

14 May 2024

Subject: Management Discussion and Analysis for the 3-month period ended 31 March 2024

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 2024 and the 3-month period ended 31 March 2023, details are as follows:

Summary of operating results

Item	Consolidate financial statements for the 3-month ended		Change		Separate financial statements for the 3-month ended		Change	
	31 March 2024	31 March 2023			31 March 2024	31 March 2023		
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%
Revenue								
Revenue from sale of goods and rendering of services	513.90	409.17	104.73	25.60	512.14	401.94	110.20	27.42
Revenue from construction contract	29.42	23.86	5.56	23.30	17.41	23.86	(6.45)	(27.02)
Total Revenue	543.32	433.03	110.29	25.47	529.55	425.79	103.76	24.37
Cost								
Cost of sale of goods and rendering of services	410.84	344.13	66.71	19.39	404.74	337.54	67.20	19.91
Costs of project construction	26.53	22.32	4.21	18.86	15.71	22.32	(6.61)	(29.62)
Total Cost	437.37	366.45	70.92	19.36	420.45	359.86	60.59	16.84
Gross profit								
Gross Profit from sale of goods and rendering of services	103.06	65.04	38.02	58.45	107.40	64.40	43.00	66.77
Gross Profit (Loss) from construction contract	2.89	1.54	1.35	87.30	1.70	1.53	0.17	10.88
Total Gross profit	105.94	66.58	39.36	58.11	109.10	65.93	43.17	65.45
Other Income	4.37	15.68	(11.31)	(72.16)	3.59	15.68	(12.09)	(77.07)
Distribution costs	7.11	5.64	1.47	26.06	6.31	5.64	0.67	11.91
Administrative expense	46.85	40.71	6.14	15.07	44.82	40.57	4.25	10.46

Item	Consolidate financial statements for the 3-month ended				Change		Separate financial statements for the 3-month ended		Change	
	31 March 2024	31 March 2023			31 March 2024	31 March 2023				
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%		
Finance cost	10.97	6.90	4.07	58.74	8.13	6.62	1.51	22.80		
Profit before income tax expenses	45.37	29.01	16.36	56.43	53.43	28.78	24.65	85.67		
Income tax expenses	10.32	4.78	5.54	116.07	10.12	4.68	5.44	116.25		
Profit for the period	35.05	24.23	10.82	44.67	43.31	24.10	19.21	79.73		
Total comprehensive income for the period	35.05	24.23	10.82	44.67	43.31	24.10	19.21	79.73		
Basic earnings per share (EPS) (THB per share)	0.05	0.03	0.00	4.06	0.06	0.03	0.01	29.28		

Summary of financial position

รายการ	Consolidate financial statements as of				Change		Separate financial statements as of		Change	
	31 March 2024	31 December 2023			31 March 2024	31 December 2023				
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%		
Total Asset	3,091.70	3,028.16	63.54	2.10	2,704.45	2,616.41	88.04	3.36		
Total Liabilities	1,665.92	1,637.43	28.49	1.74	1,276.82	1,232.09	44.73	3.63		
Total Shareholder's Equity	1,425.78	1,390.73	35.05	2.52	1,427.63	1,384.32	43.31	3.13		

Summary of key financial ratios

Item	Unit	Consolidate financial statements as of		Separate financial statements as of	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
Cash Cycle	(Days)	103	83	80	86
Net profit margin	(percent)	6.40	5.40	8.12	5.46
Return on equity	(percent)	9.96	7.56	12.32	7.54
Return on assets	(percent)	4.58	3.75	6.51	3.82
Debt to equity ratio	(times)	1.17	0.96	0.89	0.91

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 2024, the Company's revenue from sales and services is THB 513.90 million, increased by 104.73 million or 25.60 percent YoY. In the first quarter of 2024, there is a high revenue recognized compare to the same period in 2023 from the purchased order in hand.

■ Revenue from construction contract

For the 3-month period ended 31 March 2024, the Company had revenue from construction business in the amount of THB 29.42 million, increased by 5.56 million or 23.30 percent YoY. This is due to in 2024, 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 31 March 2024, the Company's other income decreased by THB 11.31 million or 72.16 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 2024, the Company's cost of sale of goods and rendering service increased by THB 66.71 million or 19.39 percent YoY. which was in line with the increased in revenue. However, when compared to the company's income, this cost of sale of goods and rendering of services decreased from the same period of the previous year from 84.10% down to 79.95% which means that the company has a better cost management.

■ Costs of project construction

For the 3-month period ended 31 March 2024, the company has project costs increased by THB 4.21 million or 18.86 percent YoY, which was in line with the increased in revenue.

■ Gross profit

For the 3-month period ended 31 March 2024, the Company's gross profit margin of revenue from sale of goods and rendering of services is THB 103.06 million, increased by 58.45 percent YoY which is in accordance with the increase in revenue.

However, in the first quarter of 2024 gross profit margin is 20.05 percent which is higher than the same period in the previous year which is at 15.90 percent. This was mainly because the company's cost management is more efficient.

■ **Distribution costs**

For the 3-month period ended 31 March 2024, the Company's distribution costs increased by THB 1.47 million or 26.06 percent YoY. This was mainly due to an increased in sale employee expenses and marketing and public relations expenses.

■ **Administrative expenses**

For the 3-month period ended 31 March 2024, the Company's administrative expense increased by THB 6.14 million or 15.07 percent YoY. This was mainly due to an increase in bad debts and doubtful accounts receivable, company's electricity bills in the period and depreciation.

■ **Financial Cost**

For the 3-month period ended 31 March 2024, the Company's financial cost increased by 4.07 million and 58.74 percent, mainly from the rising of bank's interest rate and an increase in bank overdrafts and short-term loans from financial institutions.

■ **Net Profit**

For the 3-month period ended 31 March 2024 and 2023, the Company's net profit margin is THB 35.05 million and 24.23 million, or 6.40 percent and 5.40 percent, respectively.

Financial Position

■ **Total Assets**

The Company's total assets as of 31 March 2024 and 31 December 2023 were THB 3,091.70 million and THB 3,028.16 million, respectively. As of 31 March 2024, the Company's total assets had increased by THB 63.54 million, or 2.10 percent. This is mainly due to the increased in cash and cash equivalents, Trade accounts receivable, Inventories, Property plant and equipment.

■ **Total Liabilities**

The Company's total liabilities as of 31 March 2024 and 31 December 2023 were THB 1,665.92 million and THB 1,637.43 million, respectively. The Company's total liabilities increased by THB 28.49 million, or 1.74 percent. This is because of the short-term loans from financial institutions.

■ **Shareholders' equity**

The Company's shareholders' equities as of 31 March 2024 and 31 December 2023 were THB 1,425.78 million and 1,390.73 million, respectively. As of 31 March 2024, the Company's shareholders' equities has been increased by THB 35.05 million, representing with a company's total comprehensive income for the period of THB 35.05 million for the 3-month period of 2024.

Financial Ratio

■ Cash Cycle

The Company's cash cycle in the first 3-month period of 2024 increase from 86 days to 103 days in the same period of the previous year due mainly to the increasing of the Company's average inventory turnover period and the decrease in the period of repayment of debt.

■ Net Profit Margin

The Company's net profit margin in the first 3-month period of 2024 and 2023 were 6.40 percent and 5.40 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