



บริษัท อินเด็กซ์ อินเตอร์เนชั่นแนล กรุ๊ป จำกัด (มหาชน)  
1/814 หมู่ 17 ซ.อัมพร ถ.พหลโยธิน ต.คูคต อ.ลำลูกกา จ.ปทุมธานี 12130  
โทรศัพท์ 0-2532-3623-33 โทรสาร 0-2532-3566 อีเมล : admin@index.co.th  
**INDEX INTERNATIONAL GROUP PUBLIC COMPANY LIMITED**  
1/814 Moo 17, Soi Amphon, Phaholyothin Rd., Khukot, Lamlukka, Pathumthani 12130  
Tel. 0-2532-3623-33 Fax. 0-2532-3566 E-mail : admin@index.co.th



AMD 67036/OCO

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Subject: Management Discussion and Analysis for the year ending 31 December 2023

To: Directors and Manager  
Stock Exchange of Thailand

Index International Group Public Company Limited (the Company) would like to submit the Management's Discussion and Analysis of the Company for the year ending 31 December 2023 as follows:

**Overall Performance:**

For 2023, the Company's business operations continued to grow in line with the targets set under the circumstances and changes in economic conditions, which have had a slow and gradual recovery. The government has accelerated the budget push and bidding process for various projects to achieve the goals of the infrastructure action plan. This has had a positive impact on the Company, which has experience and expertise and provides services in all fields of engineering, covering all parts of the operations such as feasibility studies, preparation of master plans and studies of project feasibility, topographic mapping surveys, as well as financial, economic, and investment analysis studies, environmental impact analysis studies, engineering and architectural calculations and detailed designs, project management and supervision of construction work to be completed, including design and construction. As a result, the Company has signed several new contracts for projects, which has helped the Company continue to generate revenue. the Company is engaged in 3 main types of business as follows:

- 1) Conceptual Design & Detailed Design
- 2) Project Management & Construction Supervision
- 3) Design-Build

In 2023, the Company maintained the ability to generate revenue at a good level with a total operating revenue of 760.52 million baht divided into revenue from services at 758.02 million baht, or 99.67% of total revenue, and other income at 2.50 million baht, or 0.33%, of the total revenue for 2023. As for the net profit, there was a decrease of 58.79%, due to the Company's investment in additional work from the previous year.

## Revenue Performance Analysis

### Revenue

Table Showing Revenue by Type

Revenue Structure	2022		2023		Increase (Decrease)	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
<b>Revenue by Service Provision Type</b>	<b>608.14</b>	<b>99.47</b>	<b>758.02</b>	<b>99.67</b>	<b>149.88</b>	<b>24.65</b>
Conceptual Design and Detailed Design	113.02	18.49	60.09	7.90	(52.93)	(46.83)
Project Management and Construction Supervision	41.93	6.86	111.73	14.69	69.80	166.47
Design-Build	449.94	73.59	576.72	75.83	126.78	28.18
Other Services	3.25	0.53	9.48	1.25	6.23	191.69
<b>Revenue Divided by Project Type</b>	<b>608.14</b>	<b>99.47</b>	<b>758.02</b>	<b>99.67</b>	<b>149.88</b>	<b>24.65</b>
Tank Farm & Pipeline	453.66	74.20	586.23	77.08	132.57	29.22
Mass Transit	18.64	3.05	82.21	10.81	63.57	341.04
Highway & Expressway	67.21	11.00	52.07	6.85	(15.14)	(22.53)
Airport	26.87	4.39	15.03	1.98	(11.84)	(44.06)
Irrigation	19.03	3.11	22.05	2.90	3.02	15.87
Building	22.73	3.72	0.43	0.05	(22.30)	(98.11)
<b>Revenue by Customer Group</b>	<b>608.14</b>	<b>99.47</b>	<b>758.02</b>	<b>99.67</b>	<b>149.88</b>	<b>24.65</b>
Private Sector	496.46	81.20	591.26	77.74	94.80	19.10
Government/State Enterprises	111.68	18.27	166.76	21.93	55.08	49.32
<b>Total Revenue from Service Provision</b>	<b>608.14</b>	<b>99.47</b>	<b>758.02</b>	<b>99.67</b>	<b>149.88</b>	<b>24.65</b>
Other Revenue	3.23	0.53	2.50	0.33	(0.73)	(22.60)
<b>Total Revenue</b>	<b>611.37</b>	<b>100.00</b>	<b>760.52</b>	<b>100.00</b>	<b>149.15</b>	<b>24.40</b>

### Revenue from Service Provision:

In 2023, the Company's revenue from service provision amounted to 758.02 million baht, or 99.67% of the total revenue, with the majority of revenue from service provision coming from Design-Build at 75.83%, followed by revenue from Project Management and Construction Supervision, Conceptual Design and Detailed Design and Other Services, which accounted for 14.69%, 7.90% and 1.25% respectively. Revenue from service provision increased from 2022 by 149.88 million baht, or an increase of 24.65%, mainly due to the fact that large-scale projects recognized higher revenue during 2023 compared to 2022. For the most part, these were ongoing projects continued from the previous year. In addition, the Company received more new work during 2023 from the Conceptual Design and Detailed Design, Design-Build and Other Services groups.

Revenue from Conceptual Design and Detailed Design work in 2023 decreased from 2022 by 46.83%, or from 113.02 million baht to 60.09 million baht. This was mainly due to the fact that, during 2023, the Company recognized a decrease in revenue from the Conceptual Design and Detailed Design segment from most projects that were nearing completion and the work was delivered to customers until the end of the projects. In addition, the Company took over only 3 new projects from the Conceptual Design and Detailed Design group, with the contracted revenue of the projects valued at more than 14.00 million baht. One of the three projects was engineering services, survey and detailed design, hiring consulting engineers, surveying and designing and restoring bridges along highways in the provinces of Nakhon Pathom, Ratchaburi, Samut Sakhon and Samut Songkhram (Phase 1). As a result, the Company's revenue in the Conceptual Design and Detailed Design group was lower than the previous year.

Revenue from Project Management and Construction Supervision in 2023 increased from 2022 by 166.47%, or from 41.93 million baht to 111.73 million baht, due to the continuous recognition of revenue from ongoing large-scale projects according to the progress of projects, such as the MRT Purple Line project during Tao Poon - Rat Burana (Kanchanapisek Ring Road). Construction Supervision of railway construction projects, namely, Sai Denchai, Chiang Rai, Chiang Khong and Construction Supervision to expand water production capacity at the Mahasawat Water Plant. Capacity 800,000 cubic meters per day with related work, etc. As a result, the Company's revenue from these work segments was higher than the previous year.

Revenue from Design-Build work in 2023 increased by 28.18% from 2022, or from 449.94 million baht to 576.72 million baht, because the Company continually recognized revenue from existing large-scale projects based on the progress of projects such a Design-Build of an aviation fueling service system at U-Tapao Airport, etc., including the completion of other projects and delivery to customers. In addition, in 2023, the Company received two new Design-Build projects, namely the construction project to expand the fuel loading rack system at Phichit Oil Depot and the design and renovation project of a firefighting foam system for the Suvarnabhumi aircraft fuel storage station. As a result, the revenue from the Company's Design-Build segment in 2023 was higher than the previous year.

Revenue from Other Services of the Company in 2023 increased from 2022 by 191.69%, or from 3.25 million baht to 9.48 million baht, due to the Company's experience, expertise, capacity and readiness to accept work, which gained the confidence of customers. As a result, the Company has signed contracts for 13 new projects, such as the repair of Jet A-1 oil pipes, the MDP5 well, and the work of removing oil from the tanks and cleaning the tanks at the Nakhon Lampang oil depot, etc. The nature of these projects involved short-term tasks. As a result, revenue from the Company's Other Services segment in 2023 was higher than in 2022.

**Other Revenue:**

For 2023, the Company's other revenue was 2.50 million baht, or 0.33% of total revenue. Other revenue consisted of interest receivable, profit from asset sales, revenue from preparing documents, revenue from disposal of unused assets in the Company's operations, etc.

**Costs and Goss Profit**

**Costs**

**Cost of Service Provision:**

The cost of the Company's service provision consists of important items, namely: 1) labor costs such as salaries, employee wages, work allowances, overtime, professional service fees, etc. 2) costs incurred in hiring sub-contractors. 3) overhead costs such as utilities, depreciation of operational assets, and 4.) costs of construction materials.

In 2023, the Company's service provision costs increased from 2022 by 24.19% or from 475.67 million baht to 590.75 million baht. Most of the costs were from hiring sub-contractors for the operations of the Company's large-scale projects, namely the Design-Build work for the

Aviation Fuel Service System at U-Tapao Airport. The increase in service costs was in line with the increase in service provision revenue.

**Administrative Expenses:**

The Company incurs administrative expenses including wages, employee compensation and benefits, bonuses, repair and maintenance of office supplies, vehicle costs, utility fees, asset depreciation and other expenses. For 2023, the Company's administrative expenses increased from 2022 by 61.66%, or from 94.29 million baht to 152.43 million baht. The main increase was from the list of employee benefit expenses given to retired directors and executives. In addition, there were other expenses that increased from 2022, such as training and seminar fees, transportation expenses, bank fees, charity fees, etc.

**Gross and Net Profit**

Unit: Million Baht

Gross Profit Margin	2022	2023	Increase (Decrease)	Increase (Decrease) Percent
Revenue from Service Provision	608.14	758.02	149.88	24.65
Cost of Service Provision	475.67	590.75	115.08	24.19
Gross Profit	132.47	167.27	34.80	26.27
Gross Profit Margin	21.78%	22.07%	0.29%	1.33

In 2023, the Company's gross profit rose from 2022 by 26.27% or from 132.47 million baht to 167.27 million baht. The increase in gross profit was mainly due to higher service provision revenue. Gross profit in 2023 increased from the previous year slightly, at the rate of 1.33% or from 21.78% to 22.07%.

The Company's net profit as of 2023 was 13.36 million baht, a reduction when compared to 19.07 million baht in the previous year, or a reduction at the rate of 58.79%, due to the Company's abovementioned increases in administrative expenses. Thus, in 2023, the Company's net profit was lower than 2022.

### Total Assets:

As of 31 December 2023, the Company's total assets were 730.26 million baht, a 43.87 million baht or 5.67-percent reduction from 2022. The Company's assets consisted of 593.15 million baht in current assets and 137.12 million baht in non-current assets (81.22% and 18.78% of total assets, respectively). The Company's main assets are as follows:

#### Cash and Cash Equivalents:

As of 31 December 2023, the Company's cash and cash equivalents decreased by 89.89 million baht, or 54.23%, mainly due to bank deposit management to benefit the Company's operations and benefits from interest received. Therefore, in 2023, the Company's cash and cash equivalents were lower when compared to cash and cash equivalents as of 31 December 2022.

#### Trade Accounts Receivable and Other Accounts:

The Company has policy to establish trade accounts receivable from delivering jobs in contracts to employers by preparing and sending invoices to employers only after employers have completed acceptance inspection of the work. The Company's trade accounts receivable and other accounts as of 31 December 2023 rose from 31 December 2022 by 97.60 million baht, or 93.62%, mainly due to increases in trade accounts receivable from Design-Build work in large projects.

#### Assets from Contracts:

The Company recognizes assets from contracts when the Company recognizes income from operations in contractual obligations before accepting payment or before the scheduled payment in contracts. As of 31 December 2023, assets from contracts declined from 297.21 million baht to 230.15 million baht, a decline of 22.56% when compared to assets from contracts as of 31 December 2022. Assets from contracts are transferred to trade accounts receivable when the Company completed work in contractual agreements made with employers. The Company issues invoices cyclically or based on progress stipulated in contracts.

#### Other Current Financial Assets – Bank Deposits

As of 31 December 2023, the Company's other current financial assets – bank deposits rose from 10.61 million baht in 2022 by 296.29% or 42.03 million baht due to bank deposit management to create benefits in terms of interest received.

#### Bank Deposits with Guarantee Obligations:

As of 31 December 2023, the Company's deposits for guarantees declined from 2022 by 9.89% or from 73.97 million baht to 66.65 million baht. The Company uses the aforementioned bank deposits as collateral in applying for loans in the category of guarantor's letters for project contracts and the Company uses the aforementioned bank deposits as collateral to guarantee short term loans taken out from banks.

#### Other Non-current Assets:

As of 31 December 2023, the Company's other non-current assets dropped from 2022 by 13.56% or from 49.31 million baht to 42.62 million baht. This was because the Company set an allowance for depreciation of investments in common shares of Fuel Pipeline Transportation Co., Ltd. in 2023, causing the Company's other non-current assets as of 31 December 2023 to be lower than the previous year.

#### Liabilities

As of 31 December 2023, the Company's total liabilities were 318.54 million baht, a reduction from 2022 by 49.17 million baht or 13.37%. The Company's liabilities consisted of 301.18 million baht in current liabilities and 17.35 million baht in non-current liabilities (94.55% and 5.45% of total liabilities, respectively). The Company's main liabilities were as follows:

#### Trade Accounts Payable & Other Accounts:

As of 31 December 2023, the Company's trade accounts payable and other accounts was 194.43 million baht, or 26.63% of liabilities and total shareholders' equity. Trade accounts payable and other accounts declined in value by 32.19 million baht or 14.20% when compared to the end of 2022. This decline was mainly caused by the Company payments to trade accounts payable in major design-build works in 2023.

#### Liabilities from Contracts:

As of 31 December 2023, the Company's liabilities from contracts were at 39.39 million baht, or 5.39% of liabilities and total shareholders' equity. The value of liabilities from contracts declined by 23.19 million baht or 37.06% when compared to the end of 2022. Liabilities from the Company's contracts were caused by differences between money collected from job owners and the Company's works-in-progress. When money collected from job owners was higher than the work-in-progress of a project, that sum was recognized as liabilities from contracts.

### Shareholders' Equity:

As of 31 December 2023, the Company had a shareholders' equity of 411.73 million baht, or a ratio of 56.38% of liabilities and total shareholders' equity. Shareholders' equity as of 31 December 2023 increased from 406.42 million as of 31 December 2022 to 411.73 million baht by 1.31% due to net profit from the Company's performance in 2023.

### Cash Flow, Liquidity, and Significant Financial Ratios:

For the year ending 31 December 2023, the Company had net cash flow spent at 89.89 million baht, a change from net cash flow gained at 7.99 million baht at the end of 2022 mainly caused by cash flow spent in operating activities. The Company's profit before revenue taxes declined from 40.76 million baht in 2022 to 16.92 million baht in 2023 and trade accounts receivable and other accounts mainly increased due to debtors in large projects. Furthermore, the Company's overall trade accounts payable decreased as a result of the Company's payments to trade accounts payable in the Company's operations. This caused the Company's current ratio to rise from 1.81 times at the end of 2022 to 1.97 times at the end of 2023 while the quick ratio rose from 0.78 times at the end of 2022 to 0.92 times at the end of 2023, which is a good improvement.

In 2023, the Company's average payment period in repaying debts to trade accounts payable dropped to 46 days while the average collection period increased to 58 days because the Company collected debts from trade accounts receivables in large projects after employers performed acceptance inspection based on work success on schedule at the end of the year, causing the Company's average collection period to increase. However, the Company's good business administration resulted in sufficient liquidity to repay debts on schedule.

In 2023, the Company's return on equity declined from 8.26% in 2022 to 3.27% in 2023, mainly due to the Company's higher administrative expenses, which reduced the Company's net profit.

The debt on equity ratio (D/E ratio) declined. As of 31 December 2023, the Company's debt on equity ratio was 0.77 times, a reduction from 0.90 times as of 31 December 2022 due to reductions in trade accounts payable and other accounts along with reductions in debts created by contracts, causing the Company's liabilities to be lower and the debt on equity ratio to be lower than the end of 2022.

When the debt on equity ratio was considered by using interest bearing debt in calculations, as of 31 December 2023, the Company's interest-bearing debt on equity ratio was



0.04 times, a slight increase from the previous year. The Company's interest-bearing debts consist of the following: 1) vehicle purchase-by-consignment agreement creditors; (2) copying machine rental agreement creditors, and (3) financial institution loan creditors.

Cash Flow & Significant Financial Ratios	2022	2023	Increase (Decrease)
<b>Net Cash (million baht)</b>			
Net Cash at Beginning of Year	157.77	165.76	7.99
Cash Flow from Operating Activities	21.87	(59.24)	(81.11)
Cash Flow from Investment Activities	(18.01)	(27.70)	(9.69)
Cash Flow from Financing Activities	4.14	(2.96)	(7.10)
Net Cash Flow at End of Year	165.76	75.87	(89.89)
<b>Liquidity (times)</b>			
Current Ratio	1.81	1.97	0.16
Quick Ratio	0.78	0.92	0.14
<b>Affordability Ratio (times)</b>			
Debt on Equity Ratio	0.90	0.77	(0.13)
Interest-bearing Debt to Equity Ratio	0.03	0.04	0.01

You have thus been informed for your acknowledgement.

Respectfully,

(Mr. Rathawit Na Lamphun)

Deputy Chief Executive Officer : Management  
and Company Secretary

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