

No. GTB-AC002/2563

15 May 2020

Subject : Management Discussion and Analysis for the First quarter of 2020
(Ending 31 March 2020)

To : Managing Director
The Stock Exchange of Thailand

Getabec Public Company Limited (“Company”) and its subsidiaries would like to clarify the operating results of the first quarter of 2020 (ending 31 March 2020). According to the consolidated financial statements, the Company and its subsidiaries had total revenue of 309.59 million Baht, increased by 128.60 million Baht, or an increase of 71.06%, compared with the same period of previous year. The Company and its subsidiaries had a net profit of 13.95 million Baht, an increase of 11.99 million Baht, compared to the previous year which had net profit of 1.96 million Baht. The additional details will be described as follows:

Overview of Business

The COVID -19 virus pandemic situation has had a wide impact on all types of businesses and industries. In the first quarter of 2020, the negative impact on revenue to the Company and its subsidiaries had been minimal due to the revenue generated from continuing work on large projects acquired from last year which resulted in satisfactory revenue and net profit for this period. Nevertheless, it was expected to have negative impact to the Company and its subsidiaries for the rest of the year due to decreased production in manufacturing in many industries and the slowdown of many businesses. The company and its subsidiaries has revised its strategies to cope with the situation by focusing its marketing towards industries least impacted by the coronavirus, such as the food and pharmaceutical industries. Additionally, the company had launched a new product “Electric Steam Boiler and Sterilizer/Autoclave” for disinfection, which will be especially suitable for the food and pharmaceutical industries and hospitals.

Furthermore, the company and its subsidiaries has implemented strict policies to control and reduce expenses to maintain the rate of return and profitability.

1. Revenue from contract work

In the first quarter of 2020, the Company and its subsidiaries had revenue from contract work amounted to 261.48 million Baht, an increase of 88.66% from the first quarter of 2019 which had revenue from contact work of 138.60 million Baht. The reason the company and its subsidiaries had a satisfactory increase in revenue from contract work was due to revenues generated from projects which the company had been working on in the previous year, including revenue obtained from Getabec Vietnam for the CP Vietnam Project which generated a revenue of 42.8 Million Baht.

2. Cost of contract work

In the first quarter of 2020, the Company and its subsidiaries had cost of contract work amount of 224.70 million Baht, the ratio of cost contract work to revenue from contract work was 85.93%, or a gross profit margin of 14.07%. While the first quarter of 2019, the cost of contract work was 120.28 million Baht which was 86.78% of revenue from contract work, or a gross profit margin of 13.22%.

3. Revenue from services

In the first quarter of 2020, the Company and its subsidiaries had revenue from services amount of 48.11 million Baht, an increase of 13.49% from the first quarter of 2019, which had revenue from services amount of 42.39 million Baht. Revenue from services increased due to the addition of a new branch in other province last year, allowing faster services and increasing customer's convenience.

4. Cost of services

In the first quarter of 2020, the Company and its subsidiaries had cost of services amount of 32.26 million Baht, the ratio of cost of service to revenue from services was 67.05%, or a gross profit margin of 32.95%. While the first quarter of 2019, the cost of services was 30.88 million Baht which 72.84% of revenue from service, or a gross profit margin of 27.16%.

5. Net profit

In the first quarter of 2020, the Company and its subsidiaries had a net profit of 13.95 million Baht or net profit margin of 4.50%. While the first quarter of 2019, the net profit was 1.96 million Baht or net profit margin of 1.08%. The increase in profitability was due to improved control of expenses and operating cost.

Sincerely yours,

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

