

No. QTC 0010/2023

November 9, 2023

Subject Management Discussion and Analysis for the Q.3/2023 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 third quarter of the year 2023 at September 30, 2023, 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 35.76 million baht that was increase by 799.80% compared to that of 2023 with the net loss of 5.11 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	361.38	35.09	10.75	326.29
Cost of sales and services	(292.59)	8.28	(2.75)	(300.87)
Gross profit	68.79	43.37	170.61	25.42
Other income	4.04	(3.22)	(44.35)	7.26
Profit before expenses	72.83	40.15	122.86	32.68
Selling expenses	(10.80)	1.44	(11.76)	(12.24)
Administrative expenses	(24.84)	1.77	(6.65)	(26.61)
Total expenses	(35.64)	3.21	(8.26)	(38.85)
Profit before finance costs and income tax	37.19	43.36	(702.76)	(6.17)
Share of loss from investment in associated company	(0.26)	(0.26)	100.00	-
Finance costs	(0.39)	(0.23)	143.75	(0.16)
Profit before income tax	36.54	42.87	(677.25)	(6.33)
Income tax benefit (income tax)	(0.78)	(2.00)	(163.93)	1.22
Profit for the period	35.76	40.87	(799.80)	(5.11)

INCOME FROM SALES AND SERVICE

In the third quarter of 2023, the company had income from sales and services and electricity sales by subsidiary company amounting to 361.38 million baht. increase from the same period of 2022 was 326.29 million baht which made the increase rate of 10.75%.

Revenue by Business	2023	Increase (Decrease)		2022
	Amount	Amount	%	Amount
Revenue from sales of finished goods	248.21	53.15	(27.25)	195.06
Revenue from the sale of electricity	11.89	1.58	15.32	10.31
Revenue from Solar Business	88.80	(22.73)	(20.38)	111.53
Revenue from sales of raw materials and other equipment	1.05	(0.61)	(36.75)	1.66
Revenue from Service	11.43	3.70	47.87	7.73
Total Revenue from Sales and Service	361.38	35.09	10.75	326.29

Revenue from sales of finished goods: with revenue from selling transformers to government agencies. Including the private sector and exports in the third quarter of 2023, the revenue increase from 2022 was 53.15 million baht, representing a increase of 27.25%. Due to delivery electrical transformers to the Metropolitan Electricity Authority and export sales increased from third quarter of 2022.

Customer type	2023	Increase (Decrease)		2022
	Amount	Amount	%	Amount
Government and State enterprises	58.28	(17.67)	(23.27)	75.95
Private companies domestic	119.64	41.37	52.86	78.27
Export	70.29	29.45	72.11	40.84
Total Revenue from Sale of electric transformers	248.21	53.15	27.25	195.06

Revenue from the sale of electricity: the revenue from electricity sales of indirect subsidiaries in 2023 amounted to 11.89 million baht while in 2022, the amount was 10.31 million baht, an increase of 15.32%, reason is tariff (FT) rate per unit increase.

Revenue from Solar Business: In the third quarter of 2023, there was revenue from the solar cell business. and related equipment amounted to 88.80 million baht, a decrease from the year 2022 of 111.53 million baht, a decreased of 20.38%, there is the high demand for products in the market, resulting to price competition. Therefore, market share decreased.

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 third quarter of 2023 amounted to 11.43 million baht, an increase of 3.70%, while in 2022, it was 7.73 million baht. caused by customer service plan returned to normal situation after the COVID-19 situation.

Type	2023	Increase (Decrease)		2022
	Amount	Amount	%	Amount
Service and maintenance	5.23	0.68	14.95	4.55
Transformer repairs	5.00	3.07	159.07	1.93
Other services	1.20	(0.05)	(4.00)	1.25
Total Revenue form Service	11.43	3.70	47.87	7.73

COST OF SALES AND SERVICES

In the third quarter of year 2023, the company has cost of sales and services of 292.56 million baht, gross profit margin of 19.04%, while the same period of year 2022, the company has cost of sales and services of 300.87 million baht, to be gross profit of 7.79%, the reason from to the price of main raw materials used in production having decreased.

SELLING AND ADMINISTRATIVE EXPENSES

The Company had selling and administrative expenses of 35.64 million baht for the year 2023, a decreased of 8.26% from the amount of 38.85 million baht in 2022, which was caused by the control of selling and administrative expenses to consistent with the current economic situation.

Please be informed accordingly.

Yours Sincerely



Mr. Poonhiphat Tantanasin

Chief Executive Officer