

No. GTB-AC004/2562

7 November 2019

Subject : Management Discussion and Analysis for the Third quarter of 2019
(Ending 30 September 2019)

To : Managing Director
The Stock Exchange of Thailand

Getabec Public Company Limited (“Company”) and its subsidiaries would like to report the operating results of the Third quarter of 2019 (ending 30 September 2019). According to the consolidated financial statements, total revenue recorded at 415.23 million Baht, an increase of 183.68 million Baht, or an increase of 79.32% over the same period last year. The consolidated net profit was 42.31 million Baht, an increase of 31.46 million Baht over the same period previous year which had net profit of 10.85 million Baht. The additional details will be described as follows:

Revenue from contract work

In the third quarter of 2019, the Company and its subsidiaries had revenue from contract work amount to 370.94 million Baht, an increase of 108.87% from the third quarter of 2018 which had revenue from contract work of 177.59 million Baht. This was mainly due to the revenue generated from Large, high value contract works which were near completion.

Cost of contract work

In the third quarter of 2019, the Company and its subsidiaries had cost of contract work amount to 304.05 million Baht, the ratio of cost of contract work to revenue from contract work was 81.97%, or a gross profit margin of 18.03%. While the third quarter of 2018, the cost of contract work was 157.19 million Baht which was 88.51% of revenue from contract work, or a gross profit margin of 11.49%. This was primarily due to the effective cost control measures implemented during the year.

Revenue from services

In the third quarter of 2019, the Company and its subsidiaries had revenue from services amount to 44.29 million Baht, a decrease of 17.92% from the third quarter of 2018, which had revenue from services of 53.96 million Baht. This was mainly from the temporary shift of staff from services to support the contract work in order to ensure the fast and effective completion of large and high value work. Hence, there was less staff to perform the services work. As a result, revenue dropped accordingly.

Cost of services

In the third quarter of 2019, the Company and its subsidiaries had cost of services amount to 30.09 million Baht, the ratio of cost of service to revenue from services was 67.94%, or a gross

profit margin of 32.06%. While the third quarter of 2018, the cost of services was 35.89 million Baht which was 66.51% of revenue from service, or a gross profit margin of 33.49%.

Net profit

In the third quarter of 2019, the Company and its subsidiaries had a net profit of 42.31 million Baht or a net profit margin of 10.19% while the third quarter of 2018, the net profit was 10.85 million Baht or a net profit margin of 4.69%. The improvement in net profit were generated mainly from the higher profit derived from contract work and the effective cost control measures which reduced the cost of work.

Other comprehensive income

In the third quarter of 2019, the Company and its subsidiaries had surplus from revaluation of assets, primarily from existing land and land for future development amounted to 84 million Baht which the Company and its subsidiaries had set a reserve on Income tax relating to this items amounted to 16.8 million Baht. As a result, other comprehensive income for the periods is 67.2 million Baht.

Financial performance of the Company and its subsidiaries for the third period of 2019

The Company and its subsidiaries had total assets of 1,054.7 million Baht, an increase of 23 % from period ending 31 December 2018, contributed mainly from the revaluation of land and the increase in inventories of 268 million Baht which consisted mainly of works in process. The Company and its subsidiaries had total liabilities amounted to 334 million Baht, an increase of 35% due mainly to an increase in trade payable and deferred tax liabilities while retained earnings increased to 719 million Baht, and increase 18% from increase in net profit as well as from the increase in land value from revaluation.

Sincerely yours,

(Mr.Suchat Mongkhonaripong)
Chief Executive Officer
Getabec Public Company Limited