



No. QTC 0180/2022

November 11, 2022

Subject Management Discussion and Analysis For Q.3/2022 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 third quarter of the year 2022 at September 30, 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 5.11 million baht that was decrease by 111.87% compared to that of 2021 with the net profit of 43.06 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	326.29	1.83	0.56	324.46
Cost of sales and services	(300.87)	(62.82)	26.39	(238.05)
Gross profit	25.42	(60.99)	(70.58)	86.41
Other income	7.26	5.92	441.79	1.34
Profit before expenses	32.68	(55.07)	(62.76)	87.75
Selling expenses	(12.24)	(2.00)	19.53	(10.24)
Administrative expenses	(26.61)	1.02	(3.69)	(27.63)
Total expenses	(38.85)	(0.98)	2.59	(37.87)
Profit before finance costs and income tax	(6.17)	(56.05)	(112.37)	49.88
Finance costs	(0.16)	0.26	(61.90)	(0.42)
Profit before income tax	(6.33)	(55.79)	(112.80)	49.46
Income tax benefit (income tax)	1.22	7.62	(119.06)	(6.40)
Profit for the period	(5.11)	(48.17)	(111.87)	43.06

INCOME FROM SALES AND SERVICE

In the third quarter of year 2022, the company had income from sales and services and electricity sales by subsidiary company amounting to 326.29 million baht. increased from the same period of 2021 that was 324.46 million baht which made the increased rate of 0.56%.

Revenue by Business	2022	Increase	(Decrease)	2021
	Amount	Amount	%	Amount
Revenue from sales of finished goods	195.06	(45.06)	(18.77)	240.12
Revenue from the sale of electricity	10.31	(21.35)	(67.44)	31.66
Revenue from Solar Business	111.53	69.00	162.24	42.53
Revenue from sales of raw materials and other equipment	1.66	0.66	66.00	1.00
Revenue from Service	7.73	(1.42)	(15.52)	9.15
Total Revenue from Sales and Service	326.29	1.83	0.56	324.46

Revenue from sales of finished goods: with revenue from selling transformers Including the private sector and exports in 2022, the revenue decreased from 2021 at 45.06 million baht, representing an decrease of 18.77%. Revenue from sales of finished goods decreased. This was due to the decrease in foreign transformer sales. as a result of the global economic slowdown As a result, economic slowdown effect to projects in foreign country postpone.

Customer type	2022	Increase	(Decrease)	2021
	Amount	Amount	%	Amount
Government and State enterprises	75.95	6.13	8.78	69.82
Private companies domestic	78.27	6.05	8.38	72.22
Export	40.84	(57.24)	(58.36)	98.08
Total Revenue from Sale of electric transformers	195.06	(45.06)	(18.77)	240.12



Revenue from the sale of electricity: the revenue from electricity sales of indirect subsidiaries in 2022 amounted to 10.31 million baht while in 2021, the amount was 31.66 million baht, a decrease of 67.44%. 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 third quarter of year 2022, there was a revenue from the solar cell business. and related equipment amounted to 111.53 million baht, a increase from the year 2021 of 42.53 million baht, a increase of 162.24%, The demand for products still tends to increase. The company continues to focus on its strategy by proactively driving its energy business. to meet the public economic policy.

Revenue from Service: The Company has revenue from the installation of transformers. Scheduled condition check and maintenance service Transformer repair and maintenance services Transformer testing refueling service Including transformer rental service in the third quarter of 2022 amounted to 7.73 million baht, a decrease of 15.52%, while in 2021, it was 9.15 million baht. caused by the customer having to postpone the repair schedule.

Type	2022	Increase (Decrease)		2021
	Amount	Amount	%	Amount
Service and maintenance	4.55	0.37	8.85	4.18
Transformer repairs	1.93	(2.39)	(55.32)	4.32
Other services	1.25	0.60	92.31	0.65
Total Revenue form Service	7.73	(1.42)	(15.52)	9.15

COST OF SALES AND SERVICES

In the third quarter of year 2022, the company has cost of sales and services of 300.87 million baht, gross profit margin of 7.79%, while the same period of year 2021, the company has cost of sales and services of 238.05 million baht, to be gross profit of 26.63%, The reason is that in 2022, caused by high price competition.



SELLING AND ADMINISTRATIVE EXPENSES

The Company had selling and administrative expenses of 38.85 million baht for the year 2022, a increase of 2.59% from the amount of 37.87 million baht in 2021, This was due to the increase in selling and distribution expenses. Due to aggressive marketing that is highly competitive in order to make customers satisfying there is an increase sales promotion expenses.

Yours Sincerely



Mr. Poonphiphat Tantasini

Chief Executive Officer