



Yong Concrete Public Company Limited

Management's Discussion and Analysis

Operating results for the 6-month ended June 30, 2023

Operating results for the 3-month ended and for the 6-month ended June 30, 2023 compared with the same period of 2022 were reported as follows;

Unit: Thousand Baht

Transaction	The consolidated statement of comprehensive income for the 3-month ended June, 30		Change		The consolidated statement of comprehensive income for the 6-month ended June, 30		Change	
	2023	2022	Increase (Decrease)	%	2023	2022	Increase (Decrease)	%
	Revenue from sales	212,139	203,920	8,219	4.03	431,366	395,460	35,906
Revenue from services	52,860	35,706	17,154	48.04	104,589	82,477	22,112	26.81
Total revenue from sales and services	264,999	239,626	25,373	10.59	535,955	477,937	58,018	12.14
Cost of sales	145,689	140,748	4,941	3.51	298,605	274,442	24,163	8.80
Cost of services	38,605	25,277	13,328	52.73	73,258	58,112	15,146	26.06
Total cost of sales and services	184,294	166,025	18,269	11.00	371,863	332,554	39,309	11.82
Gross profit	80,705	73,601	7,104	9.65	164,092	145,383	18,709	12.87
Other income	3,201	6,083	(2,882)	(47.38)	5,984	7,908	(1,924)	(24.33)
Distribution costs and Administrative expenses	46,798	43,496	3,302	7.59	94,135	91,136	2,999	3.29
Financial cost	2,936	4,002	(1,066)	(26.64)	5,939	7,654	(1,715)	(22.41)
Income tax expenses	7,271	5,831	1,440	24.70	14,050	8,801	5,249	59.64
Net income for the period	26,901	26,355	546	2.07	55,952	45,700	10,252	22.43
Net comprehensive income for the period	26,901	26,355	546	2.07	55,952	45,700	10,252	22.43
Earnings per share (EPS) (Baht)	0.04*	0.05*	(0.01)		0.08*	0.09*	(0.01)	

* Ordinary shares outstanding (basic) at 30 June 2023 amounting to Share 680 million (30 June 2022 : Share 500 million).

Discussion and Analysis of operating results:

➤ **Total revenue from sales and services**

Total revenue from sales and services for 3-month ended June 30, 2023 was Baht 265.00 million which increased by Baht 25.37 million or 10.59% compared with the same period of 2022 and for 6-month ended June 30, 2023 was Baht 535.96 million which increased by Baht 58.02 million or 12.14% compared with the same period of 2022. The total revenue mainly derived from the large amount of completed projects, both public sector and private companies, and sales of concrete products and partly due to increased revenue from the expansion of Bang Yai branches.



➤ **Total cost of sales and services**

Total cost of sales and services was Baht 184.29 million for 3-month ended June 30, 2023 which increased by Baht 18.27 million or 11.00% compared with the same period of 2022 and for 6-month ended June 30, 2023, total cost of sales and services was Baht 371.86 million which increased by Baht 39.31 million or 11.82% compared with the same period of 2022. Which is consistent with increased revenue combined with effective raw material cost management.

➤ **Gross profit**

Gross profit was 80.71 million for 3-month ended June 30, 2023 which increased by Baht 7.10 million or 9.65% compared with the same period of 2022 and for 6-month ended June 30, 2023, it was Baht 164.09 million which increased by Baht 18.71 million or 12.87% compared with the same period of 2022.

➤ **Distribution costs and Administrative expenses**

Distribution costs and Administrative expenses was Baht 46.80 million for 3-month ended June 30, 2023 which increased by Baht 3.30 million or 7.59% compared with the same period of 2022 and for 6-month ended June 30, 2023, it was Baht 94.13 million which increased by Baht 3.00 million or 3.29% compared with the same period of 2022. The main due to the reversal of impairment expected credit loss of accounts receivable has decreased.

➤ **Financial cost**

Financial cost was Baht 2.94 million for 3-month ended June 30, 2023 which decreased by Baht 1.07 million or 26.64% compared with the same period of 2022 and for 6-month ended June 30, 2023, it was Baht 5.94 million which decreased by Baht 1.72 million or 22.41% compared with the same period of 2022. It derived from the repayment of loans regarding to the fund-raising objective in IPO.

➤ **Net income**

The Company had net profit for 3-month ended June 30, 2023 and 2022 for Baht 26.90 million and Baht 26.36 million, respectively. It was increased by 0.55 million or 2.07%. The Company had net profit for 6-month ended June 30, 2023 and 2022 for Baht 55.95 million and Baht 45.70 million, respectively. It was increased by Baht 10.25 million or 22.43%.



Discussion and Analysis of financial position:

➤ **Total assets**

Total assets were Baht 1,294 million as at June 30, 2023. There was a decrease in total assets by Baht 39 million or 2.94% compared with as at December 31, 2022. They derived from the decrease in cash and cash equivalents in the amount of Baht 119 million, and the increase in property, plant and equipment in the amount of Baht 59 million, the increase in inventories in the amount of Baht 14 million, the increase in right-of-use assets in the amount of Baht 9 million.

➤ **Total liabilities**

Total liabilities were Baht 457 million as at June 30, 2023. There was a decrease in total liabilities by Baht 41 million or 8.20% compared with as at December 31, 2022. They derived from the decrease in interest-bearing liabilities in the amount of Baht 67 million, and the increase in trade and other payables in the amount of Baht 15 million, the increase in contract liabilities in the amount of Baht 5 million, the increase in income tax payable in the amount of Baht 2 million.

➤ **Total equity**

Total equity was Baht 837 million as at June 30, 2023. There was an increase in total equity by Baht 2 million or 0.19% compared with as at December 31, 2022. Due to the increase in net income for the 6-month ended June 30, 2023 in the amount of Baht 56 million and dividend paid in the amount of Baht 54 million

Discussion and Analysis of cash flows:

There were cash flows from operating activities in the amount of Baht 113.21 million and cash flows used in investment activities were Baht 85.39 million. They occur from the acquisition of plant, property, and equipment in the amount of Baht 87.66 million. Cash flows use in financing activities were Baht 146.69 million. They occur from the repayment of long-term borrowings from financial institutions in the amount of Baht 62.80 million, the payment of lease liabilities in the amount of Baht 19.43 million and dividend paid in the amount of Baht 54.36 million. As a result, cash and cash equivalents as at June 30, 2023, was Baht 34.99 million.

Please be informed accordingly.

Yours sincerely,

(Mr. Sunpetch Slisatakorn)

Chief Executive Officer