E market share in Malaysia, Vietnam and Cambodia.

Profit for the period

L&E's consolidated profit for the period of Q3/2018 was posted at Baht 35.1 million, up 36% or Baht 9.2 million from a year earlier, which can be summarized as follows:

1. Gross Profit including Other Income up 14% Y-O-Y or Baht 31.0 million driven by higher sales and Gross Profit Margin from 32.8% in Q3/ 2017 to 35.1% in Q3/2018;
2. SG&A including Interest expenses up 10% Y-O-Y or Baht 19.8 million mainly from variable expenses that rose along with revenues, annual salaries adjustment, and a higher CIT of Baht 2.0 million resulting from higher Earning before Tax.

Yours sincerely,

Mr. Anant Kittivittayakul
Managing Director