



No.FTE 003/2023

15 August 2023

Subject Management Discussion and Analysis for the six – month period ended 30 June 2023

Attention The President of
The Stock Exchange of Thailand

Attachment: Report and interim financial statement for the six -month period ended 30 June 2023

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 six – month period ended 30 June 2023 which the details are as follows:

Unit: million Baht	For the three-month period ended 30 June (Apr – Jun)			
	2023	2022	Change	% Increase (Decrease)
Revenues from sales of goods	187.01	162.98	24.03	14.74
Revenues from project works and services	83.82	73.81	10.01	13.56
Total Revenues from Sales and Services	270.83	236.79	34.04	14.38
Cost of sales of goods	131.26	113.28	17.99	15.88
Cost of project works and services	67.69	60.00	7.69	12.82
Total Costs of Sales and Services	198.95	173.28	25.68	14.82
Gross Profit	71.88	63.51	8.37	13.18
Distribution costs	18.93	17.68	1.25	7.07
Administrative expenses	21.83	24.29	(2.46)	(10.13)
Finance costs	0.98	1.36	(0.38)	(27.94)
Reversal expected credit losses	(3.12)	(5.06)	1.94	(38.34)
Tax expense	6.62	5.93	0.69	11.64
Profit for the period	26.64	19.31	7.33	37.96
Gross Profit Margin (%)	26.54	26.82		
Net Profit Margin (%)	9.84	8.15		



Unit: million Baht	For the six -month period ended 30 June (Jan – Jun)			
	2023	2022	Change	% Increase (Decrease)
Revenues from sales of goods	378.23	318.86	59.37	18.62
Revenues from project works and services	177.45	154.16	23.29	15.11
Total Revenues from Sales and Services	555.68	473.02	82.66	17.47
Cost of sales of goods	269.34	224.28	45.06	20.09
Cost of project works and services	140.76	126.49	14.27	11.28
Total Costs of Sales and Services	410.10	350.77	59.33	16.91
Gross Profit	145.58	122.25	23.33	19.08
Other incomes	2.74	2.04	0.70	34.31
Distribution costs	38.16	35.79	2.37	6.62
Administrative expenses	39.57	43.70	(4.13)	(9.45)
Finance costs	2.01	3.30	(1.29)	(39.09)
Expected credit losses (Reversal)	(4.94)	8.35	(13.29)	(159.16)
Tax expense	14.73	7.10	7.63	107.46
Profit for the period	58.79	26.05	32.74	125.68
Gross Profit Margin (%)	26.20	25.84		
Net Profit Margin (%)	10.53	5.48		

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 June 2023, the Company's revenues from sales and services was THB 270.83 million, increased by THB 34.04 million or 14.38% compared to the same period of the last year.

For the six-month period ended 30 June 2023, the Company's revenues from sales and services was THB 555.68 million, increased by THB 82.66 million or 17.47% compared to the same period of the last year.

Revenues from sales of goods was increased due to the volume of backlog orders in the past year, more products were delivered to the work area, some products had their prices raised, and it also received high-value product sales this quarter, compared to the same period of last year.

Revenues from project works and services increased, this was partly due to the increase in project works volume and during the period, the recognition of more income according to the completion of the work compared to the same period of last year.



Gross Profit and Gross Profit Margin

For the three-month period ended 30 June 2023, the Company's gross profit was THB 71.88 million or 26.54%. The company was able to make a gross profit and increased gross profit margins.

For the six-month period ended 30 June 2023, the Company's gross profit was THB 145.58 million or 26.20%. The company was able to make a gross profit and increased gross profit margins compared to the last year

Due to improved management of product cost and cost of project works and services.

Distribution Costs and Administrative Expenses

For the three-month period ended 30 June 2023, the Company's distribution costs and administrative expenses were THB 40.76 million, decreased by THB 1.21 million or 2.88%.

For the six-month period ended 30 June 2023, the Company's distribution costs and administrative expenses were THB 77.73 million, decreased by THB 1.76 million or 2.21%.

Distribution costs increased by THB 2.37 million, expenses increased due to more sales, such as transportation costs, commissions. and expenses related to employees.

Administrative expenses decreased by THB 4.13 million due to inventory management which reduced the loss from devaluation of inventories.

Finance costs

For the three-month period ended 30 June 2023, the Company's finance costs was THB 0.98 million, decreased by THB 0.38 million or 27.94% compared to the same period of last year.

For the six-month period ended 30 June 2023, the Company's finance costs was THB 2.01 million, decreased by THB 1.29 million or 39.09% compared to the same period of last year.

Interest expenses was decreased, due to the company's repayment of short-term borrowings from financial institutions for promissory note.

Expected credit losses

For the three-month period ended 30 June 2023, Reversal expected credit losses of THB 3.12 million was decreased by 38.34%, compared to the same period of last year.

For the six-month period ended 30 June 2023, Reversal expected credit losses of THB 4.94 million was increased by 159.16%, compared to the same period of last year.

Reversal expected credit losses was increased due to improved debt tracking and more detailed evaluation process for credit to customers. At the same time, some customers who previously had outstanding credit losses have made payments, resulting in a decrease in the overall amount of those losses.



- Valve, Fire Hose, Fire Extinguisher Equipment, Automatic Sprinkler Equipment
- Water Base System, Foam System, Gaseous System, Dry Chemical System
- Fire Suppression - Detection & Fire Alarm System

Net Profit and Net Profit Margin

For the three-month period ended 30 June 2023, the company had a net profit of THB 26.64 million, or a net profit margin of 9.84%, net profit increased by THB 7.33 million, or 37.96%

For the six-month period ended 30 June 2023, the company had a net profit of THB 58.79 million, or a net profit margin of 10.53%, net profit increased by THB 32.74 million, or 125.68% net profit and net profit margin increased compared to the same period of last year as the reasons mentioned above.

Please be informed accordingly,

Yours sincerely,

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(Mr. Taksin Tantipijit)

Chief Executive Officer

Firetrade Engineering Public Company Limited