



No.FTE 001/2024

27 February 2024

Subject Management Discussion and Analysis for the year ended 31 December 2023

Attention The President of
The Stock Exchange of Thailand

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 year ended 31 December 2023 which the details are as follows:

Unit: million Baht	For the year ended December 31			
	2023	2022	Change	% Increase (Decrease)
Revenues from sales of goods	775.04	703.21	71.83	10.21
Revenues from project works and services	369.88	385.88	(16.00)	(4.15)
Total Revenues from Sales and Services	1,144.92	1,089.09	55.83	5.13
Cost of sales of goods	549.73	497.26	52.47	10.55
Cost of project works and services	291.95	303.33	(11.38)	(3.75)
Total Costs of Sales and Services	841.68	800.59	41.09	5.13
Gross Profit	303.24	288.50	14.74	5.11
Other income	10.98	5.24	5.74	109.54
Distribution costs	82.55	76.43	6.12	8.01
Administrative expenses	81.26	94.84	(13.58)	(14.32)
Finance costs	4.60	5.89	(1.29)	(21.90)
(Reversal) expected credit losses	(1.96)	14.90	(16.86)	(113.15)
Tax expense	30.07	21.01	9.06	43.12
Profit for the period	117.70	80.67	37.03	45.90
Gross Profit Margin (%)	26.49	26.49		
Net Profit Margin (%)	10.18	7.37		

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 year ended 31 December 2023, the Company's revenues from sales and services was THB 1,144.92 million, increased by THB 55.83 million or 5.13% 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. The company has a team and product inventory that can support Mega projects for both government and private sector. In addition, the trend of the construction industry is growing better than last year. It is expected that income will continue to expand.

Gross Profit and Gross Profit Margin

For the year ended 31 December 2023, the Company's gross profit was THB 303.24 million or 26.49%.

Gross profit was increased by THB 14.74 million, or 5.11%. Gross profit was increased due to higher sales volumes. Gross profit margins was similar compared to the previous year. The company is able to manage product costs to maintain a good level continuously.

Other income

For the year ended 31 December 2023, the Company's other income were THB 10.98 million, increased by THB 5.74 million or 109.54% The increase was mainly from foreign exchange gains due to the company uses financial tools more efficiently.

Distribution Costs and Administrative Expenses

For the year ended 31 December 2023, the Company's distribution costs and administrative expenses were THB 163.81 million, decreased by THB 7.46 million or 4.36%.

Distribution costs were increased by THB 6.12 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 13.58 million, mainly from reducing of the allowance for product value due to effective inventory management both product storage and distribution. This is because the company has a large warehouse and has a Software ERP Cloud system that can check inventory in real time which helps in planning of sales and purchasing.

Finance costs

For the year ended 31 December 2023, the Company's finance costs was THB 4.60 million, decreased by THB 1.29 million or 21.90% 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 and related person for promissory note.



- 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

Expected credit losses

For the year ended 31 December 2023, the Company had Reversal of increased expected credit losses of THB 1.96 million, increased by THB 16.86 million or 113.15% compared to the same period of last year.

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 year ended 31 December 2023, the company had a net profit of THB 117.70 million, or a net profit margin of 10.18%, net profit increased by THB 37.03 million, or 45.90% 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

