

November 14, 2023

Re: Management Discussion and Analysis

For the three-month and nine-month periods ending September 30, 2023

To: President

Stock Exchange of Thailand

On November 14, 2023 The Board of Directors' meeting no. 4/2023 resolved to approve the financial statements of PSG Corporation Public Company Limited ("Company") for the three-month and nine-month periods ended September 30, 2023, which were reviewed by EY Office Limited and the Audit Committee. The details are as follows:

**Summary of the Company's Operating Performance**

The Company and its subsidiary remained continuously profitable in Q3-2023. Profits in Q3-2023 and the first nine months were Baht 116.72 million and Baht 558.91 million respectively.

Summary of financial performance for three-month and nine-month periods ending September 30, 2023, is as follows:

Unit: Million Baht (reviewed)

Description	Consolidated financial statements							
	Third Quarter (Million Baht)		Changes		Nine-month (Million Baht)		Changes	
	2023	2022	Inc.(Dec)	%Chg.	2023	2022	Inc.(Dec)	%Chg.
Revenues from construction contracts	257.88	402.84	(144.96)	(35.98)	1,092.62	878.54	214.08	24.37
Other Income	2.30	1.39	0.91	65.47	7.29	19.13	(11.84)	(61.89)
Exchange gains	34.18	21.95	12.23	55.72	75.92	24.69	51.23	207.49
<b>Total revenues</b>	<b>294.36</b>	<b>426.18</b>	<b>(131.82)</b>	<b>(30.93)</b>	<b>1,175.83</b>	<b>922.36</b>	<b>253.47</b>	<b>27.48</b>
Cost of construction contracts	65.51	108.41	(42.90)	(39.57)	290.45	255.15	35.30	13.83
Administrative expenses	90.72	37.08	53.64	144.66	181.55	96.18	85.37	88.76
<b>Operating profit</b>	<b>138.13</b>	<b>280.69</b>	<b>(142.56)</b>	<b>(50.79)</b>	<b>703.83</b>	<b>571.03</b>	<b>132.80</b>	<b>23.25</b>
Finance costs	0.90	1.27	(0.37)	(29.13)	2.99	2.16	0.83	38.43
Income tax expenses	20.51	39.06	(18.55)	(47.49)	141.93	79.85	62.08	77.75
<b>Profit for the period</b>	<b>116.72</b>	<b>240.36</b>	<b>(123.64)</b>	<b>(51.44)</b>	<b>558.91</b>	<b>489.02</b>	<b>69.89</b>	<b>14.29</b>
Other comprehensive income for the period	6.66	3.62	3.04	83.98	10.04	4.68	5.36	114.53
<b>Total comprehensive income for the period</b>	<b>123.38</b>	<b>243.98</b>	<b>(120.60)</b>	<b>(49.43)</b>	<b>568.95</b>	<b>493.70</b>	<b>75.25</b>	<b>15.24</b>

Description	Separate financial statements							
	Third Quarter (Million Baht)		Changes		Nine-month (Million Baht)		Changes	
	2023	2022	Inc.(Dec)	%Chg.	2023	2022	Inc.(Dec)	%Chg.
Revenues from construction contracts	257.88	402.84	(144.96)	(35.98)	1,092.62	878.54	214.08	24.37
Other Income	2.30	1.39	0.91	65.47	7.29	19.13	(11.84)	(61.89)
Exchange gains	35.21	29.86	5.35	17.92	78.42	34.92	43.50	124.57
<b>Total revenues</b>	<b>295.39</b>	<b>434.09</b>	<b>(138.70)</b>	<b>(31.95)</b>	<b>1,178.33</b>	<b>932.59</b>	<b>245.74</b>	<b>26.35</b>
Cost of construction contracts	107.12	142.16	(35.04)	(24.65)	404.09	312.79	91.30	29.19
Administrative expenses	88.21	33.18	55.03	165.85	173.26	91.22	82.04	89.94
<b>Operating profit</b>	<b>100.06</b>	<b>258.76</b>	<b>(158.70)</b>	<b>(61.33)</b>	<b>600.98</b>	<b>528.58</b>	<b>72.40</b>	<b>13.70</b>
Finance costs	0.66	1.12	(0.46)	(41.07)	2.36	1.99	0.37	18.59
Income tax expenses	19.92	37.94	(18.02)	(47.50)	120.13	76.40	43.73	57.24
<b>Profit for the period</b>	<b>79.48</b>	<b>219.70</b>	<b>(140.22)</b>	<b>(63.82)</b>	<b>478.49</b>	<b>450.19</b>	<b>28.30</b>	<b>6.29</b>
Other comprehensive income for the period	1.99	(1.09)	3.08	282.57	0.87	(6.37)	7.24	113.66
<b>Total comprehensive income for the period</b>	<b>81.47</b>	<b>218.61</b>	<b>(137.14)</b>	<b>(62.73)</b>	<b>479.36</b>	<b>443.81</b>	<b>35.55</b>	<b>8.01</b>

#### Total Revenues

For three-month and nine-month performances ending September 30, 2023, the Company and its subsidiary generated total revenues of Baht 294.36 million and Baht 1,175.83 million, respectively, compared to those of the same periods last year of Baht 426.18 million and Baht 922.36 million.

For three-month and nine-month performances ending September 30, 2023 (separate financial statements), the Company generated total revenues of Baht 295.39 million and Baht 1,178.33 million respectively, compared to those of the same periods last year of Baht 434.09 million and Baht 932.59 million.

#### Profit and Total Comprehensive Income

For three-month and nine-month performances ending September 30, 2023, the Company and its subsidiary reported net profit amounting to Baht 116.72 million and Baht 558.91 million respectively. In addition, the Company and its subsidiary reported total comprehensive income of Baht 123.38 million and Baht 568.95 million respectively. In the same periods last year, the Company and its subsidiary reported net profit of Baht 240.36 million and Baht 489.02 million, with total comprehensive income of Baht 243.98 million and Baht 493.70 million, respectively.

For three-month and nine-month performances ending September 30, 2023 (separate financial statements), the Company reported net profit of Baht 79.48 million and Baht 478.49 million respectively, with total comprehensive income of Baht 81.47 million and Baht 479.36 million, respectively. In the same periods last year, the Company reported net profit of Baht 219.70 million and Baht 450.19 million, with total comprehensive income of Baht 218.61 million and Baht 443.81 million, respectively.

The Company would like to clarify the changes on the Profit and Loss Statement for the 3<sup>rd</sup> quarter ending September 30, 2023, as those changes varied more than 20 percent compared to those of the same periods last year, as follows:

#### 1. Total Revenues

The Company and its subsidiary generated revenues in the 3<sup>rd</sup> quarter of 2023 consisting of revenue from construction contracts of Baht 257.88 million, other income of Baht 2.30 million, and exchange gains of Baht 34.18 million.

The Company's total revenues (separate financial statements) in the 3<sup>rd</sup> quarter of 2023 comprised of revenue from construction contracts of Baht 257.88 million, other income of Baht 2.30 million, and exchange gains of Baht 35.21 million. Construction contracts revenue decreased by Baht 144.96 million from the same quarter last year because of the heavy rain in the area affecting the road construction. In addition, there were some changes of contracted work causing the modification of the design. The exchange gains increased by Baht 5.35 million compared to those of the same period last year due to an impact of weakening Thai Baht on the Company's assets and liabilities denominated in foreign currency.<sup>1</sup>

#### 2. Cost of Construction

The Company and its subsidiary's construction cost in the 3<sup>rd</sup> quarter of 2023 was Baht 65.51 million.

The Company's construction cost for the 3<sup>rd</sup> quarter of 2023 (separate financial statements) was Baht 107.12 million, decreasing from the same quarter last year by Baht 35.04 million. This is in line with the construction work progress of the construction projects.

#### 3. Administrative Expenses

The Company and its subsidiary's administrative expenses in the 3<sup>rd</sup> quarter of 2023 were Baht 90.72 million.

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<sup>1</sup>Currently, the Company generates revenue from construction contracts for one project in USD and another project in Thai Baht, and currently has no projects with revenue denominated in Lao KIP.

The Company's administrative expenses for the 3<sup>rd</sup> quarter of 2023 (separate financial statements) were Baht 88.21 million, increasing from the same quarter last year by Baht 55.03 million due to an increased number of staffs and consultation fees for feasibility studies of various projects to explore new business opportunities.

#### 4. Financial Costs

Consolidated financial costs for the 3<sup>rd</sup> quarter of 2023 were Baht 0.90 million.

The Company's financial costs for the 3<sup>rd</sup> quarter of 2023 (separate financial statements) were Baht 0.66 million, decreasing from the same quarter last year by Baht 0.46 million.

#### 5. Income Tax Expenses

The Company and its subsidiary's income tax expenses for the 3<sup>rd</sup> quarter of 2023 were Baht 20.51 million.

The Company's income tax expenses for the 3<sup>rd</sup> quarter of 2023 (separate financial statements) were Baht 19.92 million, decreasing from the same quarter last year by Baht 18.02 million. This is in line with the Company's profitable performance.

#### Assets Liabilities and Shareholders' equity

Unit : Million Baht (reviewed)

	Consolidated		Separate	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Assets	2,534.67	1,947.88	2,417.39	1,889.18
Liabilities	227.56	209.72	222.39	173.54
Shareholders' equity	2,307.11	1,738.16	2,195.00	1,715.64

#### Assets

The Company and its subsidiary's total assets as of September 30, 2023, amounted to Baht 2,534.67 million, comprising current assets of Baht 2,118.16 million and non-current assets of Baht 416.51 million, compared to total assets of Baht 1,947.88 million as of December 31, 2022, representing Baht 586.79 million increase.

The Company's total assets as of September 30, 2023, amounted to Baht 2,417.39 million, comprising current assets of Baht 1,975.52 million and non-current assets of Baht 441.87 million, compared to total assets of Baht 1,889.18 million as of December 31, 2022, representing Baht 528.21 million increase. The major increase was from trade receivables, retention receivables moving in line with the construction work progress, and withholding tax under the refund process.

### Liabilities

The Company and its subsidiary's total liabilities as of September 30, 2023, amounted to Baht 227.56 million, comprising current liabilities of Baht 188.38 million and non-current liabilities of Baht 39.18 million, increasing by Baht 17.84 million from total liabilities of Baht 209.72 million as of December 31, 2022.

The Company's total liabilities as of September 30, 2023 amounted to Baht 222.39 million, comprising current liabilities of Baht 189.98 million and non-current liabilities of Baht 32.41 million, increasing by Baht 48.85 million from total liabilities of Baht 173.54 million as of December 31, 2022. The main increase was trade payables and retention payables.

Compared to other peers in the same industry, the Company and its subsidiary's debt to equity (D/E) ratio is relatively low at 0.10 times.

### Shareholder's equity

The Company and its subsidiary's shareholder's equity as of September 30, 2023, amounted to Baht 2,307.11 million, compared to shareholder's equity of Baht 1,738.16 million as of December 31, 2022, representing Baht 568.95 million increase which is in line with their profitability.

The Company's shareholder's equity as of September 30, 2023, amounted to Baht 2,195.00 million, compared to shareholder's equity of Baht 1,715.64 million as of December 31, 2022, increasing by Baht 479.36 million due to the Company's continuous profitability.

Please be informed accordingly.

Sincerely yours,

(Mr. David Van Dau)

Chief Executive Officer

PSG Corporation Public Company Limited

Investor Relations

Tel. 02 018 7190-8 | Email: [ir@psgcorp.co.th](mailto:ir@psgcorp.co.th)