

14 November 2024

Subject: Management Discussion and Analysis for the 3-month and 9-month period ended 30 September 2024

To: Director and Manager  
The Stock exchange of Thailand

Siam Technic Concrete Public Company Limited (the “Company”) wishes to clarify its operating results for the three-month and nine-month periods ended September 30, 2024, compared to the operating results for the three-month and nine-month periods ended September 30, 2023, with the details of significant changes 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 2024	30 September 2023			30 September 2024	30 September 2023		
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%
<b>Revenue</b>								
Revenue from sale of goods and rendering of services	546.40	456.97	89.43	19.57	1,547.88	1,327.23	220.65	16.62
Revenue from construction contract	1.47	33.53	(32.06)	(95.62)	42.45	108.86	(66.41)	(61.00)
<b>Total Revenue</b>	<b>547.87</b>	<b>490.50</b>	<b>57.37</b>	<b>11.70</b>	<b>1,590.33</b>	<b>1,436.09</b>	<b>154.24</b>	<b>10.74</b>
<b>Cost</b>								
Cost of sale of goods and rendering of services	434.61	361.54	73.07	20.21	1,231.93	1,080.25	151.68	14.04
Costs of project construction	2.15	34.05	(31.90)	(93.69)	43.96	98.67	(54.71)	(55.45)
<b>Total Cost</b>	<b>436.76</b>	<b>395.59</b>	<b>41.17</b>	<b>10.41</b>	<b>1,275.89</b>	<b>1,178.92</b>	<b>96.97</b>	<b>8.23</b>
<b>Gross profit</b>								
Gross Profit from sale of goods and rendering of services	111.79	95.43	16.36	17.14	315.95	246.98	68.97	27.93
Gross Profit (Loss) from construction contract	(0.68)	(0.52)	(0.16)	30.77	(1.51)	10.19	(11.70)	(114.82)
<b>Total Gross profit</b>	<b>111.11</b>	<b>94.91</b>	<b>16.20</b>	<b>17.07</b>	<b>314.44</b>	<b>257.17</b>	<b>57.27</b>	<b>22.27</b>
Other Income	1.58	2.74	(1.16)	(42.34)	8.72	29.16	(20.44)	(70.10)
Distribution costs	7.52	6.02	1.50	24.92	21.37	17.78	3.59	20.19
Administrative expense	47.08	43.96	3.12	7.10	133.12	132.95	0.17	0.13

Item	Consolidate financial statements for the 3-month ended		Change		Consolidate financial statements for the 9-month ended		Change	
	30 September 2024	30 September 2023			30 September 2024	30 September 2023		
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%
	Finance cost	15.38	7.28	8.10	111.26	39.19	20.80	18.39
Profit before income tax expenses	42.71	40.39	2.32	5.74	129.48	114.80	14.68	12.79
Income tax expenses	9.75	9.86	(0.11)	(1.12)	30.27	20.43	9.84	48.16
Profit for the period	32.96	30.53	2.43	7.96	99.21	94.37	4.84	5.13
Total comprehensive income for the period	32.96	30.53	2.43	7.96	99.21	94.37	4.83	5.13
Basic earnings per share (EPS) (THB per share)	0.05	0.04	0.00	7.96	0.14	0.13	0.01	5.13

Item	Separate financial statements for the 3-month ended		Change		Separate financial statements for the 9-month ended		Change	
	30 September 2024	30 September 2023			30 September 2024	30 September 2023		
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%
	Revenue							
Revenue from sale of goods and rendering of services	476.75	462.23	14.52	3.14	1,452.02	1,331.13	120.89	9.08
Revenue from construction contract	0.91	23.18	(22.27)	(96.07)	27.12	87.36	(60.24)	(68.96)
<b>Total Revenue</b>	<b>477.66</b>	<b>485.41</b>	<b>(7.75)</b>	<b>(1.60)</b>	<b>1,479.14</b>	<b>1,418.49</b>	<b>60.65</b>	<b>4.28</b>
Cost							-	
Cost of sale of goods and rendering of services	374.99	371.05	3.94	1.06	1,143.43	1,088.24	55.19	5.07
Costs of project construction	0.55	21.28	(20.73)	(97.42)	25.38	79.28	(53.90)	(67.99)
<b>Total Cost</b>	<b>375.54</b>	<b>392.33</b>	<b>(16.79)</b>	<b>(4.28)</b>	<b>1,168.81</b>	<b>1,167.52</b>	<b>1.29</b>	<b>0.11</b>
Gross profit								

Item	Separate financial statements for the 3-month ended		Change		Separate financial statements for the 9-month ended		Change	
	30 September 2024	30 September 2023			30 September 2024	30 September 2023		
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%
	Gross Profit from sale of goods and rendering of services	101.76	91.18	10.58	11.60	308.59	242.89	65.70
Gross Profit (Loss) from construction contract	0.36	1.90	(1.54)	(81.05)	1.74	8.08	(6.34)	(78.47)
<b>Total Gross profit</b>	<b>102.12</b>	<b>93.08</b>	<b>9.04</b>	<b>9.71</b>	<b>310.33</b>	<b>250.97</b>	<b>59.36</b>	<b>23.65</b>
Other Income	2.56	2.89	(0.33)	(11.42)	11.14	29.33	(18.19)	(62.02)
Distribution costs	6.41	5.97	0.44	7.37	18.72	17.70	1.02	5.76
Administrative expense	42.51	43.06	(0.55)	(1.28)	123.82	131.75	(7.93)	(6.02)
Finance cost	9.92	7.27	2.65	36.45	26.66	20.69	5.97	28.85
<b>Profit before income tax expenses</b>	<b>45.84</b>	<b>39.67</b>	<b>6.17</b>	<b>15.55</b>	<b>152.27</b>	<b>110.16</b>	<b>42.11</b>	<b>38.23</b>
Income tax expenses	9.67	9.68	(0.01)	(0.10)	30.17	19.66	10.51	53.46
<b>Profit for the period</b>	<b>36.17</b>	<b>29.99</b>	<b>6.18</b>	<b>20.61</b>	<b>122.10</b>	<b>90.50</b>	<b>31.60</b>	<b>34.92</b>
Total comprehensive income for the period	36.17	29.99	6.18	20.61	122.10	90.50	31.60	34.92
Basic earnings per share (EPS) (THB per share)	0.05	0.04	0.01	20.61	0.17	0.12	0.04	34.92

Summary of financial position

Item	Consolidate financial statements as of		Change		Separate financial statements as of		Change	
	30 September 2024	31 December 2023			30 September 2024	31 December 2023		
	THB Million	THB Million	THB Million	%	THB Million	THB Million	THB Million	%
	Total assets	3,380.19	3,028.16	352.03	11.63	2,905.07	2,616.41	288.66
Total liabilities	1,890.25	1,637.43	252.82	15.44	1,398.65	1,232.09	166.56	13.52
Total equities	1,489.94	1,390.73	99.21	7.13	1,506.42	1,384.32	122.10	8.82

### Summary of key financial ratios

Item	Unit	Consolidate financial statements		Separate financial statements	
		as of		as of	
		30 September 2024	30 September 2023	30 September 2024	30 September 2023
Cash Cycle	(Days)	96	80	88	81
Net profit margin	(percent)	6.20	6.44	8.19	6.25
Return on equity	(percent)	9.18	9.62	11.26	9.26
Return on assets	(percent)	4.13	4.55	5.90	4.64
Debt to equity ratio	(times)	1.27	1.19	0.93	0.96

### 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 2024, the Company's revenue from sales and services was THB 546.40 million, increased by 89.43 million or 19.57 percent YoY. For the 9-month period ended 30 September 2024, the Company's revenue from sales and services was THB 1,547.88 million, increased by 220.65 million or 16.62 percent YoY. This increase was due to a higher volume of work delivered compared to the same period of the previous year, driven by existing orders on hand.

- Revenue from construction contract

For the 3-month and 9-month period ended September 2024, the Company had revenue earned by construction business in the amount of THB 1.47 million and 42.45 million, decreased by 32.06 million and 66.41 million or 95.62 and 61.00 percent YoY, respectively. The decrease was due to the completion of the 115 kV transmission line construction project between Nong Han High Voltage Substation (Electricity Generating Authority of Thailand) in Udon Thani Province and Sawang Daendin Substation in Sakon Nakhon Province, which was completed in the second quarter of 2023 and also other construction contracts was gradually completed in the second quarter of the year 2024 as well.

- Other Income

For the 3-month period ended 30 September 2024, the Company's other income was THB 1.58 million decreased by THB 1.16 million or 42.34 percent YoY. For the 9-month period ended 30 September 2024, the Company's other income was THB 8.72 million decreased by THB 20.44 million or 70.10 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 September 2024, the Company's cost of sale of goods and service was THB 434.61 million, increased by THB 73.07 million or 20.21 percent YoY. For the first 9-month period of 2024, the Company's cost of sale of goods and rendering service was THB 1,231.93 million, increased by THB 151.68 million or 14.04 percent YoY. This increase is consistent with the rise in revenue from sales and services compared to the previous year.

■ **Costs of project construction**

For the 3-month and 9-month period ended 30 September 2024, the company had project costs of THB 2.15 million and THB 43.96 million, respectively, decreased by 93.69 and 55.45 percent YoY, which was in line with the decrease in project revenue.

■ **Gross profit from operation**

For the 3-month period ended 30 September 2024, the Company's gross profit from operation was THB 111.11 million, increased by 17.07 percent YoY. For the 9-month period ended 30 September 2024, the Company's gross profit from operation was THB 314.44 million, increased by 22.27 percent YoY. This increase is consistent with the rise in revenue from sales and services compared to the previous year and mainly due to more efficient cost management of the company.

■ **Distribution costs**

For the 3-month period ended September 2024, the Company's distribution costs increased by THB 1.50 million or 24.92 percent YoY. In the first 9-month period of 2024, the Company's distribution costs increased by THB 3.59 million or a 20.19 percent YoY. This is mainly due to the expenses related to sales employee, marketing, and public relations expenses increased.

■ **Administrative expenses**

For the 3-month period ended 30 September 2024, the Company's administrative expense increased by THB 3.12 million or 7.10 percent YoY. In the first 9-month period of 2024, the Company's administrative expense increased by THB 0.17 million or 0.13 percent YoY. This was mainly due to an increase in depreciation, and travel and vehicle expenses.

■ **Financial Cost**

For the 3-month and 9-month period ended September 2024, the Company's financial cost increased by THB 8.10 million and THB 18.39 million or 111.26 percent and 88.41 percent, respectively. The increase was due to rising in interest rates in 2024 and an increase in long-term borrowings from financial institutions.

■ **Net Profit**

For the 3-month period ended 30 September 2024, the Company's net profit was THB 32.96 million increased by THB 2.43 million or 7.96 percent YoY. For the nine-month period ended September 30, 2024, the Company recorded a net profit of THB 99.21 million, an increase of THB 4.84 million or 5.13 percent compared to the same period of the previous year.

## Financial Position

### ■ Total Assets

The Company's total assets as of 30 September 2024 and 31 December 2023 were THB 3,380.19 million and THB 3,028.16 million, respectively. As of 30 September 2024, the Company's total assets had increased by THB 352.03 million, or 11.63 percent which mainly increased from inventories, trade account receivable, cash and cash equivalents, work-in-process of the new factory of Siam Steel Wire Co., Ltd. and assets from investment in Wang Concrete Company Limited.

### ■ Total Liabilities

The Company's total liabilities as of 30 September 2024 and 31 December 2023 were THB 1,890.25 million and THB 1,637.43 million, respectively. The Company's total liabilities increased by THB 252.82 million, or 15.44 percent mainly increasing in long term loans from financial institutions and short-term loans from financial institutions.

### ■ Shareholders' equity

The Company's shareholders' equities as of 30 September 2024 and 31 December 2023 were THB 1,489.94 million and THB 1,390.73 million, respectively. As of 30 September 2024, the Company's shareholders' equities has been increased by THB 99.21 million, due to a company's total comprehensive income for the period of 9-month in 2024.

## Financial Ratio

### ■ Cash Cycle

The Company's cash cycle in the first 9-month period of 2024 increased from 80 days to 96 days in the same period of the previous year. This increase was mainly due to a decreased in average payment period or Payable days of the company.

### ■ Net Profit Margin

The Company's net profit margin of the first 9-month period of 2024 and 2023 was 6.20 percent and 6.44 percent respectively, which is relatively consistent with the same period of the previous year.

Your Sincerely,

*(Mr. Watchai Mongkolsrisawad)*

(Mr. Watchai Mongkolsrisawad)

Chief Executive Officer