



No. QTC 0103/2022

May 12, 2022

Subject Management Discussion and Analysis For Q.1/2022 Operating Results

Dear Committees and Manager of the Stock Exchange of Thailand

QTC Energy Public Company Limited would like to clarify on the net profit in the first quarter of the year 2022 at March 31, 2022, whereas, the total financial budget of QTC Energy Public Company Limited and the company’s subsidiary (“Company Group”), had the net profit in the amount of 14.91 million baht that was decrease by 34.11% compared to that of 2021 with the net profit of 22.63 million baht. The financial performance and the analysis factors as follows :

**Financial Performance**

STATEMENT OF PROFIT (CONSOLIDATED)	2022	Increase (Decrease)		2021
	Amount	Amount	%	Amount
Income from sales and services	243.70	14.39	6.28	229.31
Cost of sales and services	(192.41)	(28.41)	17.32	(164.00)
<b>Gross profit</b>	<b>51.29</b>	<b>(14.02)</b>	<b>(21.47)</b>	<b>65.31</b>
Other income	4.50	0.04	0.90	4.46
<b>Profit before expenses</b>	<b>55.79</b>	<b>(13.98)</b>	<b>(20.04)</b>	<b>69.77</b>
Selling expenses	(11.23)	(1.14)	11.30	(10.09)
Administrative expenses	(25.32)	6.79	(21.15)	(32.11)
<b>Total expenses</b>	<b>(36.55)</b>	<b>5.65</b>	<b>(13.39)</b>	<b>(42.20)</b>
<b>Profit before finance costs and income tax</b>	<b>19.24</b>	<b>(8.33)</b>	<b>(30.21)</b>	<b>27.57</b>
Finance costs	(0.15)	0.05	(25.00)	(0.20)
<b>Profit before income tax</b>	<b>19.09</b>	<b>(8.28)</b>	<b>(30.25)</b>	<b>27.37</b>
Income tax benefit (income tax)	(4.18)	0.56	(11.81)	(4.74)
<b>Profit for the period</b>	<b>14.91</b>	<b>(7.72)</b>	<b>(34.11)</b>	<b>22.63</b>



## **INCOME FROM SALES AND SERVICE**

In the first quarter of year 2022, the company had income from sales and services and electricity sales by subsidiary company amounting to 243.70 million baht. increased from the same period of 2021 that was 229.31 million baht which made the increased rate of 6.28%.

Revenue by Business	2022	Increase	(Decrease)	2021
	Amount	Amount	%	Amount
Revenue from sales of finished goods	182.02	51.19	39.13	130.83
Revenue from the sale of electricity	11.56	(26.83)	(69.89)	38.39
Revenue from Solar Business	39.81	(2.39)	(5.66)	42.20
Revenue from sales of raw materials and other equipment	2.51	(1.07)	(29.89)	3.58
Revenue from Service	7.80	(6.51)	(45.49)	14.31
<b>Total Revenue from Sales and Service</b>	<b>243.70</b>	<b>14.39</b>	<b>6.28</b>	<b>229.31</b>

**Revenue from sales of finished goods :** with revenue from selling transformers Including the private sector and exports in 2022, the revenue increased from 2021 at 51.19 million baht, representing an increase of 39.13%. The company has a proactive marketing strategy planning. As a result, the value of transformer sales abroad amounted to 130.95 million baht, while in 2021 it was 82.27 million baht, increase of 29.17%.

**Revenue from the sale of electricity:** the revenue from electricity sales of indirect subsidiaries in 2022 amounted to 11.56 million baht while in 2021, the amount was 38.39 million baht, a decrease of 69.89% This is due to the climatic conditions that cause the production of electricity to be reduced and adder electricity contact terminated on November 2021



**Revenue from Solar Business** : In the first quarter of year 2022, there was a revenue from the solar cell business. and related equipment amounted to 39.81 million baht, a decrease from the year 2021 of 42.20 million baht, a decrease of 5.66%, despite the decline in sales in this quarter. But the demand for products still tends to increase.

**Revenue from Service** : The Company had revenues from providing services to customers in order to support the needs and convenience of customers in the first quarter of 2022 amounted to 7.80 million baht, a decrease of 45.49%, while in 2021, it was 14.31 million baht. The reason for impact of Covid-19 situation still effects to onsite service.

#### **COST OF SALES AND SERVICES**

In the first quarter of year 2022, the company has cost of sales and services of 192.40 million baht, gross profit margin of 21.05%, while the same period of year 2021, the company has cost of sales and services of 164.00 million baht, to be gross profit of 28.48%, the reason for the decline in gross profit margins For in the quarter of 2021 is due to the high price competition in the domestic private sector.

#### **SELLING AND ADMINISTRATIVE EXPENSES**

The Company had selling and administrative expenses of 36.55 million baht for the year 2022, a decrease of 13.39% from the amount of 42.20 million baht in 2021, which was caused by the control of selling and administrative expenses.

Your acknowledgement will be highly appreciated

Yours Sincerely

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Chief Executive Officer