



NQ. PROS 2564-011

November 12, 2021

Subject: The Management Discussion and Analysis for the Period Ending September 30, 2021

To: Director and Manager  
The Stock Exchange of Thailand

Prosper Engineering Public Company Limited (“the Company”) and its subsidiaries (“the Group”) provide the Management Discussion and Analysis of changes to our operations for 9 month (3Q2021) period ending September 30, 2021 as follows:

#### **Revenue from construction and services**

For the nine-month 2021, the Group had construction and service income of 761.04 million baht, increasing from nine-month 2020 177.02 million baht or 30.31 percent increase. The reasons are from recognition of income according to the success stage of construction from the existing backlog (especially customers in the factory group from the E@-FB01 FACTORY BATTERY project, the real estate from the ASPIRE ERAWAN project, and the department store group the DECATHLON project RAMA2).

#### **Other income**

Other income of the Group mainly consists of sales of scrap materials. The Group has other income in nine-month 2021 in the amount of 4.00 million baht accounting for 0.53 percent of the total income, respectively.

#### **Cost of construction and gross profit**

For the nine-month 2021, the Group has construction and service costs of 641.33 million baht, increasing from the nine-month 2020 by 142.39 million baht or equivalent to a rate of 28.54 percent. The gross profit in nine-month 2021 119.72 million baht and nine-month 2020 85.09 million baht or 15.73 percent and 14.57 percent respectively the increase in gross profit margin has a cause. The Group's policy that focuses on bidding for specific projects with suitable gross margin in addition, most of the projects that construction companies in nine-month 2021 and nine-month 2020 are customers in the real estate and department stores, which is a group of customer that the Group has expertise from construction planning in the past, as a result, construction planning, allocation of workers for construction takes less time and works more efficiently.





**Selling and administrative expenses**

Selling and administrative expenses in nine-month 2021 and nine-month 2020 amounted to 70.93 million baht and 60.49 million baht, respectively. While considering the proportion of selling and administrative expenses to revenue from construction and service work will find that the proportion will be 9.32 percent and 10.36 percent respectively. When compared with same period of the previous year The Company had selling and administrative expenses increased by Baht 10.43 million or 17.24 percent, mainly due to employee income and employee welfare. Of the group of companies that have been mainly increased and cost of distribution of shares.

**Net profit for the year**

For the nine-month 2021, the Group has a net profit of 42.11 million baht, an increase from nine-month 2020 by 22.60 million baht or an increase of 115.82 percent. There are important reasons is the increased income and Improved gross profit margin from adjustment of the factory format, department store and condominiums.

**Financial position**

As of September 30, 2021, the Group had increase in total assets compared to December 31, 2020 in the amount of 214.03 million baht. The main reason for the increase was mainly from the cash received from the IPO in April.

As of September 30, 2021, the Group had total liabilities of 330.40 million baht or 38.04 percent of total liabilities and equity. The substantial liabilities are trade payables and other payables which comprise of material cost payable, accounts payable for performance guarantee and advance received under construction contracts. As of September 30, 2021, the Group has trade and other payables amounting to 247.89 million baht or 28.54 percent of total liabilities and equity.

The equity of the Group as of September 30, 2021 was 538.27 million baht, increase of 238.63 million baht compared to the equity as of December 31, 2020, which was mainly due the Company made an initial public offering ordinary shares after deduction of expenses totaling 272.42 million baht.

**Liquidity ratio**

For the nine-month 2021, the liquidity ratio of the Group at 2.41 times, an increase compared to the nine-month 2020 with 1.59 times, This was due to increasing in financial assets measured at fair value through profit or loss investment in mutual fund.

**Return on equity ratio**

For the nine-month 2021, the Group had a return on equity ratio of 10.05 percent, an increase compared to the nine-month 2020 with 5.57 percent return on equity. Increased operating results.





**Return on assets ratio**

For the nine-month 2021, the Group had a return on assets of 5.53 percent, increased from the nine-month 2020 with a return on assets of 2.47 percent. Such increase is a direct result of increasing in profit from operations by 115.82 per cent compared to last year, while assets of the Group increased by 32.69 per cent, mainly from increasing in financial assets measured at fair value through profit or loss investment in mutual fund.

**Financial Policy Ratio**

For the nine-month 2021, the Group had a debt to equity ratio of 0.61 times, decrease compared to the nine-month 2020 of 1.18 times, which was due to decrease in trade payable and other payables.

Please be informed accordingly

Yours sincerely,

(Mr. Pongthep Ratanaseangsuang)

Chief Executive Officer

