

At SR-E2561/002

22 February 2018

Subject : Management Discussion and Analysis for the year ended 31 December 2017

To : Managing Director

The Stock Exchange of Thailand

Siamraj Public Company Limited (“The Company”) would like to clarify the operating results for the year ended 31 December 2017 which changes at the rate exceeding 20% of those from the prior year. The details are as follows ;

Consolidate financial statements				
Units : Baht million	2017	2016	Inc(Dec)	%
Main revenues	976.84	1,326.37	(349.53)	(26.35)
Other revenues	32.12	61.46	(29.34)	(47.74)
Total revenues	1,008.96	1,387.83	(378.87)	(27.30)
Cost	(799.97)	(1,115.79)	(315.82)	(28.30)
Operating expenses	(173.39)	(167.78)	5.61	3.34
Profit (Loss) for the periods	36.36	101.81	(65.45)	(64.29)
EBITDA	68.06	143.90	(75.84)	(52.70)

Note EBITDA =Earnings and dividends, before interest, tax, depre & amortization

The Company reported its operating results according to consolidated financial statement for the year ended 31 December 2017 as net profit of Baht 36.36 million, decreasing by Baht 65.45 million, or 64.29%

From the prior year. EBITDA of Baht 68.06 million decreasing 52.70 % . The main reasons for the change of the operation are as follows ;

Revenues


In 2017, the Company generated total revenue of Baht 976.84 million, decreasing by Baht 349.53 million or 26.35 %. The significant decrement of main revenues is from Metering and Pipeline Transmission business units. In 2017, the numbers of outstanding construction project on hand and their value were significantly less than those of the same period last year. The success of this year has been reduced. In 2017 other revenue decrease from the period last year resulting mainly from the Company recognized revenue from commission fee less than those of the same period last year, decreasing by Baht 27.59 million, the Company got the commission fee from being a provider and coordinator for selling Gas Turbine to power plants which is the regular business operation. Occurred occasionally with the opportunity from Engineered Pump and Systems business unit.

Cost and operating expenses

In 2017, the Company had costs of Baht 799.97 million, decreasing by Baht 315.82 million or 28.30 % from last year. The change is a result of the decrease in variable expenses which move in respond to the decrease of revenues. The operating expenses amounted to Baht 173.39 million, an increase of Baht 5.61 million from the previous year. The expenses were related to the transfer of the entire business of Techtronic Company Limited (T-Holding).



Sincerely Yours.


(Mrs Udomporn Jiranapakulwat)

Chief Financial Officer