



**Yong Concrete Public Company Limited**

**Management's Discussion and Analysis**

**Operating results for the year ended December 31, 2021**

Operating results for the year ended December 31, 2021 compared with the same period of 2020 were reported as follows;

Unit: Thousand Baht

Transaction	The consolidated statement of comprehensive income for the year ended December 31		Change	
	2021	2020	Increase (Decrease)	%
<b>Revenue from sales and services</b>				
Sales and services	715,352	666,405	48,947	7
Cost of sales and services	507,284	478,669	28,615	6
<b>Gross profit of sales and services</b>	<b>208,068</b>	<b>187,736</b>	<b>20,332</b>	<b>11</b>
<b>Revenue from sales with installation</b>				
Sales with installation	154,831	132,476	22,355	17
Cost of sales with installation	101,829	80,178	21,651	27
<b>Gross profit of sales with installation</b>	<b>53,002</b>	<b>52,298</b>	<b>704</b>	<b>1</b>
<b>Gross profit</b>	<b>261,070</b>	<b>240,034</b>	<b>21,036</b>	<b>9</b>
Other income	11,238	7,481	3,757	50
Distribution costs	99,810	98,753	1,057	1
Administrative expenses	73,249	75,662	(2,413)	(3)
<b>Operating profit</b>	<b>99,249</b>	<b>73,100</b>	<b>26,149</b>	<b>36</b>
Financial cost	15,845	18,363	(2,518)	(14)
<b>Profit before income tax expenses</b>	<b>83,404</b>	<b>54,737</b>	<b>28,667</b>	<b>52</b>
Income tax expenses	14,464	10,393	4,071	39
<b>Net profit</b>	<b>68,940</b>	<b>44,344</b>	<b>24,596</b>	<b>55</b>
Other comprehensive loss-after tax	-	5,186	(5,186)	(100)
<b>Total comprehensive income for the year</b>	<b>68,940</b>	<b>39,158</b>	<b>29,782</b>	<b>76</b>
<b>Earnings per share (EPS) (Baht per share)</b>	<b>0.14</b>	<b>0.08</b>	<b>0.06</b>	<b>76</b>



### **Discussion and Analysis of operating results:**

Total comprehensive income for the year 2021 was Baht 68.94 million. It increased by Baht 29.78 million or 76% compared with the same period of 2020. The main reasons are as follows;

#### ➤ **Revenue from sales and services**

There was a moderate increase in sales and services by Baht 48.95 million or 7% between 2020 and 2021. It was mainly from the increase in sales and services, namely concrete piles and electric poles as well as the large amount of completed projects both public sector and private companies.

#### ➤ **Cost of sales and services**

It rose slightly by Baht 28.62 million or 6% from 2020 to 2021 due to the growth of sales and services. However, the company had an ability to control the cost of raw materials effectively. It leads to the reduction of the cost production by 1.33% which it was 70.49% of sales and services in 2021 as well as was 71.82% of sales and services in 2020.

#### ➤ **Revenue from sales with installation**

It went up minimally by Baht 22.36 million or 17% between 2020 and 2021 because of the lower Covid-19 restriction of government policies in 2021. It brings about to complete several projects. The company also bided higher new projects in 2021.

#### ➤ **Cost of sales with installation**

It rose slightly by Baht 21.65 million or 27% from 2020 to 2021 due to the growth in sales with installation.

#### ➤ **Gross profit**

There was an increase in gross profit of sales and services by Baht 20.33 million or 11% from 2020 to 2021 and the company had a higher gross profit of sales with installation in the amount of Baht 0.7 million or 1% between 2020 and 2021. Therefore, the company had a growth in total gross profit by Baht 21.04 million or 9% from 2020 to 2021.

#### ➤ **Other income**

It grew by Baht 3.76 million or 50% from 2020 to 2021. It was mainly from transportation revenue which corresponded to sales and services. Furthermore, the subsidiary company gained subsidy from Covid-19 policy of the government.

#### ➤ **Distribution costs**

There was an increase in distribution costs by Baht 1.06 million or 1% from 2020 to 2021 due to the growth in sales and services. It leads to the higher transportation fee. Nevertheless, the increase in distribution costs was lower than the rise in sales and services.



➤ **Administrative expenses**

It dropped by Baht 2.41 million or 3% from 2020 to 2021 because of the reversal of expected credit loss of contract assets. It reflects that the company manage them productively

➤ **Financial cost**

There was a decrease in financial cost by Baht 2.52 million or 14% from 2020 to 2021. It was mainly from a repayment of bank loans and lease liabilities as well as a lower of interest rate. Moreover, there were full repayments of some lease agreements during the year.

➤ **Net profit**

It was Baht 44.34 million and 68.94 from 2020 to 2021 respectively. It increased steadily by Baht 24.60 million or 55% which it corresponded to the higher revenues as well as the effective control of distribution costs and administrative expenses.

Unit: Thousand Baht

Transaction	The consolidated statement of financial position As at December 31		Change	
	2021	2020	Increase (Decrease)	%
	Total assets	1,102,928	1,041,189	61,739
Total liabilities	669,375	676,577	(7,202)	(1)
Total equities	433,553	364,613	68,940	19

**Discussion and Analysis of financial position:**

There were explanations of the changes in the consolidated statement of financial position as follows;

➤ **Total assets**

They were Baht 1,041.19 million and Bath 1,102.93 million from 2020 to 2021 respectively. They rose moderately by Baht 61.74 million or 6%. It was mainly from the reasons below.

- Cash and cash equivalents increased by Baht 32.14 million, while accounts receivable and others receivable decreased by Baht 25.47 million. They derived from the proceeds of long-term loans near the end of the year and the collection of accounts receivable, including the closing of Nakornsawan branch.
- Contracts asset increased by Baht 13.12 million which they corresponded to the higher revenues in 2021. The company could bid many new projects steadily.



- Inventories grew by Baht 62.72 million. They derived from making a lot of orders of raw materials, especially steel bar and PC wire because their prices were expected to grow continuously.
- Plant property and equipment rose by Baht 1.57 million, meanwhile right-of-use assets declined by Baht 24.82 million. They occurred from a transfer from right-of-use assets to plant property and equipment, purchasing a land for expanding the factory and terminating the lease agreement of Nakornsawan branch.
- Other non-current assets increased by Baht 4.99 million. They derived from retention deposits, as the company could complete several projects during the year.

➤ **Total liabilities**

They were Baht 676.58 million and Bath 669.38 million from 2020 to 2021 respectively. They decreased minimally by Baht 7.20 million or 1%. It was mainly from the reasons below.

- Interest bearing debts dropped by Baht 12.57 million. They were caused by the proceeds of long-term loans in the amount of Baht 110 million and the repayment of promissory notes in the amount of Baht 70 million. Besides that, there were the repayment of loans and bank overdrafts.
- Employee benefit obligation grew by Baht 3.64 million. It derived from interest costs and service costs which were recognized during the year conforming to Actuarial Valuation Report.

➤ **Total equities**

They were Baht 364.61 million and Bath 433.55 million from 2020 to 2021 respectively. They increased steadily by Baht 68.94 million or 19% as a result of recognizing the comprehensive income during the year.

Please be informed accordingly.

Yours sincerely

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Managing Director