



No. FTE 005/2562

8 August 2019

Subject Management Discussion and Analysis for the second quarter ended June 30, 2019

Attention The President
The Stock Exchange of Thailand

Attachment Report and interim financial statement for the second quarter ended June 30, 2019

Firetrade Engineering Public Company Limited (“the Company”) would like to report the operating result according to the Company’s consolidated financial statement of the Company and its subsidiary for the second quarter ended June 30, 2019 which the details are as follows:

Unit: million Baht	For 3-month period (Apr-Jun)			
	2019	2018	Change	% Increase (Decrease)
Revenue from sale of goods	164.02	156.54	7.48	4.78
Revenue from project works and services	79.26	97.04	(17.78)	(18.32)
Total Revenue from Sale and Services	243.28	253.58	(10.30)	(4.06)
Cost of sales of goods	116.61	105.19	11.42	10.86
Cost of project works and services	60.73	67.77	(7.04)	(10.39)
Total Costs of Sales and Services	177.34	172.96	4.38	2.53
Gross Profit	65.94	80.62	(14.68)	(18.21)
Other incomes	2.34	1.21	1.13	93.39
Distribution costs	18.78	16.31	2.47	15.14
Administrative expenses	19.34	13.25	6.09	45.96
Tax expense	5.90	10.43	(4.53)	(43.43)
Profit for the period	24.26	41.84	(17.58)	(42.02)
Net Profit - attributable to equity holders of the parent	24.26	41.84	(17.58)	(42.02)
Gross Profit Margin (%)	27.10	31.79		
Net Profit Margin (%)	9.88	16.42		

Unit: million Baht	For 6-month period (Jan-Jun)			
	2019	2018	Change	% Increase (Decrease)
Revenue from sale of goods	331.66	309.90	21.76	7.02
Revenue from project works and services	160.22	164.22	(4.00)	(2.44)
Total Revenue from Sale and Services	491.88	474.12	17.76	3.75
Cost of sales of goods	234.82	218.18	16.64	7.63
Cost of project works and services	125.35	128.56	(3.21)	(2.50)
Total Costs of Sales and Services	360.17	346.74	13.43	3.87
Gross Profit	131.71	127.38	4.33	3.40
Other incomes	7.65	4.82	2.83	58.71
Distribution costs	36.58	32.01	4.57	14.28
Administrative expenses	35.34	27.05	8.29	30.65
Tax expense	13.41	14.68	(1.27)	(8.65)
Profit for the period	54.03	58.46	(4.43)	(7.58)
Net Profit - attributable to equity holders of the parent	54.03	58.46	(4.43)	(7.58)
Gross Profit Margin (%)	26.78	26.87		
Net Profit Margin (%)	10.82	12.21		

Remark: 1) Net profit margin is calculated from the net profit attributable to equity holders of the parent on consolidated financial statement.
2) Decimal numbers shown in this management discussion and analysis are likely to be different from the Company’s financial statement due to the rounding to 2-digit decimal and unit changed to million baht



Revenue from Sales and Services

For 3-month period ended June 30, 2019, the Company's revenue from sales and services was THB 243.28 million, decreased by THB 10.30 million or equivalent to 4.06 percent compared to the same period of last year.

For 6-month period ended June 30, 2019, the Company's revenue from sales and services was THB 491.88 million, rose by THB 17.76 million or equivalent to 3.75 percent increase compared to the same period of last year.

Revenue from sale of goods was increased due to a growing customer base compared to the same period of last year,

Revenue from project work and services decreased. Because such income depends on value of fire fighting contractor projects each year.

Gross Profit and Gross Profit Margin

For 3-month period ended June 30, 2019, the Company's gross profit was THB 65.94 million or equivalent to the gross profit margin of 27.10 percent, whilst in the same period of last year, the Company's gross profit was THB 80.62 million or equivalent to gross profit margin of 31.79 percent.

For 6-month period ended June 30, 2019, the Company's gross profit was THB 131.71 million or equivalent to the gross profit margin of 26.78 percent, whilst in the same period of last year, the Company's gross profit was THB 127.38 million or equivalent to gross profit margin of 26.87 percent.

The decrease gross profit margin were due to costs of purchase and other costs increase compared to the same period of last year.

Distribution costs and Administrative Expenses

For 3-month period ended June 30, 2019, the Company's distribution costs and administrative expenses were THB 38.12 million, increased by THB 8.56 million or up 28.96 percent compared to the same period of last year.

For 6-month period ended June 30, 2019, the Company's distribution costs and administrative expenses were THB 71.92 million, increased by THB 12.86 million or up 21.77 percent compared to the same period of last year.

Increases in such expenses resulted from rising salesperson and management expenses in order to accommodate the Company's expansion and the Company has set aside Employee benefit obligations in accordance with severance payment as the labor law which entitled retired employee within work service year in various rates as the Labor Protection Act (No. 7) B.E. 2562 and has set aside loss on devaluation of obsolete, defective and slow - moving inventories so on.

Net Profit and Net Profit Margin

For 3-month period ended June 30, 2019 the Company's net profit attributable to equity holders of the parent was THB 24.26 million which was equal to the net profit margin of 9.88 percent. Whilst, in the same period of last year, the Company's net profit attributable to equity holders of the parent was THB 41.84 million which was equal to the net profit margin of 16.42 percent.

For 6-month period ended June 30, 2019, the Company's net profit attributable to equity holders of the parent was THB 54.03 million which was equal to the net profit margin of 10.82 percent. Whilst, in the same period of last year, the Company's net profit attributable to equity holders of the parent was THB 58.46 million which was equal to the net profit margin of 12.21 percent.



The decrease in net income for the second quarter ended June 30, 2019, was as mentioned earlier.

Please be informed accordingly,

Yours sincerely,

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(Mr. Taksin Tantipijit)
Managing Director
Firetrade Engineering Public Company Limited