

CPT Drives and Power Public Company Limited

Professional for Drives and Power

No. CPT/EN008-2022

May 11, 2022

Subject: Management Discussion and Analysis for the 3 month period ended 31 March 2022

To: Presidents
The Stock Exchange of Thailand

Board of Directors meeting no.3/2022 of CPT Drives and Power Public Company Limited (“the Company”) which held on May 11, 2022 resolved to approve the financial statement for the 3 month period ended 31 March 2022. The Company would like to inform the management discussion and analysis for the 3 month period ended 31 March 2022 as following.

The operating result analysis for the 3 month period ended 31 March 2022

Revenues

Revenue's structures	2022		2021		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Revenue from sales of						
1.1 Electric Panel	101.91	29.98	39.09	22.65	62.82	160.70
1.2 Unit Products	14.60	4.30	18.20	10.55	(3.60)	(19.81)
Total revenue from sales	116.51	34.28	57.29	33.20	59.23	103.38
2. Revenue from Cable Installation and Substation	217.70	64.04	107.57	62.35	110.12	102.37
3. Revenue from Services	4.69	1.38	5.97	3.46	(1.27)	(21.36)
Total revenue from services	222.39	65.42	113.54	65.81	108.85	95.87
Total operating revenues	338.90	99.70	170.83	99.01	168.07	98.39
4. Other income *	0.93	0.27	1.54	0.89	(0.61)	(39.37)
5. Gain on exchange rate	0.10	0.03	0.17	0.10	(0.07)	(40.79)
Total revenues	339.93	100.00	172.54	100.00	167.40	97.02

*Other revenues consisted of sales of scrap, interest income and gain form short-term investments etc.

- 1. Revenue from sales:** For the 3 month periods ended 31 March 2022 and 2021, sales revenues were Baht 116.51 million and Baht 57.29 million, respectively. Which increased compared to the year 2021 due to more new customers and delivered to customers in time for 3 months of 2022.
- 2. Revenue from Cable Installation and Substation:** For the 3 month periods ended 31 March 2022 and 2021, revenues from Cable Installation and Substation were Baht 217.70 million and Baht 107.57 million, respectively. This increased compared to 2021 due to deliver work according to the progress of many big project work.
- 3. Revenue from services:** For the 3 month periods ended 31 March 2022 and 2021, services revenues were Baht 4.69 million and Baht 5.97 million, respectively. This decreased compared to 2021.

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Cost of sales and services

1. **Cost of sales:** A Main component of cost of sales was cost of material, accounted for approximately 70-80% of total cost of sales. Main raw materials contained assembly parts of machine control panel such as Motors, Inverters and electrical equipment etc. which were purchased both domestically and internationally supplier. Besides, other costs were direct labor, miscellaneous expenses, and depreciation etc., accounted for approximately 20-30% of cost of sales.

For the 3 month periods ended 31 March 2022 and 2021, cost of goods sold were Baht 101.06 million and Bath 55.33 million, or accounted as gross profit margin of 13.26% and 3.42%, respectively. The gross margin increased and has fixed costs that are nearby to the previous year. Resulting in increased profits.

2. **Cost of cable installation and substation:** Actual cost of construction which is completed until the end of year. For the 3 month periods ended 31 March 2022 and 2021, actual construction cost were Baht 202.49 million and Bath 109.16 million, or accounted as gross profit margin of 6.99% and -1.47%, respectively. The gross margin and cost increased Vary with increasing sales.

3. **Cost of Services:** Consist of cost of services and cost of repairs (in case that product warranty was expired). For the 3 month periods ended 31 March 2022 and 2021, cost of services were Baht 2.78 million and Baht 3.13 million, or accounted as gross profit margin of 40.73% and 47.47%, respectively. Found that there was a slight change in gross margin and costs.

Selling expenses and administrative expenses

1. **Selling expenses:** For the 3 month periods ended 31 March 2022 and 2021, selling expenses were Bath 7.53 million and Baht 6.64 million, due to proactive restructuring of the organization, adding more personnel in the sales team to be effective consistent .

2. **Administrative expenses:** For the 3 month periods ended 31 March 2022 and 2021, administrative expenses were Baht 18.39 million and Baht 15.12, increased when compared to the year 2021. Vary with increasing sales.



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Statement of Profit or Loss	For the Three-Month Period		Change	
	31 March 2022	31 March 2021	Increase (Decrease)	
	Million Baht	Million Baht	Million Baht	%
Revenues from sales of goods and services	338.90	170.83	168.07	98.39
Cost of sales and services	306.33	167.62	138.71	82.75
Gross profit (loss)	32.57	3.21	29.37	915.24
Other income	0.93	1.54	(0.61)	(39.37)
Gain on exchange rate	0.10	0.17	(0.07)	(40.79)
Profit (loss) before expenses	33.60	4.92	28.69	583.45
Selling expenses	7.53	6.64	0.89	13.45
Administrative expenses	18.39	15.12	3.27	21.60
Profit (loss) before finance costs and income tax	7.68	(16.84)	24.53	(145.64)
Finance costs	0.14	0.20	(0.06)	(30.18)
Tax expenses (income)	1.52	(0.40)	1.92	(478.93)
Profit (loss) for the period	6.02	(16.64)	22.66	(136.19)
Net Profit (loss) per share (Baht)	0.0067	(0.0185)	0.0252	

Profit (loss) for the periods

For the 3 month periods ended 31 March 2022, net profit were Baht 6.02 million and for the 3 month periods ended 31 March 2021, net loss were Baht 16.64 million, The Company's and subsidiaries operating result for the year 2021. Increase due to deliver to customers in time for 3 months of 2022. And deliver work according to the progress of many large projects. And the company has a more efficient project management.

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Statement of financial position analysis as of 31 March 2022

Statement of Financial Position	31 March 2022	31 December 2021	Change	
	Million Baht	Million Baht	Million Baht	%
Current assets	835.87	805.25	30.62	3.80
Non-current assets	547.62	529.10	18.52	3.50
Total assets	1,383.49	1,334.35	49.14	3.68
Current liabilities	442.22	400.70	41.52	10.36
Non-current liabilities	31.67	30.07	1.60	5.30
Total liabilities	473.89	430.78	43.12	10.01
Total Shareholders' equity	909.60	903.57	6.02	0.67
Total liabilities and shareholders's equity	1,383.49	1,334.35	49.14	3.68

Assets

Total assets as of 31 March 2022 and 31 December 2021 were Baht 1,383.49 million and Baht 1,334.35 million, respectively. Current assets increased Baht 30.62 million or equivalent to 3.80% because Trade and other current receivables and Contract assets increased Baht 99.78 million, inventory increased Baht 44.00 million, cash and cash equivalents and other current financial assets decreased Baht 91.20 million, other current financial assets decreased Baht 21.93 million. Other non-current assets increased Baht 18.52 million or equivalent to 3.50%. Other non-current financial assets increased Baht 19.86 million.

Liabilities

Total liabilities as of 31 March 2022 and 31 December 2021 were Baht 473.89 million and Baht 430.78 million, respectively. Current liabilities increased Baht 41.52 million or equivalent to 10.36% because the increase in Trade and other current payables for Baht 63.73 million. Advance received from customers decreased Baht 19.81 million. However, non-current liabilities increased Baht 1.60 million or equivalent 5.30%.

Shareholders' equity

Shareholders' equity as of 31 March 2022 and 31 December 2021 were Baht 909.60 million and Baht 903.57 million, respectively. Shareholders' equity increased because of the operating profit of the Company.

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www.CPTthailand.com

To be informed accordingly,

Yours sincerely,

(Ms. Natchanan Thianchaitrakul)

Chief Financial Officer

Authorized Persons to Disclose Information

Translation



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www.CPTthailand.com

No. CPT/EN009-2022

May 11, 2022

Subject: CPT - Clarification of the operating result for the 3 month period ended 31 March 2022

To: President

The Stock Exchange of Thailand

CPT Drives and Power Public Company Limited (“the Company”) informed the operating result regarding to the financial statement for the 3 month period ended 31 March 2022, total revenue was Baht 339.93 million and net profit was Baht 6.02 million. For the 3 month period ended 31 March 2021, total revenue was Baht 172.54 million and net loss was Bath 16.64 million.

The Company and its subsidiaries has total revenue and net profit for the 3 month period ended 31 March 2022, increase, due to backlog forward from the previous year and delivered to customers in time for 3 months of 2022. And have the number of high-value projects and deliver work according to the progress of many project work. And the company has a more efficient project management.

To be informed accordingly,

Yours sincerely,

(Ms. Natchanan Thianchaitrakul)

Chief Financial Officer

Authorized Persons to Disclose Information