

AMD 66298/OCO

November 9th, 2023

Subject: Management Discussion and Analysis for the third Quarter of 2023 ended September 30th, 2023

To: President

The Stock Exchange of Thailand

Index International Group Public Company Limited (“the Company”) would like to clarify the operating results for 9-month period ended September 30th, 2023 with the following details

Unit: Million Baht

Profit and Loss Statement For 9 months as of September 30 th , 2023 and 2022	9 months ending as of		Change	
	September 30 th , 2023	September 30 th , 2022	Amount	Percentage
Revenue from services	513.54	403.98	109.56	27.12
Cost of Services	399.03	311.40	87.63	28.14
Gross profit	114.51	92.58	21.93	23.69
Other income	1.65	2.83	(1.18)	(41.70)
Administrative expenses	132.60	68.16	64.44	94.54
Financial cost	0.27	0.44	(0.17)	(38.64)
Benefit (expense) of income tax	3.53	(5.68)	9.21	162.15
Net profit (loss) for the period	(13.18)	21.13	(34.31)	(162.38)

Revenue from services

For the 9-month period of 2023, the company generated a total revenue of 513.54 million Baht from its services, compared to 403.98 million Baht in the same period of the previous year, reflecting an increase of 109.56 million Baht or 27.12% The detailed breakdown of the revenue structure is as follows:

Unit: Million Baht

Revenue from services	9 months ending as of		Change	
	September 30 th , 2023	September 30 th , 2022	Amount	Percentage
Revenue from design work	46.13	94.19	(48.06)	(51.02)
Revenue from design and construction work	374.09	282.20	91.89	32.56
Revenue from project management work supervision	88.08	27.32	60.76	222.40
Revenue from other services	5.24	0.27	4.97	1,840.74
Revenue from services	513.54	403.98	109.56	27.12

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

Revenue from conceptual design and detailed design services for the 9-month period of 2023 amounted to 46.13 million Baht, compared to 94.19 million Baht in the same period of the previous year, a decrease of 48.06 million Baht or 51.02%. This decline is attributed to the company recognizing reduced income from major projects that are nearing completion and delivering work to clients towards the end of the projects. Additionally, during the 9-month period of 2023, the company generated revenue from new project design work for only 4 projects. This has resulted in the company's income from both preliminary and detailed design work being lower than the same period of the previous year.

- **Revenue from design and construction work**

Revenue from design and construction work for the 9-month period of 2023 amounted to 374.09 million Baht, compared to the revenue in the same segment of the previous year, which was 282.20 million Baht. This represents an increase of 91.89 million Baht or 32.56%. The growth is attributed to the company recognizing income from major projects, such as the design and construction of an aviation fuel service system at U-Tapao Airport, etc. Additionally, the company secured a new design and construction project, contributing to 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 for the 9-month period of 2023 amounted to 88.08 million Baht, compared to 27.32 million Baht in the same period of the previous year. This represents an increase of 60.76 million Baht or 222.40%. The significant growth is attributed to the company recognizing income from major projects such as the Purple MRT Line, Tao Pun - Rat Burana Section (Kanchanapisek Roundabout), and the Chiang Rai - Chiang Khong High-Speed Railway Line supervision contracts. This has resulted in the company's revenue from the project management and construction work segment being higher than the same period of the previous year.

- **Revenue from other services**

Revenue from other services for the 9-month period of 2023 amounted to 5.24 million Baht, compared to 0.27 million Baht in the same period of the previous year. This represents an increase of 4.97 million Baht or 1,840.74%. The significant growth is attributed to the company securing multiple projects in providing maintenance and various services to oil depots and oil transportation pipelines. This has resulted in the company's revenue from other services being higher than the 9-month period of the previous year.

Service costs and gross profit

For the 9-month period of 2023, the company incurred service costs amounting to 399.03 million Baht, compared to 311.40 million Baht in the preceding year. This represents an increase of 87.63 million Baht or 28.14% when compared to the same period of the previous year. This rise in service costs is in line with the increase in 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, and equipment expenses.

The company's gross profit for the 9-month period of 2023 is 114.51 million Baht, compared to 92.58 million Baht in the previous year. This represents an increase of 21.93 million Baht or 23.69% when compared to the corresponding period of the previous year.

Administrative expenses

For the 9-month period of 2023, the company incurred management expenses amounting to 132.60 million Baht, equivalent to a management expense-to-total revenue ratio of 25.74 percent. This represents an increase compared to the same ratio for the 9-month period of 2022, which was at the level of 16.75%. The rise is attributed to expenses related to post-retirement employee benefits, employee salaries, provident fund contributions, allowances, meeting allowances, welfare benefits, compensation, training and seminar expenses, charitable contributions, and education expenses.

Nevertheless, the company's performance continues to exhibit growth in line with the set targets. The company maintains a sufficient and stable cash flow for its business operations.

Net profit (loss)

For the 9-month period of 2023, the company incurred a net loss of 13.18 million Baht, compared to a net profit of 21.13 million Baht in the preceding year. This represents a change of 34.31 million Baht or 162.38% when compared to the corresponding period of the previous year. This outcome is a result of increased management expenses incurred by the company. However, the operational performance of the company, as reflected in various projects, continues to operate within the budgeted expenditure for each project.

Unit: million Baht

Financial Statement as of September 30 th , 2023 and December 31 st , 2022	September 30 th , 2023	December 31 st , 2022	Change	
			Amount	Percentage
Asset	718.58	774.13	(55.55)	(7.18)
Liability	323.06	367.71	(44.65)	(12.14)
Shareholder's equity	395.52	406.42	(10.90)	(2.68)
Debt to equity ratio (D/E Ratio) Times	0.82	0.90	(0.08)	(8.89)
Debt to equity ratio (D/E Ratio) : Times (Only interest-bearing debt)	0.03	0.03	0.00	0.00

Financial position

As of September 30th, 2023, the company's total assets amounted to 718.58 million Baht, a decrease from December 31st, 2022, which was 774.13 million Baht. This reflects a

decrease of 55.55 million Baht or 7.18% The decline is attributed to a reduction in significant contract-related assets, as the company was able to issue invoices and collect payments from customers. The total liabilities stood at 323.06 million Baht, down from 367.71 million Baht at the end of the year, representing a decrease of 44.65 million Baht or 12.14% This reduction is mainly due to a decrease in trade payables, other payables, and liabilities arising from contracts. The company's shareholder's equity is 395.52 million Baht, down from 406.42 million Baht at the end of the year, indicating a decrease of 10.90 million Baht or 2.68% This is a result of the company incurring losses during the 9-month period of 2023, leading to a decrease in shareholder's equity.

Financial ratio

As of September 30th, 2023, the company continues to maintain a favorable liquidity position with a current ratio of 1.85. The debt-to-equity ratio is 0.82, which has decreased compared to December 31st, 2022, when it was 0.90. This reduction is a result of a decrease in the company's total liabilities.

Cashflow

For the 9-month period of 2023, the company had a net cash outflow of 15.33 million Baht in operating activities, a net cash outflow of 27.39 million Baht in investing activities, primarily involving the management of funds in bank deposits to generate interest income, and a net cash outflow of 2.35 million Baht in financing activities, attributed to the repayment of principal on lease liabilities.

Please be informed accordingly

Yours sincerely,



(Mr. Rathawit Na Lamphun)

Deputy Chief Executive Officer: Management
and Company Secretary

Index International Group Public Company Limited