



No.FTE 004/2022

12 November 2022

Subject Management Discussion and Analysis for the nine – month period ended 30 September 2022

Attention The President of
The Stock Exchange of Thailand

Attachment: Report and interim financial statement for the nine-month period ended 30 September 2022

Firetrade Engineering Public Company Limited (“the Company”) would like to report the operating result according to the Company’s consolidated financial statement of the Company and its subsidiary for the nine – month period ended 30 September 2022 which the details are as follows:

Unit: Million Baht	For the three-month period ended 30 September (Jul – Sep)			
	2022	2021	Change	% Increase (Decrease)
Revenues from sales of goods	189.80	133.63	56.17	42.03
Revenues from project works and services	101.22	117.50	(16.28)	(13.86)
Total Revenues from Sales and Services	291.02	251.13	39.89	15.88
Cost of sales of goods	135.64	99.66	35.98	36.10
Cost of project works and services	76.64	91.81	(15.17)	(16.52)
Total Costs of Sales and Services	212.28	191.47	20.81	10.87
Gross Profit	78.74	59.66	19.08	31.98
Other incomes	1.04	0.90	0.14	15.56
Distribution costs	18.89	17.78	1.11	6.24
Administrative expenses	30.06	21.72	8.34	38.40
Finance costs	1.41	1.21	0.20	16.53
Expected credit losses	9.69	4.97	4.72	94.97
Tax expense	4.04	3.35	0.69	20.60
Profit for the period	15.69	11.53	4.16	36.08
Gross Profit Margin (%)	27.06	23.76		
Net Profit Margin (%)	5.37	4.57		



Unit: Million Baht	For the nine-month period ended 30 September (Jan – Sep)			
	2022	2021	Change	% Increase (Decrease)
Revenues from sales of goods	508.65	418.95	89.70	21.41
Revenues from project works and services	255.38	343.44	(88.06)	(25.64)
Total Revenues from Sales and Services	764.03	762.39	1.64	0.22
Cost of sales of goods	359.92	309.80	50.12	16.18
Cost of project works and services	203.13	280.73	(77.60)	(27.64)
Total Costs of Sales and Services	563.05	590.53	(27.48)	(4.65)
Gross Profit	200.98	171.86	29.12	16.94
Other incomes	3.08	4.03	(0.95)	(23.57)
Distribution costs	54.66	54.84	(0.18)	(0.33)
Administrative expenses	75.29	62.09	13.20	21.26
Finance costs	4.71	3.04	1.67	54.93
Expected credit losses	16.51	7.49	9.02	120.43
Tax expense	11.15	10.02	1.13	11.28
Profit for the period	41.74	38.41	3.33	8.67
Gross Profit Margin (%)	26.31	22.54		
Net Profit Margin (%)	5.44	5.01		

Remark: 1) Net profit margin is calculated from the net profit attributable to equity holders of the parent on consolidated financial statement.
 2) Decimal numbers shown in this management discussion and analysis are likely to be different from the Company's financial statement due to the rounding to 2-digit decimal and unit changed to million baht.

Revenues from Sales and Services

For the three-month period ended 30 September 2022, the Company's revenues from sales and services was THB 291.02 million, increased by THB 39.89 million or 15.88% compared to the same period of the last year.

For the nine-month period ended 30 September 2022, the Company's revenues from sales and services was THB 764.03 million, increased by THB 1.64 million or 0.22% compared to the same period of the last year.

For the three-month period, the increase in revenue came from customers gradually deliver products and ordering for more stock from the reason of the price increase due to the cost of goods increased from the depreciation of the baht.

For the nine-month period, the company was able to keep its customer base and maintain revenue from Sales, compared to the last year, including backlog orders for many projects.





Gross Profit and Gross Profit Margin

For the three-month period ended 30 September 2022, the Company's gross profit was THB 78.74 million or equivalent to the gross profit margin of 27.06%, increased by THB 19.08 million or 31.98% compared to the same period of the last year.

For the nine-month period ended 30 September 2022, the Company's gross profit was THB 200.98 million or equivalent to the gross profit margin of 26.31%, increased by THB 29.12 million or 16.94% compared to the same period of the last year.

The company can make a gross profit and has an increased gross profit margin. Due to the management of product costs, labor costs, and the company has considered about work that may affect product costs in the economic situation.

Other income

For the three-month period ended 30 September 2022, the Company's other income were THB 1.04 million, increased by THB 0.14 million or 15.56% compared to the same period of last year.

For the nine-month period ended 30 September 2022, the Company's other income were THB 3.08 million, decreased by THB 0.95 million or 23.57% compared to the same period of last year. Most of the income is from foreign exchange losses.

Distribution Costs and Administrative Expenses

For the three-month period ended 30 September 2022, the Company's distribution costs and administrative expenses were THB 48.95 million, increased by THB 9.45 million or 23.92% compared to the same period of the last year.

For the nine-month period ended 30 September 2022, the Company's distribution costs and administrative expenses were THB 129.95 million, increased by THB 13.02 million or 11.13%. Most of the loss is from foreign exchange and losses on devaluation of inventories.

Finance costs

For the three-month period ended 30 September 2022, the Company's finance costs was THB 1.41 million, increased by THB 0.22 million or 16.53% compared to the same period of the last year.

For the nine-month period ended 30 September 2022, the Company's finance costs was THB 4.71 million, increased by THB 1.67 million or 54.93% compared to the same period of the last year.

Most of these financial costs arise from interest on short-term loans from financial institutions and type of promissory note, for the purpose of working capital in the business and lease liabilities has adopted TFRS 16 Leases.

Expected credit losses

For the three-month period ended 30 September 2022, the Company had an expected credit losses of THB 9.69 million, increased by THB 4.72 million compared to the same period of the last year.





For the nine-month period ended 30 September 2022, the Company had an expected credit losses of THB 16.51 million, increased by THB 9.02 million compared to the same period of the last year.

It is an allowance for credit losses, cause of the debtor’s late payment. However, the company has expedited the management of debtor tracking, as well as increase the process of considering more details the credit limit of customers.

Net Profit and Net Profit Margin

For the three-month period ended 30 September 2022, the Company’s net profit was THB 15.69 million which was equal to the net profit margin of 5.37%. Net profit and net profit margin increased compared to the same period of the last year.

For the nine-month period ended 30 September 2022, the Company’s net profit was THB 41.74 million which was equal to the net profit margin of 5.44%. Net profit was slightly lower but the net profit margin increased, compared to the same period of the last year as reasons mentioned above.

Please be informed accordingly,

Yours sincerely,

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(Mr. Taksin Tantipijit)

Chief Executive Officer

Firetrade Engineering Public Company Limited

