

11 November 2023

Subject: Management Discussion and Analysis for the 3-month and 9-month period ended 30 September 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 quarter 3/2023 YoY and 9-month period of 2023 YoY, details are as follows:

**Summary of operating results**

Item	Consolidate financial statements for the 3-month ended		Change		Consolidate financial statements for the 9-month ended		Change	
	30 September 2023	30 September 2022			30 September 2023	30 September 2022		
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%
Revenue								
Revenue from sale of goods and rendering of services	456.97	425.63	31.34	7.36	1,327.23	1,535.73	(208.50)	(13.58)
Revenue from construction contract	33.53	13.39	20.14	150.41	108.86	85.28	23.58	27.65
<b>Total Revenue</b>	<b>490.50</b>	<b>439.02</b>	<b>51.48</b>	<b>11.73</b>	<b>1,436.09</b>	<b>1,621.01</b>	<b>(184.92)</b>	<b>(11.41)</b>
Cost							-	
Cost of sale of goods and rendering of services	361.54	371.06	(9.52)	(2.57)	1,080.25	1,307.10	(226.85)	(17.36)
Costs of project construction	34.05	12.81	21.24	165.81	98.67	80.95	17.72	21.89
<b>Total Cost</b>	<b>395.59</b>	<b>383.87</b>	<b>11.72</b>	<b>3.05</b>	<b>1,178.92</b>	<b>1,388.05</b>	<b>(209.13)</b>	<b>(15.07)</b>
Gross profit								
Gross Profit from sale of goods and rendering of services	95.43	54.57	40.86	74.88	246.98	228.63	18.35	8.03
Gross Profit (Loss) from construction contract	(0.52)	0.58	(1.10)	(189.66)	10.19	4.33	5.86	135.33
<b>Total Gross profit</b>	<b>94.91</b>	<b>55.15</b>	<b>39.76</b>	<b>72.09</b>	<b>257.17</b>	<b>232.96</b>	<b>24.21</b>	<b>10.39</b>
Other Income	2.74	2.48	0.26	10.48	29.16	5.90	23.26	394.24
Distribution costs	6.02	5.89	0.13	2.21	17.78	18.11	(0.33)	(1.82)
Administrative expense	43.96	35.47	8.49	23.94	132.95	110.14	22.81	20.71

Item	Consolidate financial statements for the 3-month ended		Change		Consolidate financial statements for the 9-month ended		Change	
	30 September 2023	30 September 2022			30 September 2023	30 September 2022		
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%
	Finance cost	7.28	5.30	1.98	37.36	20.80	13.78	7.02
Profit before income tax expenses	40.39	10.97	29.42	268.19	114.80	96.83	17.97	18.56
Income tax expenses	9.86	1.82	8.04	441.76	20.43	17.32	3.11	17.96
Profit for the period	30.53	9.15	21.38	233.66	94.37	79.51	14.86	18.69
Total comprehensive income for the period	30.53	9.15	21.38	233.66	94.37	79.51	14.86	18.69
Basic earnings per share (EPS) (THB per share)	0.04	0.01	0.03	233.66	0.13	0.11	0.02	18.69

Item	Separate financial statements for the 3-month ended		Change		Separate financial statements for the 9-month ended		Change	
	30 September 2023	30 September 2022			30 September 2023	30 September 2022		
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%
	Revenue							
Revenue from sale of goods and rendering of services	462.23	422.38	39.85	9.43	1,331.13	1,523.98	(192.85)	(12.65)
Revenue from construction contract	23.18	13.39	9.79	73.11	87.36	85.28	2.08	2.44
Total Revenue	485.41	435.77	49.64	11.39	1,418.49	1,609.26	(190.77)	(11.85)
Cost							-	
Cost of sale of goods and rendering of services	371.05	370.21	0.84	0.23	1,088.24	1,300.19	(211.95)	(16.30)
Costs of project construction	21.28	12.81	8.47	66.12	79.28	80.95	(1.67)	(2.06)
Total Cost	392.33	383.02	9.31	2.43	1,167.52	1,381.14	(213.62)	(15.47)
Gross profit								

Item	Separate financial statements for the 3-month ended		Change		Separate financial statements for the 9-month ended		Change	
	30 September 2023	30 September 2022			30 September 2023	30 September 2022		
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%
	Gross Profit from sale of goods and rendering of services	91.18	52.17	39.01	74.77	242.89	223.79	19.10
Gross Profit (Loss) from construction contract	1.90	0.58	1.32	227.59	8.08	4.33	3.75	86.61
<b>Total Gross profit</b>	<b>93.08</b>	<b>52.75</b>	<b>40.33</b>	<b>76.45</b>	<b>250.97</b>	<b>228.12</b>	<b>22.85</b>	<b>10.02</b>
Other Income	2.89	2.48	0.41	16.53	29.33	5.90	23.43	397.12
Distribution costs	5.97	5.89	0.08	1.36	17.70	18.11	(0.41)	(2.26)
Administrative expense	43.06	35.74	7.32	20.48	131.75	110.08	21.67	19.69
Finance cost	7.27	5.23	2.04	39.01	20.69	13.67	7.02	51.35
<b>Profit before income tax expenses</b>	<b>39.67</b>	<b>8.37</b>	<b>31.30</b>	<b>373.95</b>	<b>110.16</b>	<b>92.16</b>	<b>18.00</b>	<b>19.53</b>
Income tax expenses	9.68	1.56	8.12	520.51	19.66	16.81	2.85	16.95
<b>Profit for the period</b>	<b>29.99</b>	<b>6.81</b>	<b>23.18</b>	<b>340.38</b>	<b>90.50</b>	<b>75.35</b>	<b>15.15</b>	<b>20.11</b>
Total comprehensive income for the period	29.99	6.81	23.18	340.38	90.50	75.35	15.15	20.11
Basic earnings per share (EPS) (THB per share)	0.04	0.01	0.03	340.38	0.12	0.10	0.02	20.11

#### Summary of financial position

Item	Consolidate financial statements as of		Change		Separate financial statements as of		Change	
	30 September 2023	31 December 2022			30 September 2023	31 December 2022		
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%
	Total assets	2,949.22	2,578.25	370.97	14.39	2,623.00	2,574.58	48.42
Total liabilities	1,603.54	1,308.09	295.45	22.59	1,284.68	1,307.91	(23.23)	(1.78)
Total equities	1,345.68	1,270.16	75.52	5.95	1,338.32	1,266.67	71.65	5.66

### Summary of key financial ratios

Item	Unit	Consolidate financial statements		Separate financial statements	
		as of		as of	
		30 September 2023	30 September 2022	30 September 2023	30 September 2022
Cash Cycle	(Days)	80	61	81	61
Net profit margin	(percent)	6.44	4.89	6.25	4.66
Return on equity	(percent)	9.62	8.64	9.26	8.20
Return on assets	(percent)	4.55	4.46	4.64	4.21
Debt to equity ratio	(times)	1.19	0.97	0.96	0.98

### Discussion and Analysis of financial position and performance (Consolidate financial statements) :

#### Operating results

##### ■ Revenue from sale of goods and rendering of services.

For the 3-month period ended 30 September 2023, the Company's revenue from sales and services was THB 456.97 million, increased by 31.34 million or 7.36 percent YoY. For the 9-month period ended 30 September 2023, the Company's revenue from sales and services was THB 1,327.23 million, decreased by 208.50 million or 13.58 percent YoY due to lower demand and high competition of the industry, in addition there were less of new construction projects compared to the same period of year 2022 especially on the previous 1<sup>st</sup> and 2<sup>nd</sup> quarters.

##### ■ Revenue from construction contract

For the 3-month and 9-month period ended September 2023, the Company had revenue earned by construction business in the amount of THB 33.53 million and 108.86 million, increased by 20.14 and 23.58 million or 150.41 and 27.65 percent YoY. This is due to in 2023, the company has recognized revenue from 115kV Sawankhalok High Voltage Power Station (Electricity Generating Authority of Thailand)- Highway No. 101, km 102+052 in Sukhothai province, 115kV Transmission Line Construction Project at Nong Han High Voltage Substation (Electricity Generating Authority of Thailand), Udon Thaini province – Sawang Daen Din Power Station Sakon Nakhon Province, and 115 kV Transmission Line Construction Project, Highway No. 3, Kilometer No. 397+750 (entrance to Wang Krachae Subdistrict Administrative Organization Road) to Laem Ngob Power Station, Trat Province.

##### ■ Other Income

For the 3-month period ended 30 September 2023, the Company's other income was THB 2.74 million increased by THB 0.26 million or 10.48 percent YoY. For the 9-month period ended 30 September 2023, the Company's other income was THB 29.16 million increased by THB 23.26 million or 394.24 percent YoY, which in first 6 months in 2023 the company had a revenue from provision reversal and 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 September 2023, the Company's cost of sale of goods and service was THB 361.54 million, decreased by THB 9.52 million or 2.57 percent YoY. For the first 9-month period of 2023, the Company's cost of sale of goods and rendering service was THB 1,080.25 million, decreased by THB 226.85 million or 17.36 percent YoY which was in line with the decrease in revenue.

■ **Costs of project construction**

For the 3-month and 9-month period ended 30 September 2023, the company had project costs of THB 34.05 million and 96.67 million, increased by 165.81 and 21.89 percent YoY..

■ **Gross profit from operation**

For the 3-month period ended 30 September 2023, the Company's gross profit from operation was THB 94.91 million, increased by 72.09 percent YoY. For the 9-month period ended 30 September 2023, the Company's gross profit from operation was THB 257.17 million, increased by 10.39 percent YoY.

■ **Distribution costs**

For the 3-month period ended September 2023, the Company's distribution costs increase by THB 0.13 million or 2.21 percent YoY. In the first 9-month period of 2023, the Company's distribution costs decreased by THB 0.33 million or 1.82 percent YoY. This was mainly due to sale employee expenses.

■ **Administrative expenses**

For the 3-month period ended 30 September 2023, the Company's administrative expense increased by THB 8.49 million or 23.94 percent YoY. In the first 9-month period of 2023, the Company's administrative expense increased by THB 22.81 million or 20.71 percent YoY. This was mainly due to increase in bad debts and doubtful accounts receivable.

■ **Financial Cost**

For the 3-month and 9-month period ended September 2023, the Company's financial cost increased by THB 1.98 million and 7.02 million or 37.36 percent and 50.94 percent, mainly from the rising of interest rate.

■ **Net Profit**

For the 3-month period ended 30 September 2023, the Company's net profit was THB 30.53 million increased by THB 21.38 million or 233.66 percent YoY. As a result, for the first 9-month period of 2023, the Company's net profit was THB 94.37 million increased by THB 14.86 million or 18.69 percent YoY that was in line with the decrease in revenue. This was mainly due to more efficiency in cost management of the company.

**Financial Position**

■ **Total Assets**

The Company's total assets as of 30 September 2023 and 31 December 2022 were THB 2,949.22 million and THB 2,578.25 million, respectively. As of 30 September 2023, the Company's total assets had increased by THB 370.97 million, or 14.39 percent which mainly increased from work-in-process of the new factory of Siam Steel Wire Co., Ltd. increase in inventories and increase current retention.

■ **Total Liabilities**

The Company's total liabilities as of 30 September 2023 and 31 December 2022 were THB 1,603.54 million and THB 1,308.09 million, respectively. The Company's total liabilities increased by THB 295.45 million, or 22.59 percent mainly increasing in bank overdrafts and short-term loans from financial institutions and other current payables for work-in-process of the new factory of Siam Steel Wire Co., Ltd.

■ **Shareholders' equity**

The Company's shareholders' equities as of 30 September 2023 and 31 December 2022 were THB 1,345.68 million and 1,270.16 million, respectively. As of 30 September 2023, the Company's shareholders' equities has been increased by THB 75.52 million, representing with a company's total comprehensive income for the period of THB 94.37 million for the 9-month period of 2023, with an interim dividend payment of 18.85 million baht.

Financial Ratio

■ **Cash Cycle**

The Company's cash cycle in the first 9-month period of 2023 increased from 61 days to 80 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 of the first 9-month period of 2023 and 2022 was 6.44 percent and 4.98 percent respectively. The company's net profit margin had increased from the same period in the previous year due to more efficiency in cost management of the company.

Your Sincerely.

*(Mr. Watchai Mongkolsrisawad)*

**(Mr. Watchai Mongkolsrisawad)**

**Chief Executive Officer**