

No. QTC 0007/2023

August 10, 2023

Subject Management Discussion and Analysis for the Q.2/2023 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 second quarter of the year 2023 at June 30, 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 2.70 million baht that was decrease by 135.48% compared to that of 2022 with the net profit of 7.61 million baht. The financial performance and the analysis factors as follows:

Financial Performance

STATEMENT OF PROFIT (CONSOLIDATED)	2023	Increase (Decrease)		2022
	Amount	Amount	%	Amount
Income from sales and services	265.34	(28.18)	(9.60)	293.52
Cost of sales and services	(233.20)	21.44	(8.42)	(254.64)
Gross profit	32.14	(6.74)	(17.34)	38.88
Other income	5.82	(0.22)	(3.64)	6.04
Profit before expenses	37.96	(6.96)	(15.49)	44.92
Selling expenses	(12.01)	(1.78)	17.40	(10.23)
Administrative expenses	(27.77)	(3.06)	12.38	(24.71)
Total expenses	(39.78)	(4.84)	13.85	(34.94)
Profit before finance costs and income tax	(1.82)	(11.80)	(118.24)	9.98
Share of loss from investment in associated company	(0.25)	(0.25)	100.00	-
Finance costs	(0.36)	(0.21)	140.00	(0.15)
Profit before income tax	(2.43)	(12.26)	(124.72)	9.83
Income tax benefit (income tax)	(0.27)	1.95	(87.84)	(2.22)
Profit for the period	(2.70)	(10.31)	(135.48)	7.61

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INCOME FROM SALES AND SERVICE

In the second quarter of 2023, the company had income from sales and services and electricity sales by subsidiary company amounting to 265.34 million baht. decreased from the same period of 2022 was 293.52 million baht which made the decreased rate of 9.60%.

Revenue by Business	2023	Increase (Decrease)		2022
	Amount	Amount	%	Amount
Revenue from sales of finished goods	138.27	(48.26)	(25.87)	186.53
Revenue from the sale of electricity	13.71	2.31	20.26	11.40
Revenue from Solar Business	101.88	19.41	23.54	82.47
Revenue from sales of raw materials and other equipment	0.87	(0.08)	(8.42)	0.95
Revenue from Service	10.61	(1.56)	(12.82)	12.17
Total Revenue from Sales and Service	265.34	(28.18)	(9.60)	293.52

Revenue from sales of finished goods: with revenue from selling transformers Including the private sector and exports in 2023, the revenue decreased from 2022 was 48.26 million baht, representing a decrease of 25.87%. This was due to a slowdown in government investment. Furthermore, the company also is that there are finished goods and work in process both for local and export sales pending to delivers in 3Q23 and 4Q23.

Customer type	2023	Increase (Decrease)		2022
	Amount	Amount	%	Amount
Government and State enterprises	0.70	(0.71)	(50.35)	1.41
Private companies domestic	99.96	(4.46)	(4.27)	104.42
Export	37.61	(43.09)	(53.40)	80.70
Total Revenue from Sale of electric transformers	138.27	(48.26)	(25.87)	186.53

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Revenue from the sale of electricity: the revenue from electricity sales of indirect subsidiaries in 2023 amounted to 13.71 million baht while in 2022, the amount was 11.40 million baht, an increase of 20.26%, reason is tariff (FT) rate per unit increase.

Revenue from Solar Business: In the second quarter of 2023, there was revenue from the solar cell business. and related equipment amounted to 101.88 million baht, an increase from the year 2022 of 82.47 million baht, an increase of 23.54%, the demand for solar cell still to increase both households and industrial sectors. Including tax benefits government policy.

Product type	2023	Increase	(Decrease)	2022
	Amount	Amount	%	Amount
Inverter	62.59	25.67	69.53	36.92
Solar cell	38.78	(6.16)	(13.71)	44.94
EV Charger	0.51	(0.10)	(16.39)	0.61
Total Revenue from Solar Business	101.88	19.41	23.54	82.47

Revenue from Service: The Company had revenues from providing services to customers in order to support the needs and convenience of customers in the second quarter of 2023 amounted to 10.61 million baht, a decrease of 12.82%, while in 2022, it was 12.17 million baht. caused by the customer having to postpone the service schedule and maintenance plan was reduced.

Type	2023	Increase	(Decrease)	2022
	Amount	Amount	%	Amount
Service and maintenance	4.38	(0.65)	(12.92)	5.03
Transformer repairs	4.45	(0.40)	(8.25)	4.85
Other services	1.78	(0.51)	(22.27)	2.29
Total Revenue form Service	10.61	(1.56)	(12.82)	12.17

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COST OF SALES AND SERVICES

In the second quarter of year 2023, the company has cost of sales and services of 233.20 million baht, gross profit margin of 12.11%, while the same period of year 2022, the company has cost of sales and services of 254.64 million baht, to be gross profit of 13.25%, the reason for the decline in gross profit margins For in the quarter of 2022 is due to the high price competition in the domestic private sector.

SELLING AND ADMINISTRATIVE EXPENSES

The Company had selling and administrative expenses of 39.78 million baht for the year 2023, a increase of 13.85% from the amount of 34.94 million baht in 2022, This was a result of increased selling and distribution expenses. Due to the highly competitive aggressive marketing in order to build a good relationship with customers.

Please be informed accordingly.

Yours Sincerely



Mr. Poonhiphat Tantanasin

Chief Executive Officer

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