



## EKARAT ENGINEERING PUBLIC COMPANY LIMITED

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August 10, 2022

To: Director and Manager

The Stock Exchange of Thailand

Subject: Management Discussion and Analysis for Quarter 2 Year 2022

Ekarat Engineering Public Company Limited (the Company) would like to clarify the performance of the Company and the subsidiaries for the second quarter ending 30 June 2022, details are as follows:

### Summary of operating results

- Total Revenue 524.54 MB increased by 71.15%, compared to 2Q2021
- Gross Profit 111.47 MB increased by 59.86%, compared to 2Q2021
- Net Profit of Equity holders of the parent 35.98 MB increased by 205.17%, compared to 2Q2021

### Key financial figures

	2Q2022		2Q2021		Variance	
	MB	%	MB	%	MB	YoY%
Revenues	516.86	98.54%	303.57	99.05%	213.29	70.26%
Costs	405.39	77.28%	233.84	76.30%	171.55	73.36%
Gross Profit	111.47	21.25%	69.73	22.75%	41.74	59.86%
Other income	7.68	1.46%	2.91	0.95%	4.77	163.92%
Total revenues	524.54	100.00%	306.48	100.00%	218.06	71.15%
Distribution costs	26.14	4.98%	20.14	6.57%	6.00	29.79%
Administrative expenses	45.32	8.64%	35.93	11.72%	9.39	26.13%
Profit from operating activities	47.69	9.09%	16.57	5.41%	31.12	187.81%
Financial cost	4.58	0.87%	2.57	0.84%	2.01	78.21%
Profit before income tax expenses	43.11	8.22%	14.00	4.57%	29.11	207.93%
Income tax expenses	7.14	1.36%	2.22	0.72%	4.92	221.62%
Net profit	35.97	6.86%	11.78	3.84%	24.19	205.35%
Profit of equity holders of the parent	35.98	6.86%	11.79	3.85%	24.19	205.17%

### Analysis of operating results in 2Q2022

#### Revenue :

The total revenues from operation of the Company was 516.86 million baht, increased by 213.29 million baht or about 70.26% compared to the same quarter of last year, detail are as follows;

- **Revenue from sales of goods** has increased 187.59 million baht or about 81.21%, mainly due to the delivery of transformers of several major private customers.

- **Revenue from services and maintenance** has increased 17.76 million baht or about 38.60%. Most of them increased from the contracting services. Due to the situation of Covid-19 getting better, the Company could provide more transformer maintenance services to the customers.
- **Revenue from service of installing a solar panel** has increased 8.26 million baht about 49.52% from the recognition of revenue from the major project of installation of solar power generation system of a private customer which ongoing project since 2021.
- **Revenue from sales of electricity** has decreased 0.32 million baht or about 3.25% because the amount of electricity produced from Solar Farm decreased according to the climate.

#### **Costs :**

The total costs from operation was 405.39 million baht, increased by 171.54 million baht or about 73.36% compared to the same quarter of last year, detail are as follows;

- **Cost of goods sold** has increased 157.37 million baht or about 83.16%, due to higher raw material prices.
- **Cost of services and maintenance** has increased 8.60 million baht or about 34.93%. Most of them were from the cost of contracting services in line with the increase in revenue.
- **Cost from service of installing a solar panel** has increased 7.42 million baht or about 46.02% from the recognition of the cost of solar panel installation project by private customer in large and continuous projects.
- **Cost of electricity sold** has slightly increased 0.08 million baht or about 1.58%.

#### **Distribution Cost :**

Distribution Cost of the Company was 26.14 million baht, increased by 6.01 million baht or about 29.79% compared to the same quarter of last year. Most of the expenses are related to the sale of large transformer projects for private customers.

#### **Administrative Expenses :**

Administrative Expenses of the Company was 45.32 million baht, increased by 9.39 million baht or about 26.13% compared to the same quarter of last year. Most of them were unrealized loss from exchange rate creditors of trust receipts.

#### **Financial Cost :**

Financial Cost of the Company was 4.58 million baht, increased by 2.01 million baht or about 78.21% compared to the same quarter of last year which mainly increased from trust receipt interest from purchases of raw materials from overseas.

Please be informed accordingly,

Sincerely yours,

(Miss Rompissri Noichaiboon)

Managing Director