

**EKARAT ENGINEERING PUBLIC COMPANY LIMITED**

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Subject: Management Discussion and Analysis Quarter 3 Year 2019

To: Director and Manager
The Stock Exchange of Thailand

Ekarat Engineering Public Company Limited (the Company) would like to clarify the performance of the Company and subsidiaries for the third quarter ending September 30, 2019. The performance of the Company is as follow:

Summary of operating results

As for the Company's performance in quarter 3 Year 2019, with Net Profit of Baht 18.49 million and Profit per shares of Baht 0.0139, increased from the same quarter of last year. The most of the increase came from revenue from service of installing a solar panel, including the increase of revenue in service and maintenance of transformers. It's also a result of the management of the cost of sales to continuously decreased.

Key financial figures

	Unit	Quarter 3		Increase(Decrease)	
		2019	2018	Amount	%
Total revenue ^[1]	Million Baht	404.82	358.79	46.03	12.83
Total Expenses ^[2]	Million Baht	311.53	292.67	18.86	6.44
Gross Profit	Million Baht	93.29	66.12	27.17	41.09
Other Incomes	Million Baht	4.65	3.29	1.36	41.34
Selling Expenses	Million Baht	32.84	23.99	8.85	36.89
Administrative Expenses	Million Baht	39.22	34.76	4.46	12.83
Earnings (Loss)before interest and tax	Million Baht	25.88	10.66	15.22	142.78
Financial cost	Million Baht	5.86	4.73	1.13	23.89
Income tax revenue	Million Baht	(1.53)	0.84	(2.37)	(282.14)
Net Profit of the period	Million Baht	18.49	6.77	11.72	173.12
Earning per share	Baht/Share	0.0139	0.0050	0.0089	178.00
Gross Profit Margin	%	23.04	18.43		
Net Profit (Loss) Margin	%	4.52	1.87		

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 3 Year 2019

Revenue :

The total revenues from operation of the Company was Baht 404.82 million, increased by Baht 46.03 million or about 12.83% compared to the same quarter of last year. The company had increased revenues from service of installing a solar panel mostly, increased by Baht 64.75 million or about 1,052.85% and the increase in revenue from service and maintenance of transformers by Baht 9.29 million or about 21.17%. Including a slide increased revenue from sales of electricity current too.

Expenses :

The total expenses from operation of the Company was Baht 311.53 million, increased by Baht 18.86 million or about 6.44% compared to the same quarter of last year. If comparing with the increased income, will find that the ratio of increased costs was less than the increased in revenue that as a result of efficient management of the production costs.

Gross Profit :

Gross profit of the Company was Baht 93.29 million increased by Baht 27.17 million or about 41.09% compared to the same quarter of last year and Gross Profit Margin was 23.04% higher than the same quarter of last year. As a result of increased in the revenue from operation and reducing operating costs continuously.

Selling Expenses :

Selling Expenses of the Company was Baht 32.84 million increased by Baht 8.85 million or about 36.89 % compared to the same quarter of last year. In which the costs associated with the sale are increased from the increase in sales revenue, such as transportation costs, sales promotion expenses, vehicle expenses etc.

Administrative Expenses :

Administrative Expenses of the Company was Baht 39.22 million increased by Baht 4.46 million or about 12.83% compared to the same quarter of last year. Due to the company has increased expenses in terms of employee compensation.

Please be informed accordingly,

Sincerely yours,



(Mr. Danucha Noichaiboon)

Managing Director