

AMD 66218/OCO

August 23, 2023

Subject: Management Discussion and Analysis for the second Quarter of 2023 ended June 30, 2023 (Edit)

To: President
 The Stock Exchange of Thailand

Index International Group Public Company Limited (“the Company”) would like to clarify the operating results for 6-month period ended June 30, 2023 with the following details

Unit: Million Baht

Profit and Loss Statement For 6 months as of June 30, 2023 and 2022	6 months ending as of		Change	
	June 30, 2023	June 30, 2022	Amount	Percentage
Revenue from services	338.89	275.00	63.89	23.23
Cost of Services	261.94	210.26	51.68	24.58
Gross Profit	76.95	64.74	12.21	18.86
Other income	1.05	2.09	(1.04)	(49.76)
Administrative expenses	107.30	44.80	62.50	139.51
Financial cost	0.19	0.27	(0.08)	(29.63)
Benefit (expense) of income tax	5.90	(4.58)	10.48	228.82
Net profit (loss) for the period	(23.59)	17.18	(40.77)	(237.31)

Revenue from services

For the first 6 months of the year 2023, the company generated total service revenue of 339.94 million Baht, compared to 277.09 million Baht during the same period of the previous year, representing an increase of 62.85 million Baht or 22.68% The detailed breakdown of the revenue structure is as follows:

Revenue from services (million Baht)	6 months ending as of		Change	
	June 30, 2023	June 30, 2022	Amount	Percentage
Revenue from design work	32.26	67.88	(35.62)	(52.47)
Revenue from design and construction work	242.82	193.50	49.32	25.49
Revenue from project management/ work supervision	62.08	13.52	48.56	359.17
Revenue from other services	1.73	0.10	1.63	1,630
Revenue from services	338.89	275.00	63.89	23.23

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

Revenue from conceptual design and detailed design services for the first 6 months of 2023 amounted to 32.26 million Baht, compared to 67.88 million Baht during the same period of the previous year, reflecting a decrease of 35.62 million Baht or 52.47%. This reduction is attributed to the company recognizing decreased revenue from design projects that are nearing completion. Additionally, during the first 6 months of 2023, the company secured only 3 new design projects that are in their initial phases, leading to lower revenue from preliminary and detailed design work compared to the same period of the previous year.

- **Revenue from design and construction work**

Revenue from design and construction work for the first 6 months of 2023 amounted to 242.82 million Baht, an increase of 49.32 million Baht or 25.49% compared to the same period of the previous year, which had revenue of 193.50 million Baht. This growth is attributed to the company recognizing revenue from major 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), among others. Additionally, the company secured a new design and construction project, resulting in higher revenue from the design and construction work segment compared to the same period of the previous year.

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

Revenue from project management and construction work supervision for the first 6 months of 2023 amounted to 62.08 million Baht, an increase of 48.56 million Baht or 359.17% compared to the same period of the previous year, which had revenue of 13.52 million Baht. This substantial growth is attributed to the company recognizing 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, etc. As a result, the company's revenue from the project management and construction work supervision segment was higher than the same period of the previous year.

- **Revenue from other services**

Revenue from other services for the first 6 months of 2023 amounted to 1.73 million Baht, an increase of 1.63 million Baht or 1,630% compared to the same period of the previous year, which had revenue of 0.10 million Baht. This significant growth is attributed to the company securing new project contracts, resulting in higher revenue from other services than the first 6 months of 2022.

Cost of Services and gross profit

For the first 6 months of 2023, the company had service costs amounting to 261.94 million Baht, an increase of 51.68 million Baht or 24.58% compared to the same period of the previous year, which had service costs of 210.26 million Baht. This increase in service costs is in line with the growth of revenue. The components of the company's service costs include (1) expenses related to employees, (2) contractor fees, and (3) other direct expenses such as field expenses, report preparation costs, equipment costs, and more.

The company achieved a gross profit of 76.95 million Baht for the first 6 months of 2023, an increase of 12.21 million Baht or 18.86% compared to the same period of the previous year, which had a gross profit of 64.74 million Baht.

Administrative expenses

For the first 6 months of 2023, the company had management expenses of 107.30 million Baht, representing a management expense-to-total revenue ratio of 31.57%. This increased compared to the same ratio for the first 6 months of 2022, which was at the level of 16.17%, due to the rise in costs, because there are employee benefit expenses paid to directors and executives who retire from office.

Which in paying such benefits, it is a long-term remuneration for the Chief Executive Officer and top executives. According to the tenure of the Chief Executive Officer and top executives, the purpose is to focus and motivate the Chief Executive Officer to dedicate themselves and perform duties for the company. To achieve the goals as planned and when considering the remuneration of the Chief Executive Officer who has worked in the position of Chief Executive Officer and the company's top management since the establishment of the company over the past 40 years, the company has therefore considered such long-term compensation. Amounting to 40 million baht (excluding tax) by tax calculation think of the progressive rate by taking all income in the year to deduct various deductions The amount of tax that must be paid is 20.80 million baht.

The company has a long-term compensation policy for the Chief Executive Officer. And top executives approved by the Nomination and Remuneration Committee and approved by the Board of Directors and in considering such remuneration The committee has studied the impact. And reasonableness thoroughly and carefully.

And this compensation payment does not affect the performance of the company's business operations. The company continues to operate normally. And the performance is still in accordance with the plan but due to the retirement of the Chief Executive Officer Nomination and Remuneration Committee and the Board of Directors Has considered and approved the payment of such remuneration. According to accounting standards, transactions must be recognized immediately upon approval of expenses. Therefore, this expense appeared in the financial statements of the 2nd quarter of 2023 for only one quarter. However, such compensation cannot gradually be recorded in the account, causing the Company's financial statements in the 2nd quarter of 2023 to have a significant loss.

However, the company's performance continues to grow and is in line with the set target. However, such compensation payment does not affect the company's cash flow in any way. The company still has sufficient and stable cash flow for business operations.

Net profit (loss)

For the first 6 months of 2023, the company incurred a net loss of 23.59 million Baht. This is a change from the previous year, which had a net profit of 17.18 million Baht. When compared to the same period of the year before, this change amounts to 40.77 million Baht, or an increase of 237.31% This is a result of the company has increased administrative expenses, however the company's business performance by various projects can still be implemented according to the budget of each project.

Unit: million Baht

Financial Statement as of June 30, 2023 and December 31, 2022	June 30, 2023	31 December, 2022	Change	
			Amount	Percentage
Asset	775.01	774.13	0.88	0.11
Liability	392.53	367.71	24.82	6.75
Shareholder's equity	382.48	406.42	(23.94)	(5.89)
Debt to equity ratio (D/E Ratio) : Times	1.03	0.90	0.13	14.44
Debt to equity ratio (D/E Ratio) : Times (Only interest-bearing debt)	0.03	0.03	0.00	0.00

Financial position

As of June 30, 2023, the company's total asset value amounted to 775.01 million Baht, an increase from December 31, 2022, which was 774.13 million Baht. This represents a rise of 0.88 million Baht or 0.11% The increase primarily stems from the "account and other receivables" category in the current assets, which totaled 392.53 million Baht, up from 367.71 million Baht at the year-end, an increase of 24.82 million Baht or 6.75% The majority of this increase is attributed to the growth in the "trade and other payables". The shareholder's equity, which stood at 382.48 million Baht at the year-end, decreased to 406.42 million Baht. This reduction of 23.94 million Baht represents a decrease of 5.89% This change is due to the company experiencing a loss during the 2nd quarter of 2023, resulting in a decrease in shareholder's equity.

Financial ratio

As of June 30, 2023, the company continues to maintain a strong liquidity position, with a current ratio of 1.70, indicating a healthy level. The debt-to-equity ratio stands at 1.03, showing a slight increase compared to December 31, 2022, when it was 0.90.

Cash flow

For the first half of 2023, the company generated a net cash inflow of 46.48 million Baht from operating activities. This was due to the company's operational performance. Net cash was utilized in investment activities, amounting to 27.57 million Baht, and there was a net cash outflow of 1.95 million Baht in financing activities. This outflow resulted from the repayment of principal on lease obligations.

Please be informed accordingly

Yours sincerely,



(Mr. Rathawit Na Lamphun)

Deputy Chief Executive Officer : Management
and Company Secretary

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