

12 May 2023

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

To: Director and Manager
The Stock exchange of Thailand

Siam Technic Concrete Public Company Limited (“the Company”) provides Management Discussion and Analysis for the 3-month period ended 31 March 2023 and the 3-month period ended 31 March 2022, details are as follows:

Summary of operating results

Item	Consolidate financial statements for the 3-month ended				Separate financial statements for the 3-month ended			
	31 March 2023		31 March 2022		31 March 2023		31 March 2022	
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%
			Change				Change	
Revenue								
Revenue from sale of goods and rendering of services	409.17	483.82	(74.65)	(15.43)	401.94	483.71	(81.78)	(16.91)
Revenue from construction contract	23.86	26.86	(3.00)	(11.18)	23.86	26.86	(3.00)	(11.18)
Total Revenue	433.03	510.68	(77.65)	(15.20)	425.79	510.57	(84.78)	(16.60)
Cost								
Cost of sale of goods and rendering of services	344.13	414.38	(70.25)	(16.95)	337.54	414.38	(76.84)	(18.54)
Costs of project construction	22.32	25.44	(3.12)	(12.28)	22.32	25.44	(3.12)	(12.28)
Total Cost	366.45	439.82	(73.37)	(16.68)	359.86	439.82	(79.96)	(18.18)
Gross profit								
Gross Profit from sale of goods and rendering of services	65.04	69.44	(4.40)	(6.34)	64.40	69.33	(4.94)	(7.12)
Gross Profit (Loss) from construction contract	1.54	1.42	0.12	8.60	1.53	1.42	0.11	7.90
Total Gross profit	66.58	70.86	(4.28)	(6.04)	65.93	70.75	(4.83)	(6.82)
Other Income	15.68	1.99	13.69	688.35	15.68	1.99	13.69	688.35
Distribution costs	5.64	6.06	(0.42)	(7.00)	5.64	6.06	(0.43)	(7.01)
Administrative expense	40.71	35.72	4.99	13.99	40.57	35.70	4.87	13.65

Item	Consolidate financial statements for the 3-month ended				Change	Separate financial statements for the 3-month ended		Change	
	31 March 2023	31 March 2022	THB Million	%		31 March 2023	31 March 2022		
	THB Million	THB Million				THB Million	THB Million		
Finance cost	6.90	4.00	2.90	72.43	6.62	3.99	2.64	66.14	
Profit before income tax expenses	29.01	27.07	1.94	7.15	28.78	26.99	1.79	6.64	
Income tax expenses	4.78	4.11	0.67	16.24	4.68	4.11	0.57	13.83	
Profit for the period	24.23	22.96	1.27	5.53	24.10	22.88	1.22	5.35	
Total comprehensive income for the period	24.23	22.96	1.27	5.53	24.10	22.88	1.22	5.36	
Basic earnings per share (EPS) (THB per share)	0.03	0.03	0.03	(24.09)	0.03	0.03	(0.01)	(24.22)	

Summary of financial position

Item	Consolidate financial statements as of				Change	Separate financial statements as of		Change	
	31 March 2023	31 December 2022	THB Million	%		31 March 2023	31 December 2022		
	THB Million	THB Million				THB Million	THB Million		
Total assets	2,530.52	2,578.25	(47.73)	(1.85)	2,470.78	2,574.58	(103.80)	(4.03)	
Total liabilities	1,236.14	1,308.09	(71.95)	(5.50)	1,180.01	1,307.91	(127.90)	(9.78)	
Total equities	1,294.38	1,270.16	24.22	1.91	1,290.77	1,266.67	24.10	1.90	

Summary of key financial ratios

Item	Unit	Consolidate financial statements as of		Separate financial statements as of	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Cash Cycle	(Days)	83	53	86	53
Net profit margin	(percent)	5.40	4.48	5.46	4.46
Return on equity	(percent)	7.56	7.55	7.54	7.52
Return on assets	(percent)	3.75	3.95	3.82	3.92
Debt to equity ratio	(times)	0.96	0.92	0.91	0.93

Discussion and Analysis of financial position and performance:

Operating results

■ Revenue from sale of goods and rendering of services.

For the 3-month period ended 31 March 2023, the Company's revenue from sales and services is THB 409.17 million, decreased by 74.65 million or 15.43 percent YoY. In the first quarter of 2022, there was high volume of delivered orders that caused higher revenue compare to the same period of 2023.

■ Revenue from construction contract

For the 3-month period ended 31 March 2023, the Company had revenue from construction business in the amount of THB 23.86 million, decreased by 3.00 million or 11.18 percent YoY. This is due the revenue from 115 kV transmission lines at Sakon Nakhon 2 Power Station, Sakon Nakhon Province – Si Songkhram Power Station Nakhon Phanom has been mostly recognized in the first quarter of 2022 and there is only some additional work left that has been done and recognized in the beginning of 2023.

■ Other Income

For the 3-month period ended 31 March 2023, the Company's other income increased by THB 13.69 million or 688.35 percent YoY which was mainly because in the first quarter of 2023 the company has a revenue from appeals for refund of fines for late delivery from installation of fiber optic cables and underground transmission lines.

■ Cost of sale of goods and rendering of services

For the 3-month period ended 31 March 2023, the Company's cost of sale of goods and rendering service decreased by THB 70.25 million or 16.95 percent YoY. That was in line with the decrease in revenue.

■ Costs of project construction

For the 3-month period ended 31 March 2023, the company has project costs decreased by THB 3.12 million or 12.28 percent YoY. That was in line with the decrease in revenue.

■ Gross profit

For the 3-month period ended 31 March 2023, the Company's gross profit margin of revenue from sale of goods and rendering of services is THB 65.04 million, decreased by 6.34 percent YoY which is in accordance with the decrease in revenue. However, in the first quarter of 2023 gross profit margin is 15.90 percent which is higher than the same period in the previous year which is at 14.36 percent. This was mainly because the company's cost management is more efficient.

■ **Distribution costs**

For the 3-month period ended 31 March 2023, the Company's distribution costs decreased by THB 0.42 million or 7.00 percent YoY. This was mainly due to the decreased in marketing and public relations expenses, and sale employee expenses.

■ **Administrative expenses**

For the 3-month period ended 31 March 2023, the Company's administrative expense increased by THB 4.99 million or 13.99 percent YoY. This was mainly due to increase in bad debts and doubtful accounts receivable and company's electricity bills in the period.

■ **Financial Cost**

For the 3-month period ended 31 March 2023, the Company's financial cost increased by THB 2.90 million and 72.43 percent, mainly from the rising of bank's interest rate.

■ **Net Profit**

For the 3-month period ended 31 March 2023 and 2022, the Company's net profit margin is THB 24.23 million and 22.96 million, or 5.40 percent and 4.48 percent, respectively.

Financial Position

■ **Total Assets**

The Company's total assets as of 31 March 2023 and 31 December 2022 were THB 2,530.52 million and THB 2,578.25 million, respectively. As of 31 March 2023, the Company's total assets had decreased by THB 47.73 million, or 1.85 percent. This is mainly due to the decreased in cash and cash equivalents.

■ **Total Liabilities**

The Company's total liabilities as of 31 March 2023 and 31 December 2022 were THB 1,236.14 million and THB 1,308.09 million, respectively. The Company's total liabilities decreased by THB 71.95 million, or 5.50 percent. This is because of the repayment of short-term loans from financial institutions.

■ **Shareholders' equity**

The Company's shareholders' equities as of 31 March 2023 and 31 December 2022 were THB 1,294.38 million and 1,270.16 million, respectively. As of 31 March 2023, the Company's shareholders' equities has been increased by THB 24.22 million, representing with a company's total comprehensive income for the period of THB 24.23 million for the 3-month period of 2023.

Financial Ratio

■ Cash Cycle

The Company's cash cycle in the first 3-month period of 2023 decreased from 53 days to 83 days in the same period of the previous year due mainly to the increasing of the Company's average account receivable and inventory turnover period.

■ Net Profit Margin

The Company's net profit margin in the first 3-month period of 2023 and 2022 were 5.40 percent and 4.48 percent, respectively. The company's net profit margin has increased from the same period in the previous year due to the more efficiency in cost management of the company.

Your Sincerely,

(Mr.Watchai Mongkolsrisawad)

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Chief Executive Officer