



February 24, 2023

Subject: Management Discussion and Analysis for the twelve-month as of December 31, 2022

To: The Director and Manager

The Stock Exchange of Thailand

Accordingly, minutes of meeting No.2/2023 on February 24, 2023, at Sirakorn Public Company Limited. To the approval of the Financial Statement as of December 31, 2022

Summary of company performance for the 2022 yearly

Sirakorn Public Company Limited reports the company's performance for the twelve-month. The details of performance as of December 31, 2022, are as follows:

**Consolidated Statement of Comprehensive Income**

Descriptions	twelve-month comparison				Three-month comparison			
	31 Dec 22		increased / (decreased)		31 Dec 22		increased / (decreased)	
	Q 1-4/2022	Q 1-4/2021	Amount	%	Q4/2022	Q3/2022	Amount	%
Revenue from sales	417.74	382.63	35.11	9.18	135.66	112.37	23.29	20.73
Revenue from construction	201.16	249.57	-48.41	-19.40	29.72	39.76	10.04	-25.25
Revenue from service	2.06	2.18	-0.12	-5.50	0.45	0.44	0.01	2.27
Total revenue	620.96	634.38	-13.42	-2.12	165.83	152.57	13.26	8.69
Other revenue	3.12	1.77	1.35	76.27	-0.55	1.57	-1.02	-64.97
<b>Total</b>	<b>624.08</b>	<b>636.15</b>	<b>-12.07</b>	<b>-1.90</b>	<b>165.28</b>	<b>154.14</b>	<b>11.14</b>	<b>7.23</b>
Cost of goods sold and service	-337.39	-298.84	-38.55	12.90	-104.82	-90.17	-14.65	16.25
Cost of construction	-187.90	-211.23	23.33	-11.04	25.40	-38.29	12.89	33.66
Total cost	-525.29	-510.07	-15.22	2.98	-130.22	-128.46	-1.76	1.37
<b>Gross profit</b>	<b>98.79</b>	<b>126.08</b>	<b>-27.29</b>	<b>-21.64</b>	<b>35.06</b>	<b>25.68</b>	<b>9.38</b>	<b>36.53</b>
Sales and administration expenses	-92.33	-94.65	2.32	-2.45	-25.75	-21.94	-3.81	17.37
EBIT	6.46	31.43	-24.97	-79.45	9.31	3.74	5.57	148.93
Finance cost	1.03	-0.82	1.85	-225.60	1.87	-0.28	2.15	-767.86
Share of profit(loss) from investment in subsidiaries	0.28	-	0.28	100.00	0.28	-	0.28	100.00
Profit (loss) from discontinued operating segment	-	0.59	-0.59	-100.00	-	-	-	-
Taxation	1.69	-6.35	8.04	126.61	3.06	-1.20	4.26	-355.00
<b>Net profit</b>	<b>9.45</b>	<b>24.85</b>	<b>-15.40</b>	<b>-61.97</b>	<b>14.51</b>	<b>2.24</b>	<b>12.27</b>	<b>547.77</b>
EBITDA	20.84	47.12	-	-	27.39	6.75	-	-
EPS (Baht)	0.0205	0.0540	-	-	0.0315	0.0049	-	-



## Executive Summary

In the year ended the twelve-month as of 31 December 2022, the Company had total revenue of Baht 624.08 million, a decrease of 1.90% YOY. The total cost of sales and services amounts to Baht 525.29 million, an increase of 2.98% YOY. Resulting in a lower gross profit amount of Baht 98.79 million, a growth of 15.83% YOY. Distribution costs and administrative expenses amounted to Baht 92.33 million, a decrease of 2.45% YOY. Net loss for the twelve-month amounted to Baht 9.45 million, 1.52% decrease from the same period with the previous year approximately 61.97% YOY, and EBITDA in the year 2022 amounted to Baht 20.84 million.

The Company's major reasons for the performance for the year of 2022, the Net loss was impacted by the sales-price competition, including the main impact from raw material costs such as steel price raise the price also rising oil prices, hence the cost of production and cost of goods sold were raise also labor cost.

### Total revenues

The period the twelve-month ended on December 31, 2022, and the Company had a total revenue amount of Baht 624.08, consisting of revenue from sales amount of Baht 417.74 million, which increased amount of Baht 35.11 million (9.18%) when it's compared with the clone of the period but last year when it's considered with Q'3/2022 revenue from the sale, it's increased amount of Baht 23.29 million (20.73%). There was effected from Construction revenue which amounted to Baht 201.16 million, It's was decreased from the clone of the period but last year amounted to Baht 48.41 million(19.40%), a decrease from Q'3/2022 amounted to Baht 10.04 million (25.25%). Revenue from sales has increased, which was affected by an increase in sales. Construction's revenue has decreased, there was affected by most of 2021 revenue recognition, Service's revenue amounted to Baht 2.06, which increased by 5.50%, and other revenue amounted to Baht 3.12 million,(76.27%), most of the other revenue consisted of scrap sold, demolishing and discounts.

### Project construction in-process as during Q4/2022

Project	Contract Price	% Complete
- Adjustment of 22 KV Serng Sang - Pakam	13.71	47.35
- 230 KV Chantaburi-Trad	84.59	97.83
- Construction work KV System (Pontaley-Pichit)	27.00	1.37
- Material Import for the roof work (Mango BKK)	39.76	28.17
- 115 KV work, Lham Ngob - Trad	58.25	0.11
- 115 KV work, Serng Sang – Lahan Sai	129.22	0.11
<b>Total</b>	<b>352.53</b>	-



**Backlog of January 1, 2023**

(Unit: million)

Description	Production	Civil work	Distribution and transmission line	Total
Backlog	108	-	252	360

**Cost of sales and services**

Period the twelve-month ended on December 31, 2022, the Company had the total Cost of sales and services amount of Baht 337.39 million, 80.77%, an increasing amount of Baht 38.55 million, an increase of 12.90% YoY, Cost of sales and services had increased because of the number of sales, furthermore, a raised of raw material price.

The twelve-month in term of Construction cost that ended on December 31, 2022, amounted to Baht 187.90 million (93.41% of revenue) It decreased with the clone period but last year amounted to Baht 23.33 million (11.04%). It decreased from Q'3/2022 and amounted to Baht 12.89 million (33.66%). As a result of construction revenue recognition, as most of 2021 happened, the construction gross profit margin decreased since the last time of detailing work expenditure.

**Distribution costs and administrative expenses**

Period the twelve-month ended on December 31, 2022, the Company had total distribution costs and administrative expenses amounting to Baht 92.33 million, It was decreased from the clone period but last year amounted to Baht 2.32 million(2.45%) since the bonus decreased and it's increased from Q'3/2022 amounted to Baht 3.81 million (17.37%). Mainly impaction, It was the reason why, between Q'3/2022, there was an adjustment and reversement of employee expenses, and bonus expenses due to the loss performance situation.

**Gross Profit and Net Profit**

Period the twelve-month ended on December 31, 2022, the Company's gross profit amounted to Baht 98.79 million, It was decreased from the clone period but last year amounted to Baht 27.29 million (21.64). The gross profit margin was raised from Q'3/2022 amounted to Baht 9.38 million (36.53%). Earnings after corporate income tax for period twelve-month amounted to Baht 9.45 million, decreasing with the clone period but last year amounted to Baht 15.40 million (61.97%). It was increased from Q'3/2022 amounted to Baht 12.27 million (547.77%). The reason why, is a raising in the cost of sales, a raise in the cost of construction, and the last time of detailing work expenditure. EPS amounted to Baht 0.0205 per share and EBITDA was the amount Baht 20.84 million.



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## **Statements of financial position**

### **Assets**

As of December 31, 2022, the total asset amount of Baht 533.47 million increased by 3.38 million in 2021. From a decrease in Accounts receivable and other receivables amounted to Baht 59.87 million, Inventory amounted to Baht 17.38 million and a raise in Construction in progress unbilled amounted to Baht 2.96 million, Cash and cash equivalent amounted to Baht 41.84 million, Loan to other company amounted to Baht 32.44 million, the noncurrent asset was increased amounted to Baht 3.75 million, Mostly, raising from Plant, building, and equipment either contract asset – noncurrent, deferred tax asset, other noncurrent asset and right of use asset.

### **Liabilities**

As of December 31, 2022, the total liabilities amounted to Baht 181.14 million, there was increasing amounted to Baht 5.43 million when compared with the clone period but last year. Current liabilities amounted to Baht 18.08 million, due to accounts payable, and others amounted to Baht 6.75 million, current contract liabilities amounted to Baht 12.88 million. The current portion from the financial institution amounted to Baht 5.00 million, the current portion from the financing lease amounted to Baht 5.00 million, and the raising of overdraft and a short-term loan from the financial institution amounted to Baht 47.69 million. The noncurrent liabilities decreased amounted to Baht 12.65 million due to a long-term loan decreased amounted to Baht 15.00 million, increasing of the finance lease liabilities amounted to Baht 0.44 million, furthermore increasing employee benefits amounted to Baht 1.81 million

### **Shareholders**

As of December 31, 2022, the share-holder decreased amounted to Baht 2.05 million, it was affected by the company's performance either on payment of dividends with 2021's performance amounting to Baht 11.50 million.

## **Statements of cash flows**

As of December 31, 2022, cash and cash equivalents amounted to Baht 117.61 million, there was affected by the beginning of the period on January 1 2022 amounted to Baht 75.77 million. Cash and cash equivalents in operating activities amounted to Baht 69.31 million, Mostly it happened to the changes in accounts receivable and others and decreased because of the changes in accounts payable and contract liabilities. When less cash was used in investing activities amounted to Baht 37.31 million, from a loan to another party plus cash as an offer for financing activities amounted to Baht 9.85 million, Cash received from a loan from a financial institution and decreased from paid dividends and payment finance lease.



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### Financial Ratios

Financial Ratios	2022	2021
Current Ratio (times)	2.43	2.79
Return on Equity (%)	2.68	7.01
Return on Assets (%)	1.77	4.69
Debt to Equity ratio (times)	0.51	0.50
Interest-bearing debt on Equity (times)	0.11	0.12

Please be informed accordingly.

( Mr. Wichai Sintukanjanapan )

Assistant Managing Director Accounting & Finance

And Corporate Support Department

