



No.FTE 004/2023

14 November 2023

Subject Management Discussion and Analysis for the nine – month period ended 30 September 2023

Attention The President of
The Stock Exchange of Thailand

Attachment: Report and interim financial statement for the nine -month period ended 30 September 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 nine – month period ended 30 September 2023 which the details are as follows:

Unit: million Baht	For the three-month period ended 30 September (Jul – Sep)			
	2023	2022	Change	% Increase (Decrease)
Revenues from sales of goods	205.50	189.80	15.70	8.27
Revenues from project works and services	89.53	101.22	(11.69)	(11.55)
Total Revenues from Sales and Services	295.03	291.02	4.01	1.38
Cost of sales of goods	145.42	135.64	9.78	7.21
Cost of project works and services	71.56	76.64	(5.08)	(6.63)
Total Costs of Sales and Services	216.98	212.28	4.70	2.21
Gross Profit	78.05	78.74	(0.69)	(0.88)
Other income	1.58	1.03	0.55	53.40
Distribution costs	21.04	18.88	2.16	11.44
Administrative expenses	20.68	30.06	(9.38)	(31.20)
Finance costs	1.30	1.41	(0.11)	(7.80)
Expected credit losses	2.98	9.69	(6.71)	(69.25)
Tax expense	6.86	4.04	2.82	69.80
Profit for the period	26.77	15.69	11.08	70.62
Gross Profit Margin (%)	26.45	27.06		
Net Profit Margin (%)	9.03	5.37		



Unit: million Baht	For the nine - month period ended 30 September (Jan – Sep)			
	2023	2022	Change	% Increase (Decrease)
Revenues from sales of goods	583.72	508.65	75.07	14.76
Revenues from project works and services	266.98	255.38	11.60	4.54
Total Revenues from Sales and Services	850.70	764.03	86.67	11.34
Cost of sales of goods	414.66	359.92	54.74	15.21
Cost of project works and services	212.42	203.13	9.29	4.57
Total Costs of Sales and Services	627.08	563.05	64.03	11.37
Gross Profit	223.62	200.98	22.64	11.26
Other incomes	4.32	3.08	1.24	40.26
Distribution costs	59.19	54.66	4.53	8.29
Administrative expenses	60.25	73.76	(13.51)	(18.32)
Finance costs	3.31	4.71	(1.40)	(29.72)
(Reversal) expected credit losses	(1.95)	18.04	(19.99)	(110.81)
Tax expense	21.59	11.15	10.44	96.63
Profit for the period	85.55	41.74	43.81	104.96
Gross Profit Margin (%)	26.29	26.31		
Net Profit Margin (%)	10.01	5.44		

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 2023, the Company's revenues from sales and services was THB 295.03 million, increased by THB 4.01 million or 1.38% compared to the same period of the last year.

For the nine -month period ended 30 September 2023, the Company's revenues from sales and services was THB 850.70 million, increased by THB 86.67 million or 11.34% compared to the same period of the last year.

Revenues from sales and services was increased due to the volume of backlog orders in the past year. More products were delivered to the work area and some products had their prices raised. In addition, 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 September 2023, the Company's gross profit was THB 78.05 million or 26.45%.

For the nine-month period ended 30 September 2023, the Company's gross profit was THB 223.62 million or 26.29%.

Gross profit was increased by THB 22.64 million, or 11.26%. Gross profit was increased due to higher sales volumes. Gross profit margin was increased in a similar proportion compared to the previous year.

Distribution Costs and Administrative Expenses

For the three-month period ended 30 September 2023, the Company's distribution costs and administrative expenses were THB 41.72 million, decreased by THB 7.22 million or 14.75%.

For the nine-month period ended 30 September 2023, the Company's distribution costs and administrative expenses were THB 119.44 million, decreased by THB 8.98 million or 6.99%.

Distribution costs were increased by THB 4.53 million, most of which increased from expenses that vary according to increased sales, such as cost of transportation, commission and expenses related to employees.

Administrative expenses were decreased by THB 13.51 million, mainly from reducing of the allowance for product value and expenses related to exchange rate losses. Due to inventory management and the use of financial tools are more efficient. The company has adjusted under the fluctuations of the world economy.

Finance costs

For the three-month period ended 30 September 2023, the Company's finance costs was THB 1.30 million, decreased by THB 0.11 million or 7.80% compared to the same period of last year.

For the nine-month period ended 30 September 2023, the Company's finance costs was THB 3.31 million, decreased by THB 1.29 million or 29.72% 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 September 2023, the Company had decreased expected credit losses of THB 2.98 million, or 69.25 % compared to the same period of last year.

For the nine-month period ended 30 September 2023, the Company had Reversal of increased expected credit losses of THB 1.95 million, or 110.81% compared to the same period of last year.



- 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

Reversal of increased expected credit losses 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.

Net Profit and Net Profit Margin

For the three-month period ended 30 September 2023, the company had a net profit of THB 26.77 million, or a net profit margin of 9.03%, net profit increased by THB 11.08 million, or 70.62%

For the nine-month period ended 30 September 2023, the company had a net profit of THB 85.55 million, or a net profit margin of 10.01%, net profit increased by THB 43.81 million, or 104.96% 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