

**EKARAT ENGINEERING PUBLIC COMPANY LIMITED**

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To: Director and Manager

The Stock Exchange of Thailand

Subject: Management Discussion and Analysis Quarter 2 Year 2021

Ekarat Engineering Public Company Limited (the Company) would like to clarify the performance of the Company and the subsidiaries for the second quarter ending June 30, 2021. The performance of the Company is as follow:

**Summary of operating results**

As for the Company's performance in the second quarter Year 2021, with Net Profit of Baht 11.79 million and Profit per shares of Baht 0.008, increased 53.52% from the same quarter of last year. The Company has been affected by the Covid-19 virus epidemic, which has resulted in decrease in revenue from sales of transformer. But at the same time, there was an increase in revenue from service of installing a solar panel from the same period of the previous year. However, the Company is still attending manage costs and expenses to be effective and reduce continuously.

**Key financial figures**

	Unit	Quarter 2		Increase(Decrease)	
		2021	2020	Amount	%
Total Revenue <sup>[1]</sup>	Million Baht	303.57	327.24	(23.67)	(7.23)
Total Expenses <sup>[2]</sup>	Million Baht	233.84	265.70	(31.86)	(11.99)
Gross Profit	Million Baht	69.73	61.54	8.19	13.31
Other Incomes	Million Baht	2.91	4.11	(1.20)	(29.20)
Distribution Cost	Million Baht	20.14	21.26	(1.12)	(5.27)
Administration Expenses	Million Baht	35.93	28.87	7.06	24.45
Profit from operating activites	Million Baht	16.57	15.52	1.05	6.77
Financial Cost	Million Baht	2.57	5.59	(3.02)	(54.03)
Tax Expense	Million Baht	2.22	2.46	(0.24)	(9.76)
Net Profit of Equity holders of the parent	Million Baht	11.79	7.68	4.11	53.52
Profit per share	Baht/Share	0.008	0.006	0.002	33.33
Gross Profit Margin	%	22.97	18.81		
Net Profit Margin	%	3.85	2.32		

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 2 Year 2021**

### **Revenue :**

The total revenues from operation of the Company was Baht 303.57 million, decreased by Baht 23.67 million or about 7.23% compared to the same quarter of last year. The main revenue of the Company was the revenue from sales of transformer, which declined in private sector customers both domestically and internationally. However, the revenue from service of installing a solar panel increased from the recognition of revenue based on succession during the period of installation of solar water pumping system project by government agencies.

### **Expenses :**

The total expenses from operation of the Company was Baht 233.84 million decreased by Baht 31.86 million or about 11.99% compared to the same quarter of last year. Most of these were the cost of sales of goods which decreased in accordance with the revenue from sales of transformer. The cost of services and maintenance decreased from the contract work. As well as the slightly lower cost of electricity current sales, mainly due to the depreciation of the Phase 1 solar power plant as it has been fully depreciated. Cost of service of installing a solar panel increased from the installation of solar water pumping system project by government agencies.

### **Gross Profit:**

Gross profit of the Company was Baht 69.73 million increased by Baht 8.19 million or about 13.31% compared to the same quarter of last year. For Gross Profit Margin was 22.97% in 2Q21, increased from the same period last year.

### **Distribution Costs :**

Distribution Costs of the Company was Baht 20.14 million decreased by Baht 1.12 million or about 5.27% compared to the same quarter of last year. Most of the expenses reduced are related to service and maintenance.

### **Administrative Expenses :**

Administrative Expenses of the Company was Baht 35.93 million increased by Baht 7.06 million or about 24.45% compared to the same quarter of last year. Most of the increase in foreign exchange losses due to the depreciation of the Thai baht. Employee expenses and office expenses are slightly reduced.

Please be informed accordingly,

Sincerely yours,

(Miss Rompissri Noichaiboon)

Managing Director