

**EKARAT ENGINEERING PUBLIC COMPANY LIMITED**

U.M. Tower Bldg., 28th Floor, 9/291 Ramkhamhaeng Rd.,
Suanluang Sub-Dis., Suanluang Dis., Bangkok 10250, Thailand
Tel : (662) 719-8777 Fax : (662) 719-8760
Public Company Registration No. 518 <https://www.ekarat.co.th>



EE 08/2024/219

Management Discussion and Analysis for the operating results for Q1/2024 Ekarat Engineering Public Company Limited and the subsidiaries

Summary of operating results

Ekarat Engineering Public Company Limited (the Company) would like to clarify the performance of the Company and the subsidiaries for the first quarter ending 31 March 2024, as follow:

- Total revenues 459.19 MB, decreased by 30.84% from the same quarter of last year.
- Gross profit 119.78 MB, decreased by 16.20% from the same quarter of last year.
- Profit of equity holders of the parent 37.97 MB, decreased by 39.06% from the same quarter of last year.

	Q1/2024		Q1/2023		Variance	
	MB	%	MB	%	MB	YoY%
Revenues	455.97	99.30%	658.24	99.14%	-202.27	-30.73%
Costs	336.19	73.21%	515.31	77.62%	-179.12	-34.76%
Gross Profit	119.78	26.09%	142.93	21.53%	-23.15	-16.20%
Other income	3.22	0.70%	5.68	0.86%	-2.46	-43.31%
Total revenues	459.19	100.00%	663.92	100.00%	-204.73	-30.84%
Distribution costs	28.20	6.14%	29.81	4.49%	-1.61	-5.39%
Administrative expenses	39.20	8.54%	35.22	5.30%	3.98	11.30%
Profit from operating activities	55.60	12.11%	83.58	12.59%	-27.98	-33.48%
Financial cost	5.94	1.29%	6.29	0.95%	-0.35	-5.50%
Profit before income tax expenses	49.66	10.81%	77.29	11.64%	-27.63	-35.75%
Income tax expenses	10.70	2.33%	14.99	2.26%	-4.29	-28.62%
Net profit	38.96	8.48%	62.30	9.38%	-23.34	-37.46%
Profit of equity holders of the parent	37.97	8.27%	62.31	9.39%	-24.34	-39.06%

Analyze the performance results in Q1/2024

Revenue :

The total revenues from operation of the Company were 455.97 million baht, decreased by 202.27 million baht or about 30.73% compared to the same quarter of last year.

The Company's revenue came from four types of operations: 1) Revenue from the sales of goods in the proportion of 77.38% 2) Revenue from services and maintenance was 10.63% 3) Revenue from service of installing a solar panel was 9.91% 4) Revenue from sales of electricity was 2.08%.

Analysis of Revenues

- Revenue from sales of goods has decreased by 167.10 million baht or about 32.14%, mostly decreased from sales of transformers to private sector customers in the country, but there was increase in the delivery of transformers to government agencies.
- Revenue from services and maintenance has decreased by 67.30 million baht or about 58.13%. Since Q1/2023, there was recognition of revenue from construction works of power stations for private sector customers, which were high-value projects. However, in Q1/2024, the Company did not have any major projects, thus reducing revenue.
- Revenue from service of installing a solar panel has increased by 32.13 million baht or about 246.13%. Due to the recognition of revenue based on the success of projects installing solar power generation systems for private sector customers, there were several projects.
- Revenue from sales of electricity has increased by 0.01 million baht or about 0.12%. The amount of electricity generated by the Solar Farm in Prachinburi Province has slightly increased due to the replacement of some old solar panels with new ones. This replacement has helped enhance the amount of electricity produced from sunlight.

Costs :

The total costs from operation of the Company were 336.19 million baht, decreased by 179.12 million baht or about 34.76% compared to the same quarter of last year.

Analysis of Costs

- Cost of goods sold has decreased by 148.21 million baht or about 35.92%, in accordance with the decrease in revenue.
- Cost of services and maintenance has decreased by 58.83 million baht or about 65.05%. In Q1/2023, there was a recognition of project costs for constructing power substations for private customers, as well as a decrease in costs for subcontracting and repair services under contracts.
- Cost from service of installing a solar panel has increased by 24.09 million baht or about 196.35%, due to the recognition of installation costs for solar panels for several private sector projects, which corresponds to the increase in revenue.
- Cost of electricity sold has increased by 0.30 million baht or about 6.29%, due to the depreciation of solar panels at the Solar Farm.

In addition, the reversal of loss on devaluation of goods was 1.31 million baht, due to the reversal of depreciation provisions for finished goods, specifically transformers, that were sold during the period.

Distribution Costs :

Distribution Cost of the Company was 28.20 million baht, decreased by 1.61 million baht or about 5.39% compared to the same quarter of last year. Most of these expenses were related to the sales of transformers and promotional activities. When comparing the proportion of distribution costs to total revenue, there was an increase of 1.90% from the same period last year.

Administrative Expenses :

Administrative Expenses of the Company was 39.20 million baht, increased by 3.98 million baht or about 11.30% compared to the same quarter of last year. This was due to exchange rate losses resulting from fluctuations in inflation and interest rates, which led to the depreciation of the Thai baht, as well as the payment of bank L/G (Letter of Guarantee) fees. When comparing the proportion of administrative expenses to total revenue, there was an increase of 2.98% from the same period last year.

Financial Cost :

Financial Cost of the Company was 5.94 million baht, decreased by 0.35 million baht or about 5.50% compared to the same quarter of last year. This reduction was due to a decrease in interest on trust receipts from the purchase of raw materials from abroad, compared to the same period last year, and a decrease in interest on lease payments because some lease agreements were fully paid off in 2023.

Please be informed accordingly,

Sincerely yours,

(Miss Rompissri Noichaiboon)

Managing Director