



EE 377/65/695

Management Discussion and Analysis for the operating results in Q3'2022

Ekarat Engineering Public Company Limited and the subsidiaries

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

Summary of operating results

- Total Revenue 471.45 MB increased by 37.69%, compared to Q3'2021
- Gross Profit 116.39 MB increased by 32.25%, compared to Q3'2021
- Net Profit of Equity holders of the parent 32.15 MB increased by 59.08%, compared to Q3'2021

Key financial figures

	Q3'2022		Q3'2021		Variance	
	MB	%	MB	%	MB	YoY%
Revenues	468.07	99.28%	340.53	99.45%	127.54	37.45%
Costs	351.68	74.60%	252.52	73.75%	99.16	39.27%
Gross Profit	116.39	24.69%	88.01	25.70%	28.38	32.25%
Other income	3.38	0.72%	1.87	0.55%	1.51	80.75%
Total revenues	471.45	100.00%	342.40	100.00%	129.05	37.69%
Distribution costs	25.43	5.39%	24.85	7.26%	0.58	2.33%
Administrative expenses	48.14	10.21%	38.24	11.17%	9.90	25.89%
Profit from operating activities	46.20	9.80%	26.79	7.82%	19.41	72.45%
Financial cost	5.72	1.21%	3.02	0.88%	2.70	89.40%
Profit before income tax expenses	40.48	8.59%	23.77	6.94%	16.71	70.30%
Income tax expenses	8.34	1.77%	3.57	1.04%	4.77	133.61%
Net profit	32.14	6.82%	20.20	5.90%	11.94	59.11%
Profit of equity holders of the parent	32.15	6.82%	20.21	5.90%	11.94	59.08%

Analysis of operating results in Q3'2022

Revenue:

The total revenues from operation were 468.07 million baht, increased by 127.54 million baht or about 37.45% compared to the same quarter of last year, detail are as follows;

- **Revenue from sales of goods** has increased 119.89 million baht or about 44.14%, mainly due to the delivery of transformers of several major private customers.
- **Revenue from services and maintenance** has increased 17.78 million baht or about 51.76%. 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 decreased 9.54 million baht about 36.95% from the recognition of revenue from the major project of installation of solar power generation system of a private customer for 3 months in Q3'22 which is less than the same period of last year.
- **Revenue from sales of electricity** has decreased 0.58 million baht or about 6.70% because the amount of electricity generated from Solar Farm Phase 2 and Phase 3 decreased.

Costs:

The total costs from operation were 351.68 million baht, increased by 99.16 million baht or about 39.27% compared to the same quarter of last year, detail are as follows;

- **Cost of goods sold** has increased 98.96 million baht or about 49.39%, due to higher raw material prices.
- **Cost of services and maintenance** has increased 8.24 million baht or about 40.45%. 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 decreased 7.51 million baht or about 30.92% from the recognition of the cost of solar panel installation project by private customer in Q3'22 which is less than the same period of last year.
- **Cost of electricity sold** has slightly increased 0.15 million baht or about 3.20%, It was relatively stable depreciation of solar panels.

Distribution Cost:

The distribution cost was 25.43 million baht, increased by 0.58 million baht or about 2.35% compared to the same quarter of last year. Most of the expenses are related to sales and transportation of transformers.

Administrative Expenses:

Administrative expenses of the Company were 48.14 million baht, increased by 9.90 million baht or about 25.89% 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 5.72 million baht, increased by 2.70 million baht or about 89.24% compared to the same quarter of last year. The mainly increased was the trust receipt interest from purchases of raw materials from overseas.

Please be informed accordingly,

Sincerely yours,

(Miss Rompissri Noichaiboon)

Managing Director