

No. QTC 0004/2023

May 11, 2023

Subject Management Discussion and Analysis For Q.1/2023 Operating Results

Dear Committees and Manager of the Stock Exchange of Thailand

QTC Energy Public Company Limited would like to clarify on the net loss in the first quarter of the year 2023 at March 31, 2023, whereas, the total financial budget of QTC Energy Public Company Limited and the company’s subsidiary (“Company Group”), had the net loss in the amount of 26.76 million baht that was decrease by 279.48% compared to that of 2022 with the net profit of 14.91 million baht. The financial performance and the analysis factors as follows :

Financial Performance

STATEMENT OF PROFIT (CONSOLIDATED)	Q1.2023	Increase (Decrease)		Q1.2022
	Amount	Amount	%	Amount
Income from sales and services	202.16	(41.54)	(17.05)	243.70
Cost of sales and services	(187.93)	4.48	(2.33)	(192.41)
Gross profit	14.23	(37.06)	(72.26)	51.29
Other income	2.33	(2.17)	(48.22)	4.50
Profit before expenses	16.56	(39.23)	(70.32)	55.79
Selling expenses	(13.92)	(2.69)	23.95	(11.23)
Administrative expenses	(29.18)	(3.86)	15.24	(25.32)
Total expenses	(43.10)	(6.55)	17.92	(36.55)
Profit before finance costs and income tax	(26.54)	(45.78)	(237.94)	19.24
Share of loss from investments in associated company	(0.24)	(0.24)	100.00	0.00
Finance costs	(0.37)	(0.22)	146.67	(0.15)
Profit before income tax	(27.15)	(46.24)	(242.22)	19.09
Income tax benefit (income tax)	0.39	4.57	(109.33)	(4.18)
Profit for the period	(26.76)	(41.67)	(279.48)	14.91



INCOME FROM SALES AND SERVICE

In the first quarter of the year 2023, the company had income from sales and services and electricity sales by subsidiary company amounting to 202.16 million baht. decreased from the same period of 2022 that was 243.70 million baht which made the decreased rate of 17.05%.

Revenue by Business	Q1.2023	Increase	(Decrease)	Q1.2022
	Amount	Amount	%	Amount
Revenue from sales of finished goods	110.32	(71.70)	(39.39)	182.02
Revenue from the sale of electricity	16.34	4.78	41.35	11.56
Revenue from Solar Business	67.96	28.15	70.71	39.81
Revenue from sales of raw materials and other equipment	0.53	(1.98)	(78.88)	2.51
Revenue from Service	7.01	(0.79)	(10.13)	7.80
Total Revenue from Sales and Service	202.16	(41.54)	(17.05)	243.70

Revenue from sales of finished goods: with revenue from selling transformers Including the private sector and exports in 2023, the revenue decreased from 2022 to 71.70 million baht, representing an decrease of 39.39%. Due to the decrease in foreign transformer sales compared to the same quarter of 2022 in the amount of 102.21 million baht. The reason is that there are finished goods both for local and export sales pending to delivers. Order backlog about 500 million baht will delivery on the third quarter and the fourth quarter in 2023.

Revenue from the sale of electricity: the revenue from electricity sales of indirect subsidiaries in 2023 amounted to 16.34 million baht while in 2022, the amount was 11.56 million baht, a increase of 41.35%, The reason is variable tariff (FT) rate per unit increase.



Revenue from Solar Business: In the first quarter of year 2023, there was a revenue from the solar cell business. and related equipment amounted to 67.96 million baht, a increase from the year 2022 of 39.81 million baht, a increase of 70.71%, 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 2023 amounted to 7.01 million baht, a decrease of 10.13%, while in 2022, it was 7.80 million baht. The reason is service from transformer repair revenue was decrease.

COST OF SALES AND SERVICES

In the first quarter of year 2023, the company has cost of sales and services of 187.93 million baht, gross profit margin of 7.04%, while the same period of year 2022, the company has cost of sales and services of 192.41 million baht, to be gross profit of 21.05%, The reason is that in 2023, caused by high price competition, and the raw materials raise the price.

SELLING AND ADMINISTRATIVE EXPENSES

The Company had selling and administrative expenses of 43.10 million baht for the year 2023, a increase of 17.92% from the amount of 36.55 million baht in 2022, due to sales promotion activities and expenses for operating raise the price.

Yours Sincerely



Mr. Poonphiphat Tantanasin

Chief Executive Officer