



At SR-E2562/012

7th November, 2019

Subject : Management Discussion and Analysis (MD&A) for the third quarter ended 30 September 2019

To : President of the Stock Exchange of Thailand

Siamraj Public Company Limited (“The Company”) would like to clarify the operating results for the third quarter ended 30 September 2019 which the details are as follows ;

Table of key financial results

(Units:Million Baht)	Q3	Q2	Q3	%	%	9M	9M	%
	2019	2019	2018	Inc.(Dec.) QOQ	Inc.(Dec.) YOY	2019	2018	Inc.(Dec.) YTD
Main revenues	359.94	313.10	503.69	14.96%	(28.54%)	981.51	1,207.46	(18.71%)
Other revenues	2.37	0.07	4.44	3,285.71%	(46.62%)	4.65	16.69	(72.14%)
Total revenues	362.31	313.17	508.13	15.69%	(28.70%)	986.16	1,224.15	(19.44%)
Cost and operating expenses	(354.16)	(314.57)	(511.92)	12.59%	(30.82%)	(981.10)	(1,212.49)	(19.08%)
Profit(Loss) for the periods	7.89	(1.68)	(3.28)	569.64%	340.55%	4.59	12.51	(63.31%)

For Third quarter of 2019 compared with Second quarter of 2019

In the third quarter of 2019 (Q3/2019), net profit of the Company was Baht 7.89 million, increasing by Baht 9.57 million or 569.64% compared with the second quarter of 2019 (Q2/2019) mainly due to ;

(1) The Field of Flow Measurement Business Unit had managed cost well resulting in lower cost of sales, along with an increasing of revenue from service which has a low cost rate. Therefore, the gross profit increased when compared to the previous quarter.

(2) The Engineered Pumps and Systems Business Unit had an increased in revenue from the delayed project in the previous quarter. The revenue started to recognize in the third quarter of 2019 (Q3/2019).

For Third quarter of 2019 compared with Third quarter of 2018

In the third quarter of 2019 (Q3/2019), net profit of the Company was Baht 7.89 million, increasing by Baht 11.17 million or 340.55% compared with the third quarter of 2018 (Q3/2018) mainly due to ;

Revenue

The Company generated main revenue of Baht 359.94 million, decreasing by Baht 143.75 million or 28.54% from the third quarter of 2018 (Q3/2018). The significant decrement of main revenue were from ;

(1) The Metering and Pipeline Transmission Business Unit could not recognize the revenue as per expected due to the owner requested to postpone the working progress.



(2) The Engineered Pumps and Systems Business Unit revenue decreased from the same period in previous year. As the third quarter of 2018 (Q3/2018) unit was able to delivery some project and recognized revenue faster than expected. While this year, unit received high valued purchase orders from customers in early 2019 which are still being shipped from overseas. Expected to be ready for delivery to customers within the fourth quarter of 2019.

(3) The Field of Flow Measurement Business Unit had decreased the numbers of outstanding construction project on hand and their value were significant less than those of same period last year.

Cost and operation expenses

The Company costs and operation expenses of Baht 354.16 million, decreasing by Baht 157.76 million or 30.82% from the third quarter of 2018 (Q3/2018) mainly due to

(1) The decline in variable costs that corresponding to the main income and also the NGV station was stopped to operate for 1 station since the third quarter of 2018 (Q3/2018).

(2) The provision for loss of construction project related to the Alternative Energy Business Unit, the Company recorded the full amounts of losses in the income statement into the third quarter of 2018 (Q3/2018).

Although the Company main revenues decreased by 28.54%, our net profit increased by 340.55% due to the reasons as mentioned above, including our well-managed cost and operation expenses.

For the nine-month period ended September 2019 compared with 2018

For the nine-month period ended September 2019, net profit of the Company was Baht 4.59 million, net profit decreasing by Baht 7.92 million or 63.31% from the same period last year. The significant changes of revenues, costs and operation expenses compared with the same period of last year are all mentioned in the comparison topic between third quarter of 2019 compared with Third quarter of 2018 above,. While the decreased of other income due to the reduction of commission fee and profit from the sale of assets.

Sincerely Yours.

(Mrs. Udomporn Jiranapakulwat)
Chief Finance Officer and Accounting