

## 1.Executive Summary

Currently, Sahakol Equipment Public Company Limited (the “Company”) operates excavation projects and is under 5 main lists, namely (1) Mae Moh 8, (2) Hongsa D (3) Hongsa O&M, (4) North Pit Wall Expansion, and (5) Build, Lease and Transfer (BLT) Project. In the Q4/2023 performance, the company has a total income of 1,783 million baht, an increase of 22.1% from the Q3/2023 from higher production of all projects and an increase of the recognition of revenue from the Build Lease and Transfer (BLT) project, but when compared to the same period of the previous year, total revenue from services increased by 16.8% and net profit of 50 million baht, Regarding the Build Lease and Transfer (BLT) project, which is a construction of a conveyor belt system before delivering to the employer, in the Q4/2023, the revenue was realized according to the percentage of work completed by 514 million baht. The company expects to deliver the work to the employer as scheduled in Q2/2024.

For the performance of the year 2023, the company has a total income of 6,167 million baht, an increase of 929 million baht or 18% from year 2022. Overall, the Mae Moh 8 and the Hongsa project was slightly lower productions than planned. The Build Lease and Transfer (BLT) project ‘s revenue recognized in Q4/2023 was 1,656 million baht. Service costs of all projects were 837 million baht from hiring sub-contractors to install machinery according to the construction plan of the Build Lease and Transfer (BLT) project according to the plan.

In the 2023, gross profit was 868 million baht, an increase of 20 million baht or 2% from the last year which gross profit margin decreased from 16% to 14%. However, the company has a total net profit of 131 million baht, decreased by 177 million baht or 58% from the last year, gross profit margin decreased from 6% to 2%.

## 2. Financial Performance

Unit : M THB	Q3/2023	Q4/2023	Q4/2022	% Gain (Loss) QoQ	% Gain (Loss) YoY	2023	2022	% Gain (Loss)
Total revenues	1,460	1,783	1,526	22.1%	16.8%	6,167	5,238	18%
Service revenues	1,447	1,761	1,505	21.7%	17.0%	6,095	5,158	18%
Cost of Services (Include Depreciation) <sup>1</sup>	1,188	1,531	1,295	28.9%	18.2%	5,227	4,390	19%
<sup>1</sup> Depreciation	200	198	202	(0.5%)	(1.8%)	817	902	(9%)
Gross Profit (After Depreciation)	259	230	210	(11.1%)	9.4%	868	848	2%
Administrative expenses	202	99	88	(50.9%)	12.5%	506	295	71%
EBITDA	278	360	354	29.3%	1.5%	1,286	1,488	(14%)
Financial Cost	67	73	59	9.8%	24.6%	267	237	13%
Net Profit	(13)	50	75	482.5%	(33.8%)	131	308	(58%)
EBITDA margin (%)	19%	20%	23%	1.1%	(3.1%)	21%	28%	(8%)
Gross Profit Margin (%)	18%	13%	14%	(4.8%)	(0.9%)	14%	16%	(2%)
Net Profit Margin (%)	(1%)	3%	5%	3.7%	(2.1%)	2%	6%	(4%)

### Key performance

- Service revenues in Q4/2023 was 1,761 million baht (+17% YoY, +21.7% QoQ).
- EBITDA in Q4/2023 was 360 million baht (+1.5% YoY, +29.3% QoQ).
- Net profit in Q4/2023 was 50 million baht (-33.8% YoY, +482.5% QoQ).

### Quarterly Q4/2023 performance compared to Q3/2023 performance (QoQ)

In Q4/2023, the company had total income of 1,783 million baht, an increase of 323 million baht or an increase of 22.1% from Q3/2023 due to the increased production of all projects and managing the machines to be more efficient. There are significant changes in costs and expenses as follows:

- Maintenance costs increased by 392 million baht, mainly from the Build Lease and Transfer (BLT) project, which corresponds to the increase of income.
- Fuel cost increased by 37 million baht from increased production from the Hongsa project and the Mae Moh 8 project.
- Sub-contractor cost decreased by 83 million baht due to the management of the existing machinery due to the lower production of the Mae Moh 8 project and Build Lease and Transfer (BLT) project had a decrease in the hiring of sub-contractors.

As a result, in the Q4/2023, the company had a gross profit of 230 million baht, a decrease of 29 million baht or a decrease of 11.1% and a net profit of 50 million baht, an increase of 63 million baht or an increase of 482.5%.

Quarterly Q4/2023 performance compared to Q4/2022 (YoY)

The company's total revenue increased by 257 million baht or 16.8% from the same period last year from the Build, Lease and Transfer (BLT) project that was started in 2023 with a 18.2%. The major changes in costs as follows:

- Maintenance costs increased by 255 million baht, mainly from the Build Lease and Transfer (BLT) project, which began to operate according to the construction plan. While the cost of maintenance in the Mae Moh 8 project was reduced.
- Fuel cost decreased by 54 million baht from the price of fuel costs that have decreased according to world market prices.
- Labor costs increased by 15 million baht due to from the commencement of the Build Lease and Transfer (BLT) project and operation of the Hongsa project.
- Sub-contractors decreased by 9 million baht from the Hongsa project had a decrease in the cost of sub-contractors as a result of managing sub-contractor in accordance with the amount of work required.
- Depreciation costs decreased by 7 million baht from some old machines that had been fully depreciated.
- Sale and Administrative expenses increased by 10 million baht due to bank fees.

As a result, in the Q4/2023, the company had a gross profit of 230 million baht, an increase of 20 million baht or 9.4% and a net profit of 50 million baht, reduced by 25 million baht or a decrease of 33.8 percent from the Q4/2022.

Performance in year 2023 compared to year 2022

The company's revenue increased by 929 million baht or 18% from the same period last year from the recognition of revenue from the Build, Lease and Transfer (BLT) project that has started operation in 2023. However, the Hongsa project was slightly higher productions. While the Mae Moh 8 project had a lower production and contract unit prices. The changes include:

- Maintenance costs increased by 613 million baht from the Build Lease and Transfer (BLT) project, which started operating according to the construction plan.
- Fuel costs decreased by 49 million baht from the Mae Moh 8 project had a lower production and decreasing fuel prices in the world market conditions.
- Depreciation cost decreased by 88 million baht because some machines were fully depreciated.

- Sub-contractors increased by 176 million baht from the Build Lease and Transfer (BLT) project, which hired sub-contractors to install machinery according to the construction plan.

Resulting in the results of 2023, the company had a gross profit of 868 million baht, an increase of 20 million baht or an increase of 2%. The net profit was 131 million baht, a decrease of 177 million baht or a decrease of 58% from foreign exchange loss and consultant fee for the commencement of the Build Lease and Transfer (BLT) project.

## 3. Operational Result by Project

Unit : M THB	Q3/2023	Q4/2023	Q4/2022	% Gain (Loss) QoQ	% Gain (Loss) YoY	2023	2022	% Gain (Loss)
<b>Mae Moh 8</b>								
Service Revenue	558	704	886	26%	(21%)	2,544	3,402	(25%)
Cost of Services (Include Depreciation) <sup>1</sup>	561	682	833	21%	(18%)	2,446	2,897	(16%)
<sup>1</sup> Depreciation	138	140	130	2%	8%	556	624	(11%)
Gross Profit	(4)	22	53	694%	(59%)	98	504	(81%)
Gross Profit Margin (%)	(1%)	3%	6%	4%	(3%)	4%	15%	(11%)
<b>โครงการเหมืองงสา D และงสา O&amp;M</b>								
Service Revenue	364	483	557	33%	(13%)	1,655	1,632	1%
Cost of Services (Include Depreciation) <sup>1</sup>	264	365	391	38%	(7%)	1,226	1,317	(7%)
<sup>1</sup> Depreciation	43	42	59	(%)	(28%)	201	239	(16%)
Gross Profit	99	118	165	19%	(29%)	429	315	36%
Gross Profit Margin (%)	27%	24%	0	(3%)	(5%)	26%	19%	7%
<b>โครงการ North Pit Wall Expansion</b>								
Service Revenue	54	61	60	12%	1%	240	122	96%
Cost of Services (Include Depreciation) <sup>1</sup>	70	81	69	15%	17%	281	168	67%
<sup>1</sup> Depreciation	12	12	12	(0%)	(3%)	47	36	30%
Gross Profit	(16)	(20)	(8)	(27%)	(148%)	(42)	(46)	9%
Gross Profit Margin (%)	(29%)	(33%)	(13%)	(4%)	(19%)	(17%)	(38%)	20%
<b>โครงการ Built Lease and Transfer</b>								
Service Revenue	471	514	-	9%	N/A	1,656	-	N/A
Cost of Services (Include Depreciation) <sup>1</sup>	291	403	-	38%	N/A	1,268	-	N/A
<sup>1</sup> Depreciation	7	4	-	(40%)	N/A	12	-	N/A
Gross Profit	180	111	-	(38%)	N/A	389	-	N/A
Gross Profit Margin (%)	38%	22%	-	(17%)	N/A	23%	-	N/A

(1) *Mae Moh 8 project*

Mae Moh 8 in Q4/2023 had an increase in revenue of 146 million baht from Q3/2023. Gross profit increased of 26 million baht or 694% due to increased production in this quarter and in the previous quarter had more than normal rainfall. While in the Q4/2023, the maintenance costs were to replace the belt according to usage conditions to be able to work continuously in the following years. Gross profit margin increased by 4% from negative 1% in Q3/2023.

If considering the performance in the same period of the previous year gross profit decreased by 31 million baht or 59%. Gross profit margin decreased from 6% to 3% due to the increase in the proportion of cost of services compared to revenue from 94% to 96%.

(2) *Hongsa D and Hongsa O&M project*

Hongsa was an increase in revenue of 119 million baht or 33% from the Q3/2023 from higher production. The project has an increase in cost of services of 101 million baht. As a result, the gross profit increased by 18 million baht or 19% from the Q3/2023.

If considering the performance in the same period of the previous year. The Hongsa's gross profit decreases 47 million baht or 29% from the Q4/2022.

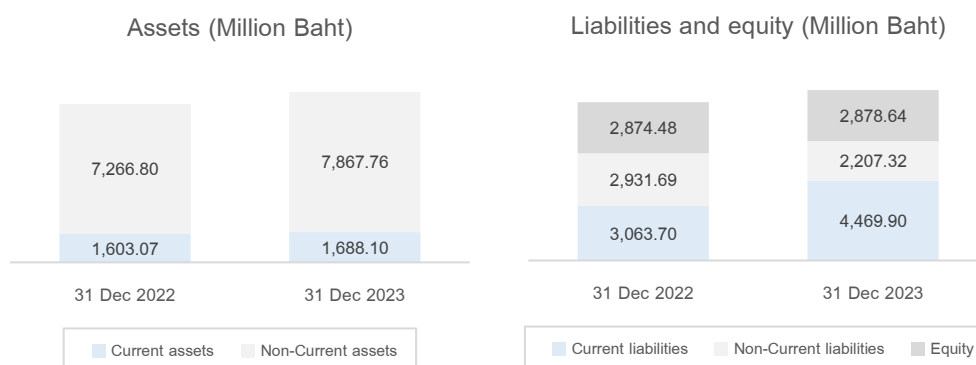
*(3) North Pit Wall Expansion Project*

The North Pit Wall Expansion Project's revenue increases by 7 million baht or 12% from Q3/2023. However, the project still had a loss of 20 million baht. The gross profit margin in the Q4/2023 was still negative 33%.

*(4) Build Lease and Transfer Project*

The Build Lease and Transfer (BLT) project is a construction of a conveyor system to be delivered to the employer. In the Q4/2023, the project had revenue of 514 million baht and a gross profit of 111 million baht. The project revenue was recognized according to a percentage of completion.

## 4. Financial Position and Cash Flow

Balance Sheet Position**Assets**

Total assets as of 31 December 2023 totaled 9,555.86 million baht, an increase by 685.99 million baht from that as of 31 December 2022 which totaled 8,869.87 million baht or 7.73% with the following details:

	(Million Baht)			
	31 Dec 2023	31 Dec 2022	change	change %
Current Assets	1,688.10	1,603.07	85.03	5.30
Non – Current Assets	7,867.76	7,266.80	600.96	8.27
<b>Total assets</b>	<b>9,555.86</b>	<b>8,869.87</b>	<b>685.99</b>	<b>7.73</b>

**Liabilities**

Total liabilities as of 31 December 2023 were 6,677.22 million baht. Compared to a liability of 5,995.39 million baht as of 31 December 2022, or an increase by 681.83 million baht or by 11.37% due to an increase of an account payable with the following details:

	(Million Baht)			
	31 Dec 2023	31 Dec 2022	change	change %
Current liabilities	4,469.90	3,063.70	1,406.20	45.59
Non - Current liabilities	2,207.32	2,931.69	(724.37)	(24.71)
<b>Total liabilities</b>	<b>6,677.22</b>	<b>5,995.39</b>	<b>681.83</b>	<b>11.37</b>

## Shareholder's equity

Shareholder's equity as of 31 December 2023 amounted to 2,878.64 million baht, increase by 4.16 million baht or 0.14% from dividend payment while net profit for this period was slightly increase.

(Million Baht)				
	31 Dec 2023	31 Dec 2022	change	change %
Total shareholders' equity	2,878.64	2,874.48	4.16	0.14

Statement of Cash Flows

As of 31 December 2023, cash and cash equivalents stood at 180.24 million baht, decrease by 62.98 million baht or 25.9% from those in 2022 which had cash and cash equivalents amounted to 243.22 million baht as summarized below:

(Million Baht)	
Cash flows from operating activities	288.51
Cash flows from investing activities	(333.08)
Cash flows from financing activities	(18.41)
Net decrease in cash and cash equivalents	(62.98)

Cash flows from operating activities was 288.51 million baht from operating profit.

Cash flows from investing activities amounting at (333.08) million baht, mainly due to asset acquisition according to the project investment plan.

Cash flows from financing activities in the amount of ( 18.41) million baht, mainly arising from from short-term loans repayment, included long-term loans repayment, dividend paid and debenture repayment.

Financial Cost

Financial cost for 2023 and 2022 were 266.88 million baht and 236.94 million baht respectively, or an increase by 12.64%.

(Million Baht)				
	31 Dec 2023	31 Dec 2022	change	change %
Financial cost	266.88	236.94	29.94	12.64



## 5. Key Financial Ratios

Profitability Ratios		2023	2022
Gross Profit (After Depreciation)	(Percent)	14.24	14.89
EBITDA	(Percent)	21.10	28.96
EBIT	(Percent)	7.12	10.72
Net (Loss) Profit	(Percent)	2.12	5.88

Efficiency Ratios		2023	2022
Return on Assets	(Percent)	1.42	3.41
Return on Fix Assets	(Percent)	15.24	18.45
Return on Equity	(Percent)	4.52	11.06

Leverage Ratios		2023	2022
Debt to Equity ratio	(times)	2.32x	2.09x
Interest Bearing Debt to Equity ratio	(times)	1.73x	1.69x