

AMD 66099/OCO

May 12th , 2023

Subject: Management Discussion and Analysis for the first Quarter of 2023 ended March 31st , 2023

To: President
The Stock Exchange of Thailand

Index International Group Public Company Limited (“the Company”) would like to clarify the operating results for the first quarter of 2023 period ended March 31st , 2023 with the following details

Unit: Million Baht

Income Statement For 3 months Ended on March 31, 2023 and 2022	The first 3 months Ended on		Change	
	March 31, 2023	March 31, 2022	Amount	Percentage
Revenue from services	169.38	153.21	16.17	10.55
Cost of Services	130.34	113.73	16.61	14.60
Gross Profit	39.04	39.48	(0.44)	(1.11)
Other income	0.42	1.44	(1.02)	(70.83)
Administrative expenses	23.69	23.23	0.46	1.98
Financial cost	0.12	0.13	(0.01)	(7.69)
Benefit (expense) of income tax	3.21	3.82	(0.61)	(15.97)
Net profit (loss) for the period	12.44	13.74	(1.30)	(9.46)

Revenue from services

For the first quarter of the year 2023, the company generated a total revenue of 169.38 million baht from its services, representing an increase from the corresponding quarter of the previous year, which was 153.21 million baht. This indicates a growth of 16.17 million baht, equivalent to a percentage increase of 10.55. The revenue structure details are as follows.

Revenue from services (million Baht)	The first 3 months ended on		Change	
	March 31, 2023	March 31, 2022	Amount	Percentage
Revenue from design work	19.00	26.29	(7.29)	(27.73)
Revenue from design and construction work	121.54	121.18	0.36	0.30
Revenue from project management/ work supervision	27.72	5.70	22.02	386.32
Revenue from other services	1.12	0.04	1.08	2,700.00
Revenue from services	169.38	153.21	16.17	10.55

- **Revenue from conceptual design and detailed design services**

Revenue from conceptual design and detailed design services for the first quarter of the year 2023 was 19.00 million baht, compared to 26.29 million baht for the same period of the previous year, representing a decrease of 7.29 million baht or 27.73%. This was due to the company recognizing a decrease in revenue from mostly completed design projects, in addition to only having 2 new design projects during the first quarter of 2023. As a result, the company's revenue from design services during the first quarter of 2023 was lower than that of the same period in 2022.

- **Revenue from design and construction work**

Revenue from design and construction work in the first quarter of 2023 was 121.54 million baht, which is close to the same period revenue of the previous year at 121.18 million baht, increasing slightly by 0.36 million baht or 0.30%. This is due to the company's recognition of revenue from large projects such as the design and construction of an aviation fuel service system at U-Tapao Airport, and the design and construction of a pipeline system for oil transport in the overlapping area of the High-Speed Rail Connecting Three Airports Project (Phaya Thai- Bang Sue- Klang Krung Village)

- **Revenue from project management and construction work supervision**

The revenue from project management and construction work supervision in Q1 of 2023 amounted to 27.72 million baht, an increase of 22.02 million baht or 386.32% compared to the same period of the previous year, due to the company's recognition of revenue from large projects such as the Purple MRT Line, Tao Pun - Rat Burana Section (Kanchanapisek Roundabout), and the project to supervise the construction of the Chiang Rai - Chiang Khong High-Speed Railway Line. This resulted in higher revenue from project management and construction work supervision compared to Q1 of 2022.

- **Revenue from other services**

The revenue from other services for Q1 of 2023 was 1.12 million baht, an increase of 1.08 million baht or 2,700% compared to the same period of the previous year, which was 0.04 million baht.

This increase was due to the company receiving new project contracts, resulting in higher revenue from other services during the first three months of 2023 compared to the same period in 2022.

Cost of Services and gross profit

For the first quarter of 2023, the company's service cost was 130.34 million baht, an increase from the previous year's 113.73 million baht, representing an increase of 16.61 million baht or 14.60% when compared to the same period of the previous year. This increase in service cost is in line with the increase in revenue. The components of the company's service cost include (1) employee-related expenses, (2) subcontractor fees, and (3) other direct expenses such as field expenses, report preparation costs, and equipment costs.

The company had a gross profit of 39.04 million baht in the first quarter of 2023, which decreased from the previous year's 39.48 million baht, a small decrease of 0.44 million baht or 1.11% compared to the same period of the previous year.

Administrative expenses

For the first quarter of 2023, the company's management expenses amounted to 23.69 million baht, representing a management expense-to-revenue ratio of 13.95%, compared to the same period in 2022, which had a ratio of 15.02%. This demonstrates the company's continued efficiency in managing expenses.

Net profit (loss)

For the first three months of 2023, the company has a net profit of 12.44 million baht, a decrease from the previous year of 13.74 million baht or a decrease of 9.46 percent when compared to the same period of the previous year which was 1.30 million baht. This is due to the current economic situation on many fronts which is fluctuating, resulting in increased operational costs for the company.

Unit: million Baht

Financial Statement as of March 31, 2023 and December 31, 2022	March 31, 2023	December 31,2022	Change	
			Amount	Percentage
Asset	745.97	774.13	(28.16)	(3.64)
Liability	328.99	367.71	(38.72)	(10.53)
Shareholder's equity	416.98	406.42	10.56	2.60
Debt to equity ratio (D/E Ratio) : Times	0.79	0.90	(0.11)	(12.22)
Debt to equity ratio (D/E Ratio) : Times (Only interest-bearing debt)	0.03	0.03	0.00	0.00

Financial position

As of March 31, 2023, the company's total assets amounted to 745.97 million baht, a decrease of 28.16 million baht or 3.64% from December 31, 2022, which was mainly due to a decrease in significant asset items. The total liabilities amounted to 328.99 million baht, a decrease of 38.72 million baht or 10.53% from the previous year-end, primarily due to a decrease in trade and other payables, as well as a decrease in liabilities from significant contracts. The company successfully completed and delivered work on a major project to its customers, resulting in an increase in shareholder's equity to 416.98 million baht, up from 406.42 million baht at the end of the previous year, an increase of 10.56 million baht. This was due to the company's profitable operations in the first three months of 2023, which led to an increase in shareholder's equity in line with the increased revenue.

Financial ratio

For the first quarter of 2023, the company maintained a good level of liquidity with a current ratio of 1.95, and a debt-to-equity ratio of 0.79, which improved from the previous year-end level of 0.90 due to the decrease in the company's total debt.

Cash flow

For the first quarter of 2023, the company generated a net cash flow of 46.02 million baht from operating activities. The company's net cash flows used in investing activities was 1.34 million baht, and its net cash flows used in financing activities was 1.59 million baht, mainly due to repayment of lease liabilities.

Please be informed accordingly

Yours sincerely,



(Mr. Rathawit Na Lamphun)

Assistant Chief Executive Officer

and Company Secretary

Index International Group Public Company Limited