



บริษัท แฮลเซียน เทคโนโลยี จำกัด (มหาชน)  
HALCYON TECHNOLOGY PUBLIC CO., LTD.

41 Moo 14 Bangchan Industrial Estate Soi 6, Serithai Road, Minburi, Bangkok 10510

Tel. (66)2-9063242-50 e-mail: info@halcyon.co.th

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Subject: Management Discussion and Analysis (MD&A) for the Three-Month Period Ended 31 March 2024

To: Directors and Managers  
The Stock Exchange of Thailand

Halcyon Technology PLC. ("the Company") and its subsidiaries had the operation results for the three-month period ended 31 March 2024 (Q1/2024) with the following details:

unit: THB million	2024	2023	Change (THB mill.)	Change (%)
Revenue from Sales and Service	281.72	266.07	15.65	5.88%
Total Revenue	294.18	268.07	26.11	9.74%
Net Profit for the Year	26.15	6.96	19.19	275.83%
Net Profit for Shareholders of the Company	23.70	5.47	18.23	333.49%

Operating results for each business segment are shown below:

1. Manufacturing and Selling of Special Cutting Tools

unit: THB million	2024	2023	Change (THB million)	Change (%)
Revenue from External Customers	145.59	132.10	13.49	10.21%
Net Profit for the Period	16.77	-1.63	18.40	1,130.06%

2. Importing and Selling of Cutting Tools

unit: THB million	2024	2023	Change (THB million)	Change (%)
Revenue from External Customers	117.31	118.61	-1.30	-1.09%
Net Profit for the Period	5.68	6.41	-0.73	-11.44%

3. Manufacturing and Selling of Toolings and Metal Fabrications

unit: THB million	2024	2023	Change (THB million)	Change (%)
Revenue from External Customers	18.81	15.36	3.45	22.48%
Net Profit for the Period	3.70	2.17	1.52	69.97%

And net profit margins for each business segment are as follows:

Net Profit Margin (to Total Revenue)	2024	2023
Manufacturing and Selling of Special Cutting Tools Segment	10.78%	-1.22%
Importing and Selling of Cutting Tools Segment	4.74%	5.38%
Manufacturing and Selling of Tooling and Metal Fabrications Segment	19.57%	13.78%
Total	8.89%	2.60%

For the three-month period ended 31 March 2024, the Company and its subsidiaries had a total revenue of 294.18 million baht, increasing 26.11 million baht, or 9.74% from the same period in 2023. Revenue from sales and service was 281.72 million baht, increasing 15.65 million baht, or 5.88% from the same period in 2023. Overall, in Q1/2024, the Company and its subsidiaries had a net profit of 26.15 million baht and net profit for the shareholders of the Company of 23.70 million baht. Net profit margins were 8.89% and 8.06% of the total revenue, respectively (compared to 2.60% and 2.04% in the previous year). Details of the operation results for each business segment are as follow.

The Manufacturing and Selling of Special Cutting Tools segment had a revenue of 145.59 million baht in Q1/2024, increasing 13.49 million baht, or 10.21%, from the previous year. This segment includes revenues from manufacturing companies of the Company, Halcyon Technology PLC. (mother company); the subsidiary in Vietnam, Halcyon Technology Vietnam Co., Ltd. or "HV"; and the subsidiary in the US, Mastertech Diamond Products Company or "MDP". The increase in revenue for this segment was mainly due to recovery of the Hard Disk Drive (HDD) industry, which is the main target customer for the mother company. There is a continuous increase in production since the beginning of 2024, resulting in 9.62 million baht increase in revenue for the mother company compared to the previous year. Furthermore, revenue from MDP also increased 3.36 million baht after facing a drop in orders from its main customer. This year, there is higher volume of orders as well as additional orders from new customers after the company hired more sale personnel to expand its marketing base. Subsidiary HV had also completed moving into the new factory by the end of last year; and the economy in Vietnam had shown positive signals. So, HV has been pushing its production capacity, resulting in 0.52 million baht increase in revenue compared to the previous year.

In Q1/2024, the Special Cutting Tools segment has a net profit of 16.77 million baht compared to a net loss of 1.63 million baht in the previous year (net profit margins were 10.78% and -1.22% of the total revenue, respectively). The margin improved significantly mainly due to the increase in revenue, which also resulted in the increase in gross profit margin from 29.52% to 35.47%. Moreover, this segment also had an increase in other income from the gain from exchange rate of 7.50 million baht; while expenses remained similar to the previous year.

The Importing and Selling of Cutting Tools segment had revenue of 117.31 million baht in Q1/2024, decreasing 1.30 million baht, or 1.09%, from the previous year. Revenue in this segment includes sales from 7 trading subsidiaries in Thailand and overseas. Two of the subsidiaries in the segment had a decrease in revenue including FDM Technology Co., Ltd. due to higher revenue base than normal in Q1/2023; and Halcyon Technology (M) Sdn. Bhd. In Malaysia due to decreasing demands from customers. However, the other 5 subsidiaries in this segment had a growth in revenue from last year due to the growth in the industrial sector in the past year, as well as the recovery of the HDD industry. It is expected that the revenue for this segment will improve in the next quarters. In Q1/2024, this segment had a net profit of 5.68 million baht, decreasing from 6.41 million baht in the previous year (net profit margins were 4.74% and 5.38% of the total revenue, respectively). This is mainly due to the decline in revenue, as well as the increase in expenses from marketing activities, and employee expenses and the office expansion of the Singapore subsidiary.

The Manufacturing and Selling of Toolings and Metal Fabrications segment, which is solely from Halcyon Metal Co., Ltd. or "HM", had revenue of 18.81 million baht in the Q1/ 2024, increasing 3.45 million baht, or 22.48% from the previous year. This segment has its main customer in the aerospace sector in the US, who had been sending higher volume of orders in the recent 1-2 years after the COVID situation had resolved. The company, then, had continuous growth in revenue. This segment had a net profit of 3.70 million baht, increasing from 2.17 million baht (net profit margins were 19.57% and 13.78% of the total revenue, respectively). This is mainly due to the increased revenue, which also resulted in the increase in gross profit margin from 35.08% to 40.15%

Please be informed accordingly.

Sincerely Yours,

Mr. Soraj Sutanadhan  
CEO