



EKARAT ENGINEERING PUBLIC COMPANY LIMITED

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To: Director and Manager
The Stock Exchange of Thailand

Subject: Management Discussion and Analysis Quarter 1 Year 2019

Ekarat Engineering Public Company Limited (the Company) would like to clarify the performance of the Company and the subsidiaries for the first quarter ending 31 March 2019. The performance of the Company is as follow:

Summary of operating results

As for the Company's performance in the first quarter Year 2019, with Net Loss of Baht 27.61 million and Loss per shares of Baht 0.021, decreased from the same quarter of last year. The main reason was the decreasing of sales of goods revenue and installing a solar panel revenue as the economy hadn't recovered much and high competition in transformers and solar energy market.

Key financial figures

	Unit	Quarter 1		Increase(Decrease)	
		2019	2018	Amount	%
Total revenue ^[1]	Million Baht	247.28	335.46	(88.18)	(26.29)
Total Expenses ^[2]	Million Baht	205.14	277.17	(72.03)	(25.99)
Gross Profit	Million Baht	42.14	58.28	(16.14)	(27.69)
Other Incomes	Million Baht	4.24	11.33	(7.09)	(62.58)
Selling and Administrative Expenses	Million Baht	66.17	70.65	(4.48)	(6.34)
Earnings (Loss)before interest and tax	Million Baht	(20.94)	(1.04)	(19.90)	1,913.46
Financial cost	Million Baht	4.57	6.65	(2.08)	(31.28)
Income tax revenue	Million Baht	(2.09)	1.25	(3.34)	(267.20)
Net Profit (Loss) of the period	Million Baht	(27.61)	(6.44)	(21.17)	328.73
Loss per share	Baht/Share	(0.021)	(0.005)	(0.016)	320.00
Gross Profit Margin	%	17.04	17.37		
Net Profit (Loss) Margin	%	(10.98)	(1.86)		

Note : [1] Total revenue consist of : (1) Revenue from sales of goods (2) Revenue from services and maintenance

(3) Revenue from service of installing a solar panel (4) Revenue from sales of electricity current

[2] Total Expenses consist of : (1) Cost of goods sold (2) Cost of services and maintenance (3) Cost of service of installing a solar panel (4) Cost of electricity current sales (5) Loss on devaluation of goods

Analysis of operating results in Quarter 1 Year 2019

Revenue :

The total revenues from operation of the Company was Baht 247.28 million, decreased by Baht 88.18 million or about 26.29% compared to the same quarter of last year. Mainly due to the decreasing of revenue from service of installing a solar panel because the company didn't have major project same as last year and the revenue from sale of transformers reduced from the price competition in the transformer business soared as a result. But the company had more income for service and maintenance of transformer.

Expenses :

The total expenses from operation of the Company was Baht 205.14 million decreased by Baht 72.03 million or about 25.99% compared to the same quarter of last year. As a result, in accordance with the decrease of revenue from operation, especially revenue from service of installing a solar panel.

Gross Profit:

Gross profit of the Company was Baht 42.14 million decreased by Baht 16.14 million or about 27.69% compared to the same quarter of last year and Gross Profit Margin was 17.04% lower than the same quarter of last year. As a result of the sales volume declined while production costs were mostly fixed costs.

Selling and Administrative Expenses :

Selling and Administrative Expenses of the Company was Baht 66.17 million decreased by Baht 4.48 million or about 6.34% compared to the same quarter of last year. As a result, in accordance with the decrease of revenue from operation.

The subsidiaries didn't operate the business. However, the operating cost of the subsidiaries was the Financial cost only. In Quarter 1 Year 2019, Ekarat Solar Company Limited had the Net Loss of Baht 0.16 million, loss increased from the same quarter of last year by Baht 0.09 million.

In Quarter 1 Year 2019, Ekarat Energy Company Limited had the Net Loss of Baht 0.13 million, loss increased from the same quarter of last year by Baht 0.12 million.

Please be informed accordingly,

Sincerely yours,



(Mr. Danucha Noichaiboon)

Managing Director