

TRT pursues volte-face after rocky profit road

Diversification eyed to boost income, cut risks

YUTHANA PRAIWAN 85

MAI-listed transformer maker and services provider Tirathai Plc (TRT) expects its 2018 financial performance to pick up, tallying a healthy balance sheet after recording a net loss over the past few years.

TRT manufactures, installs and performs maintenance and testing services for business operators and state power utilities.

Managing director Sumpun Vongphan said demand for transformers and services has been typical, based on orders from companies planning to expand, while export sentiment is expected to ramp up.

After fierce local competition during 2015-17, the company lost 46 million baht

in 2015 but turned a profit of 61 million baht in 2016, only to return to a loss of 68.7 million in 2017.

"There's a stress on competition, with the pricing factor putting a lot of pressure on local makers," Mr Sumpun said. "TRT did not enter a price war in a bid to focus on high-end customers."

A recovery of TRT's balance sheet was registered after the company's gross margin increased in the first quarter.

The company's total revenue last year shrank by 5% to 2.45 billion baht.

TRT will beef up its export revenue to offset the flat domestic market and expects total revenue in 2018 to grow by 20% to 2.8 billion baht, 500 million of which is targeted to come from abroad.

"We will reach Australia, Korea and Singapore, and we recently got a 402-million-baht purchasing order from Micron Technology, a production base in Singapore," Mr Sumpun said.

The company's backlog currently totals 2.071 billion baht, which will result in revenue of 1.74 billion in 2018, with the other 332 million being realised in the year thereafter.

TRT aims to join an auction for transformer products and services in the export market, tentatively valued at 1.375 billion baht.

The company also plans to take part in a domestic auction with a state utility, worth 4.35 billion baht for state firms and 1.05 billion for private companies.

TRT further aims to diversify into power and engineering service provision.

The company will begin manufacturing new products like switchgears and geographic information system equipment.

"Our transformer products made up 84% of total revenue in 2013, reduced to 73% in 2016 and then 67% last year," Mr Sumpun said.

New products are targeted to account



TRT makes and installs transformers for business operators and state power utilities.

for up to 50% of total revenue down the road, he said.

Further details of the company's diversification plans will be finalised in the fourth

quarter, Mr Sumpun said, adding that the company is up to the task of handling the new business.

TRT has more than 100 engineers

on staff.

The company has a production facility at Bangpoo Industrial Estate in Samut Prakan province, spanning a total area of 40 rai.