



Bangkok Sheet Metal Public Company Limited

149 MOO 6 SUKSAWAT RD, BANGJAK, PRAPADANG, SAMUTPRAKARN 10130

Tel. 0-2817-5555-7 Fax. 0-2817-5432 Email : bm@bmplc.co.th, bmc@bmplc.co.th Website : www.bmplc.co.th

No. BM 2020/003

28 February 2020

Subject: Management Discussion and Analysis for the Year ended 31 December 2019
To: The President
The Stock Exchange of Thailand
Attachment: Auditor Report and Financial Statements for the Year ended 31 December 2019

Bangkok Sheet Metal Public Company Limited (“the Company”) would like to clarify the operating results by considering the Company’s financial statements for the year ended 31 December 2019, which were approved by the Board of Directors’ Meeting No. 1/2020 on 28 February 2020. The details are as follows.

Statement of Comprehensive Income for the Year 2018 and Year 2019

The Equity Method

(Unit: Million Baht)

Financial Statements	Year	Year	Increase (Decrease)	
	2019	2018	Amount	% +/-
Sales and Service Revenues	907.72	985.17	(77.45)	(7.86)
Costs of Sales and Services	711.09	815.71	(104.62)	(12.83)
Gross Profit (Excluding Dividend and Other Revenues)	196.63	169.46	27.17	16.03
Gross Profit Margin (%)	21.66 %	17.20 %		
Other Revenues	5.61	11.72	(6.11)	(52.13)
Earnings Before Expenses	202.24	181.18	21.06	11.62
Selling and Administrative Expenses	119.77	126.17	(6.40)	(5.07)
Shares of Profit (Loss) from Investing in Associated Companies	(25.25)	(12.97)	12.28	94.68
Financial Cost	8.83	5.39	3.44	63.82
Earnings Before Taxes	48.39	36.65	11.74	32.03
Income Tax Expenses	12.38	11.98	0.40	3.34
Net Profit	36.01	24.67	11.34	45.97
Net Profit Margin (%)	3.94 %	2.47 %		
Earnings per Share (Baht)	0.08	0.06		



Bangkok Sheet Metal Public Company Limited

149 MOO 6 SUKSAWAT RD, BANGJAK, PRAPADANG, SAMUTPRAKARN 10130

Tel. 0-2817-5555-7 Fax. 0-2817-5432 Email : bm@bmplc.co.th, bmc@bmplc.co.th Website : www.bmplc.co.th

The Cost Method

(Unit: Million Baht)

Financial Statements	Year	Year	Increase (Decrease)	
	2019	2018	Amount	% +/-
Sales and Service Revenues	907.72	985.17	(77.45)	(7.86)
Costs of Sales and Services	711.09	815.71	(104.62)	(12.83)
Gross Profit (Excluding Dividend and Other Revenues)	196.63	169.46	27.17	16.03
Gross Profit Margin (%)	21.66 %	17.20 %		
Other Revenues	5.61	11.72	(6.11)	(52.13)
Dividend Income	-	31.30	(31.30)	(100)
Earnings Before Expenses	202.24	212.48	(10.24)	(4.82)
Selling and Administrative Expenses	119.77	126.17	(6.40)	(5.07)
Financial Cost	8.83	5.39	3.44	63.82
Earnings Before Taxes	73.64	80.92	(7.28)	(9.00)
Income Tax Expenses	12.38	11.98	0.40	3.34
Net Profit	61.26	68.94	(7.68)	(11.14)
Net Profit Margin (%)	6.71 %	6.70 %		
Earnings per Share (Baht)	0.14	0.16		

Sales and Service Revenues

For the year ended 31 December 2019, sales and service revenues of 'product group 1: metal trunking and white conduit' decreased by 20.29 million baht or equivalent to 3.94 percent, due to the slowdown on high-rise buildings, condominiums and factories. However, the Company generated revenues from various electric train projects and the second-phase expansion of Suvarnabhumi Airport.

Sales and service revenues of 'product group 2: communication rack, cabinet and enclosure' and 'product group 3: electrical switchboard and lighting fixture' increased by 85.22 million baht or equivalent to 99.86 percent. This is because the Company got the Universal Service Obligation (USO) Net project (Phase 2) and one new OEM customer.

Sales and service revenues of 'product group 4: fabrication and metalworking' significantly decreased by 112.94 million baht or equivalent to 77.99 percent, since it came to the end of telecommunication pole project and the Company did not receive new order.

Sales and service revenues of 'product group 5: mold & die making, machine tool and equipment' increased by 8.79 million baht or equivalent to 65.55 percent, due to the fact that at the end of the year the Company started exporting shelf storage racks to foreign market.



Bangkok Sheet Metal Public Company Limited

149 MOO 6 SUKSAWAT RD, BANGJAK, PRAPADANG, SAMUTPRAKARN 10130

Tel. 0-2817-5555-7 Fax. 0-2817-5432 Email : bm@bmplc.co.th, bmc@bmplc.co.th Website : www.bmplc.co.th

Sales and service revenues of 'product group 6: sheet metal part, press part, machine part and assembly part' decreased by 44.65 million baht or equivalent to 22.78 percent, because the Company lowered the manufacturing of combine harvester parts due to a decrease in combine harvester sales.

In summary, the Company's sales and service revenues decreased by 77.45 million baht or equivalent to 7.86 percent, mainly from the decrease of telecommunication pole project. However, the Company still maintained sales of the other product groups.

Cost of Sales and Gross Profit Margin

For the year ended 31 December 2019, the Company had cost of sales and services of 711.09 million baht, decreasing by 104.62 million baht or equivalent to 12.83 percent. Gross profit margin was 21.66 percent, increasing by 17.20 percent or equivalent to 4.46 percent, compared to the same period of the previous year, due to the effective production cost control and reduction.

Selling and Administrative Expenses

For the year end 31 December 2019, the Company had selling and administrative expenses of 119.77 million baht in 2019 and 126.17 million baht in 2018, decreasing by 6.40 million baht or equivalent to 5.07 percent. The major expenses were from financial advisory fee for allocating new shares for capital increase of the Company to specific investor (Private Placement) by means of the General Mandate and for Purchase Price Allocation (PPA) valuation of MECT Company Limited (non-recurring item), and transportation cost (non-recurring item).

Financial Cost

The Company had the financial cost of 8.83 million baht, increasing by 3.44 million baht or equivalent to 63.82 percent over the same period of the previous year, due to a long term loan and the usage of short term loans from financial Institutions for working capital and investing in associated company.

Net Profit and Net Profit Margin under the Equity Method

For the year ended 31 December 2019, the Company had the net profit of 36.01 million baht and net profit margin was 3.94 percent due to share of loss from investing in MECT Company Limited from account receivable reserve for 2 big projects, and share of profit from investing in Nitto Kogyo BM (Thailand) Company Limited from the State Railway of Thailand (SRT) red line project.



Bangkok Sheet Metal Public Company Limited

149 MOO 6 SUKSAWAT RD, BANGJAK, PRAPADANG, SAMUTPRAKARN 10130

Tel. 0-2817-5555-7 Fax. 0-2817-5432 Email : bm@bmplc.co.th, bmc@bmplc.co.th Website : www.bmplc.co.th

Share of Profit (Loss) from Investing in Associated Companies (Unit: Million Baht)

Associated Company	Year 2019	Year 2018
MECT	(26.16)	(8.05)
NBT	0.91	(4.91)

Net Profit and Net Profit Margin under the Cost Method

For the year ended 31 December 2019, the Company had the net profit of 61.26 million baht and net profit margin was 6.71 percent. Compared to the same period of the previous year, the net profit and net profit margin decreased because in 2018 the Company received dividend payment of 31.30 baht from MECT Company Limited but no dividend in 2019. Overall the Company had higher profit over the past year.

Statements of Financial Position of the Company and its Associated Companies (Unit: Million Baht)

Financial Statements	As of 31 December 2019	As of 31 December 2018	Increase (Decrease)	
			Amount	%
Total Assets	1,113.22	1,083.44	29.78	2.75
Total Liabilities	421.25	392.13	29.12	7.43
Shareholder's Equity	691.97	691.31	0.66	0.10
Debt to Equity (D/E) Ratio	0.61	0.57	0.04	7.02

Assets

As of 31 December 2019 the Company's total assets were 1,113.22 million baht, increasing by 29.78 million baht, compared to 31 December 2018. The significant activities are Nitto Kogyo BM (Thailand) Company Limited increased its capital at the amount of 62.40 million baht, plus new building construction and machinery purchases.

Liabilities

As of 31 December 2019 the Company's total liabilities were 421.25 million baht, increasing by 29.12 million baht, compared to 31 December 2018. The significant activities are overdrafts and short-term loans from financial institutions at the amount of 25.12 million baht and financial lease of 50.00 million baht for the repayments of short-term loans. The Debt to Equity (D/E) Ratio increased from 0.57 to 0.61.

Shareholder's Equity



Bangkok Sheet Metal Public Company Limited

149 MOO 6 SUKSAWAT RD, BANGJAK, PRAPADANG, SAMUTPRAKARN 10130

Tel. 0-2817-5555-7 Fax. 0-2817-5432 Email : bm@bmplc.co.th, bmc@bmplc.co.th Website : www.bmplc.co.th

As of 31 December 2019 the Company's shareholder's equity was 691.97 million baht, increasing by 0.66 million baht, compared to 31 December 2018. The Company had net profit for the year 2019 of 61.26 million baht, made 2018 dividend payment of 35.20 million baht in quarter 2/2019, and had share of loss from investing in associated company of 25.25 million baht.

Please be informed accordingly.

Best Regards,

(Mr. Tanin Sajjaboribun)

Chief Executive Officer

Bangkok Sheet Metal Public Company Limited