



CPT Drives and Power Public Company Limited

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Professional for Drives and Power

No. CPT/EN009-2023

May 11, 2023

Subject: Management Discussion and Analysis for the 3 month period ended 31 March 2023

To: Presidents

The Stock Exchange of Thailand

Board of Directors meeting no.2/2023 of CPT Drives and Power Public Company Limited (“the Company”) which held on May 11, 2023 resolved to approve the financial statement for the 3 month period ended 31 March 2023. The Company would like to inform the management discussion and analysis for the 3 month period ended 31 March 2023 as following.

The operating result analysis for the 3 month period ended 31 March 2023

Revenues

| Revenue's structures | 2023 | | 2022 | | Change | |
|--|---------------|---------------|---------------|---------------|----------------|----------------|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| 1. Revenue from sales of | | | | | | |
| 1.1 Electric Panel | 49.07 | 16.23 | 101.91 | 29.98 | (52.84) | (51.85) |
| 1.2 Unit Products | 34.13 | 11.29 | 14.60 | 4.29 | 19.54 | 133.87 |
| Total revenue from sales | 83.20 | 27.52 | 116.51 | 34.27 | (33.31) | (28.59) |
| 2. Revenue from Cable Installation and Substation | 207.62 | 68.68 | 217.70 | 64.04 | (10.08) | (4.63) |
| 3. Revenue from Services | 7.63 | 2.52 | 4.69 | 1.38 | 2.94 | 62.58 |
| Total revenue from services | 215.25 | 71.20 | 222.39 | 65.42 | (7.14) | (3.21) |
| Total operating revenues | 298.45 | 98.73 | 338.90 | 99.70 | (40.45) | (11.94) |
| 4. Other income * | 3.20 | 1.06 | 0.93 | 0.27 | 2.26 | 242.10 |
| 5. Gain on exchange rate | 0.66 | 0.22 | 0.10 | 0.03 | 0.56 | 560.19 |
| Total revenues | 302.30 | 100.00 | 339.93 | 100.00 | (37.63) | (11.07) |

*Other revenues consisted of sales of scrap, interest income and gain form short-term investments etc.

- 1. Revenue from sales:** For the 3 month period ended 31 March 2023 and 2022, sales revenues were Baht 83.20 million and Baht 116.51 million, respectively. Which has decreased compared to 2022. Due to some electrical Panel sales are still in production and waiting for delivery in the next quarter. In the product sales segment, the income has increased considerably.



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2. **Revenue from cable installation and substation:** For the 3 month period ended 31 March 2023 and 2022, revenues from Cable Installation and Substation were Baht 207.62 million and Baht 217.70 million, respectively. Which has decreased compared to 2022, because the company has several projects that are in the process of delivering according to the work progress in the next quarter.
3. **Revenue from services:** For the 3 month period ended 31 March 2023 and 2022, services revenues were Baht 7.63 million and Baht 4.69 million, respectively. Which increased the revenue from services job compared to year 2022 due to the more relaxed of COVID situation. Therefore, the people who works in service job can continue to work.

Cost of sales and services

1. **Cost of sales:** A Main component of cost of sales was cost of material, accounted for approximately 70-80% of total cost of sales. Main raw materials contained assembly parts of machine control panel such as Motors, Inverters and electrical equipment etc. which were purchased both domestically and internationally supplier. Besides, other costs were direct labor, miscellaneous expenses, and depreciation etc. , accounted for approximately 20-30% of total cost of sales.

For the 3 month period ended 31 March 2023 and 2022, cost of goods sold were Baht 80.31 million and Baht 101.06 million, or accounted as gross profit margin of 3.48% and 13.26%, respectively. The company's gross profit margin has decreased. Due to the cost of the main raw materials used in the production of steel, copper and electrical equipment with much higher market prices. As a result, some job sold at a loss. But most sales jobs are still profitable.

2. **Cost of cable installation and substation:** Actual cost of construction which is completed until the end. For the 3 month period ended 31 March 2023 and 2022, actual construction cost were Baht 185.15 million and Baht 202.49 million, or accounted as gross profit margin of 10.82% and 6.99% , respectively. The company's gross profit margin has increased. Due to the company can manage costs and labor costs of contracting projects more closely and efficiently.
3. **Cost of services:** Consist of cost of services and cost of repairs. For the 3 month period ended 31 March 2023 and 2022, cost of services were Baht 4.60 million and Baht 2.78 million, or accounted as gross profit margin of 39.68% and 40.73%, respectively. The gross margin dropped slightly.



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Gross profit margin:

For the 3 month period ended 31 March 2023 and 2022, the gross profit margin was 9.51% and 9.61%, respectively, which this year has a gross profit similar to last year.

Selling expenses and administrative expenses

- Selling expenses:** For the 3 month period ended 31 March 2023 and 2022, selling expenses were Baht 8.09 million and Baht 7.53 million, by the expenses of the increase arising from travel expenses to liaise with both new and existing customers.
- Administrative expenses:** For the 3 month period ended 31 March 2023 and 2022, administrative expenses were Baht 16.62 million and Baht 18.39, decreased when compared to the year 2022 Due to more efficient internal management.

| Statement of Profit or Loss | For the 3 month period | | Change | |
|--|------------------------|---------------|---------------------|---------|
| | 31 March 2023 | 31 March 2022 | Increase (Decrease) | |
| | Million Baht | Million Baht | Million Baht | % |
| Revenues from sales of goods and services | 298.45 | 338.90 | (40.45) | (11.94) |
| Cost of sales and services | 270.06 | 306.33 | (36.27) | (11.84) |
| Gross profit | 28.39 | 32.57 | (4.18) | (12.84) |
| Other income | 3.20 | 0.93 | 2.26 | 242.10 |
| Gain on exchange rate | 0.66 | 0.10 | 0.56 | 560.19 |
| Profit before expenses | 32.25 | 33.61 | (1.36) | (4.05) |
| Selling expenses | 8.09 | 7.53 | 0.56 | 7.40 |
| Administrative expenses | 16.62 | 18.39 | (1.77) | (9.61) |
| Profit before finance costs and income tax | 7.54 | 7.69 | (0.15) | (1.97) |
| Finance costs | 0.08 | 0.14 | (0.06) | (40.34) |
| Income tax expenses | 1.49 | 1.52 | (0.03) | (2.14) |
| Profit for the period | 5.96 | 6.02 | (0.06) | (1.02) |
| Profit per share (Baht) | 0.0066 | 0.0067 | (0.0001) | |



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Profit for the periods

For the 3 month period ended 31 March 2023 and 2022, net profit were Baht 5.96 million and Baht 6.02 million, The Company profit for the period was similar to the same period last year. Because the company has a plan to manage costs and expenses regularly. Including monitoring the situation closely.

Statement of financial position analysis as of 31 March 2023

| Statement of Financial Position | 31 March 2023 | 31 December 2022 | Change | |
|--|-----------------|------------------|----------------|---------------|
| | Million Baht | Million Baht | Million Baht | % |
| Current assets | 716.37 | 711.39 | 4.98 | 0.70 |
| Non-current assets | 555.65 | 589.99 | (34.34) | (5.82) |
| Total assets | 1,272.02 | 1,301.38 | (29.36) | (2.26) |
| Current liabilities | 378.37 | 414.07 | (35.71) | (8.62) |
| Non-current liabilities | 29.53 | 29.14 | 0.39 | 1.34 |
| Total liabilities | 407.89 | 443.21 | (35.32) | (7.97) |
| Total Shareholders' equity | 864.13 | 858.17 | 5.96 | 0.69 |
| Total liabilities and shareholders's equity | 1,272.02 | 1,301.38 | (29.36) | (2.26) |

Assets

Total assets as of 31 March 2023 and 31 December 2022 were Baht 1,272.02 million and Baht 1,301.38 million, respectively. Current assets increased Baht 4.98 million or equivalent to 0.70%. Due to trade and other current receivables and Contract assets increased. Non-current assets decreased Baht 34.34 million or equivalent to 5.82% due to receive retention receivables due.

Liabilities

Total liabilities as of 31 March 2023 and 31 December 2022 were Baht 407.89 million and Baht 443.21 million, respectively. Current liabilities decreased Baht 35.71 million or equivalent to 8.62% because the trade and other current payables decreased, because the company can pay debts on time.



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Shareholders' equity

Shareholders' equity as of 31 March 2023 and 31 December 2022 were Baht 864.13 million and Baht 858.17 million, respectively. Shareholders' equity increased because of the operating profit during that period.

To be informed accordingly,

Yours sincerely,

(Ms. Natchanan Thianchaitrakul)

Chief Financial Officer

Authorized Persons to Disclose Information