

No. GTB-AC001/2562

22 February 2019

Subject: Management Discussion and Analysis for the year ended December 31, 2018

To: Managing Director
The Stock Exchange of Thailand

Getabec Public Company Limited (“Company”) and its subsidiaries would like to clarify the operating results for the year ended December 31, 2018 according to consolidated financial statements. In 2018 the Company had total revenue at 1,018.74 million Baht, down 351.22 million Baht, or a decrease of 25.64%, compared to the previous year. The Company had a net profit of 0.73 million Baht, down 42.46 million Baht or a 98.31 percent decline, compared to the previous year. The additional details will be described as follows:

1. Revenue from contract work

In 2018, the Company and its subsidiaries had revenue from contract work amount of 808.01 million Baht, decrease of 32.27% from year 2017 which had revenue from contract work amount of 1,193.03 million Baht due to investment slowdown of most projects in the market.

2. Cost of contract work

In 2018, the Company and its subsidiaries had cost of contract work amount of 767.93 million Baht, the ratio of cost contract work to revenue from contract work was 95.04%, or a gross profit margin of 4.96%. While in year of 2017, the cost of contract work was 1,048.83 million Baht which was 87.91% of revenue from contract work, or a gross margin of 12.09%. 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 2018, the Company and its subsidiaries had revenue from services amount of 195.86 million Baht, an increase of 15.57% from year 2017, which had revenue from services amount of 169.48 million Baht from branch expansion and increasing customers.

4. Cost of services

In 2018, the Company and its subsidiaries had cost of services amount of 127.62 million Baht, the ratio of cost of service to revenue from services was 65.16%, or a gross profit margin of 34.84%. While in year 2017, the cost of services was 121.00 million Baht which 71.40% of revenue from service, or a gross profit margin of 28.60%. 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 2018, the Company and its subsidiaries had a net profit of 0.73 million Baht or net profit margin 0.07%. While in year 2017, the net profit was 43.19 million Baht or net profit margin 3.15%. This is due to the slowdown of investment projects in Thailand.

Sincerely yours,

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