



No. FTE 006/2562

12 November 2019

Subject Management Discussion and Analysis for the third quarter ended September 30, 2019

Attention The President
The Stock Exchange of Thailand

Attachment Report and interim financial statement for the third quarter ended September 30, 2019

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 third quarter ended September 30, 2019 which the details are as follows:

Unit: million Baht	For 3-month period (July-Sep)			
	2019	2018	Change	% Increase (Decrease)
Revenue from sale of goods	179.08	170.35	8.73	5.12
Revenue from project works and services	70.44	75.71	(5.27)	(6.96)
Total Revenue from Sale and Services	249.52	246.06	3.46	1.41
Cost of sales of goods	127.52	115.75	11.77	10.17
Cost of project works and services	59.11	55.76	3.35	6.01
Total Costs of Sales and Services	186.63	171.51	15.12	8.82
Gross Profit	62.89	74.55	(11.66)	(15.64)
Other incomes	1.97	2.48	(0.51)	(20.56)
Distribution costs	19.69	17.69	2.00	11.31
Administrative expenses	15.10	21.03	(5.93)	(28.20)
Tax expense	5.92	7.74	(1.82)	(23.51)
Profit for the period	24.15	30.57	(6.42)	(21.00)
Net Profit - attributable to equity holders of the parent	24.15	30.57	(6.42)	(21.00)
Gross Profit Margin (%)	25.20	30.30		
Net Profit Margin (%)	9.60	12.30		

Unit: million Baht	For 9-month period (Jan-Sep)			
	2019	2018	Change	% Increase (Decrease)
Revenue from sale of goods	510.75	480.25	30.50	6.35
Revenue from project works and services	230.66	239.93	(9.27)	(3.86)
Total Revenue from Sale and Services	741.41	720.18	21.23	2.95
Cost of sales of goods	362.34	333.93	28.41	8.51
Cost of project works and services	184.46	184.32	0.14	0.08
Total Costs of Sales and Services	546.80	518.25	28.55	5.51
Gross Profit	194.61	201.93	(7.32)	(3.63)
Other incomes	9.62	7.30	2.32	31.78
Distribution costs	56.27	49.69	6.58	13.24
Administrative expenses	50.45	48.08	2.37	4.93
Tax expense	19.33	22.43	(3.10)	(13.82)
Profit for the period	78.18	89.03	(10.85)	(12.19)
Net Profit - attributable to equity holders of the parent	78.18	89.03	(10.85)	(12.19)
Gross Profit Margin (%)	26.25	28.04		
Net Profit Margin (%)	10.41	12.24		

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



Revenue from Sales and Services

For 3-month period ended September 30, 2019, the Company's revenue from sales and services was THB 249.52 million, increased by THB 3.46 million or equivalent to 1.41 percent compared to the same period of last year.

For 9-month period ended September 30, 2019, the Company's revenue from sales and services was THB 741.41 million, increased by THB 21.23 million or equivalent to 2.95 percent increase compared to the same period of last year.

Revenue from sale of goods was increased due to a growing customer base compared to the same period of last year,

Revenue from project work and services decreased. Because such income depends on value of fire fighting contractor projects each year.

Gross Profit and Gross Profit Margin

For 3-month period ended September 30, 2019, the Company's gross profit was THB 62.89 million or equivalent to the gross profit margin of 25.20 percent, whilst in the same period of last year, the Company's gross profit was THB 74.55 million or equivalent to gross profit margin of 30.30 percent.

For 9-month period ended September 30, 2019, the Company's gross profit was THB 194.61 million or equivalent to the gross profit margin of 26.25 percent, whilst in the same period of last year, the Company's gross profit was THB 201.93 million or equivalent to gross profit margin of 28.04 percent.

The decrease in gross profit and gross profit margin were a consequence of the fact that the Company revenue from project works and services as mentioned earlier, while the other costs were increased.

Distribution costs and Administrative Expenses

For 3-month period ended September 30, 2019, the Company's distribution costs and administrative expenses were THB 34.79 million, decrease by THB 3.93 million or up 10.15 percent compared to the same period of last year.

For 9-month period ended September 30, 2019, the Company's distribution costs and administrative expenses were THB 106.72 million, increased by THB 8.95 million or up 9.15 percent compared to the same period of last year.

Increases in such expenses resulted from rising salesperson and management expenses in order to accommodate the Company's expansion and the Company has set aside Employee benefit obligations in accordance with severance payment as the labor law which entitled retired employee within work service year in various rates as the Labor Protection Act (No. 7) B.E. 2562 and has set aside loss on devaluation of obsolete, defective and slow-moving inventories so on.

Net Profit and Net Profit Margin

For 3-month period ended September 30, 2019, the Company's net profit attributable to equity holders of the parent was THB 24.15 million which was equal to the net profit margin of 9.60 percent. Whilst, in the same period of last year, the Company's net profit attributable to equity holders of the parent was THB 30.57 million which was equal to the net profit margin of 12.30 percent.

For 9-month period ended September 30, 2019, the Company's net profit attributable to equity holders of the parent was THB 78.18 million which was equal to the net profit margin of 10.41 percent. Whilst, in the same period of last year, the Company's net profit attributable to equity holders of the parent was THB 89.03 million which was equal to the net profit margin of 12.24 percent.



FIRETRADE
ENGINEERING PUBLIC COMPANY LIMITED

Turn-key for Engineering, Design, Supply, Installation, Supervision, Testing, Commissioning, etc.
• 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

T H E L E A D E R I N F I R E P R O T E C T I O N

The decrease in net income for the third quarter ended September 30, 2019, was as mentioned earlier.

Please be informed accordingly,

Yours sincerely,

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(Mr. Taksin Tantipijit)

Managing Director

Firetrade Engineering Public Company Limited

