

DMT



MOVING TOWARDS SUSTAINABILITY

Management Discussion and Analysis (MD&A) Quarter 1/2024

Don Muang Tollway Public Company Limited

10 May 2024

1. Thai Economic Overview Q1/2024


¹ The Thai economy is projected to expand at 2.6 percent and 3.0 percent in 2024 and 2025, respectively, supported by (1) an improvement in the tourism sector, reflected by the number of foreign tourists and expenditure per person; The number of foreign tourists is expected to reach 35.5 million and 39.5 million in 2024 and 2025, respectively, which is 9.37 million in Q1 2024, or a return of 86.2% compared to the same period of 2019. However, even if the recovery continues, it will still take time to return to 100% compared to pre-Covid (2). Private consumption is likely to continue to expand, especially in the services category, and (3) government spending will return to increase for the rest of the year after falling considerably in the previous period. While exports and manufacturing are expected to recover gradually in the second half of the year, there are still risks from oversupply and structural factors, especially declining competitiveness. The outlook for the Thai economy remains uncertain. The export recovery may be slower than expected, as well as the impact of budget disbursements and government stimulus measures.

2. Key Highlights of the Company in Q1/ 2024

1) **Services**

	<p>The management team visited the Din Daeng 1 Toll booths to give anti-sleepy bags to reduce accidents according to the project "Songkran Safety and Care for Fellow Travelers Year 14" for road users. Within anti-sleepy bags, there are drinking water, cold towels, coffee, and herbal water balm made by the elderly from Ploy Pailin community, Don Muang area, and products from supporters.</p>
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2) **Governance**

	<p>On March 31, 2024, the Company was certified by the Thai Private Sector Collective Action against Corruption (CAC) with "CERTIFIED" status and received a 2-star logo.</p>
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¹ Source :Bank of Thailand Monetary Policy Report Q1/ 2024

3) Sustainability



The Company's executives participated as guest speakers, giving lectures to educate and exchange experiences in social activities and corporate business operations. Under the concept of ESG-in-process and sustainability goals, SDGs, students of the Faculty of Management Science, Kasetsart University, Sriracha Campus are ready for students to present their project ideas. CSR to develop the community or environment around the campus



Chief Operating Officer of DMT with Highway Office 13 and Bangkok Highway District held National Children's Day 2024 at Bangkok Highway District.



Company executives attended the Annual General Meeting of the Thai Renewable Energy Association (RE100), a gathering of leading private business operators in the country. The goal is to bring together and drive large businesses that are committed to producing renewable energy and using 100% renewable energy.

4) Corporate Image



On February 6, 2024, the Company's executives participated in a panel discussion on Innovation Across Borders: Cross-Industry Panel Insights at NTT DATA Ignite 2024 "Spark The Future Through Tech Innovation".



On February 7, 2024, DMT received a certificate of honor and a badge of Good Labour Practices (GLP) from Mrs. Plearnapa Thaneerom, Director of the Office of Labour Protection and Welfare, Bangkok Area 9. The certificate is to show that DMT has shown commitment to implementing the principles of good labor practices.

5) Cooperation with Partners



The Company's executives participated in a panel discussion on the topic "Move Forward to Better Drive and Better Life", a seminar on knowledge management and innovation management, By Expressway Authority of Thailand at Meeting Room 0301, 4th Floor , Expressway Administration Center Building



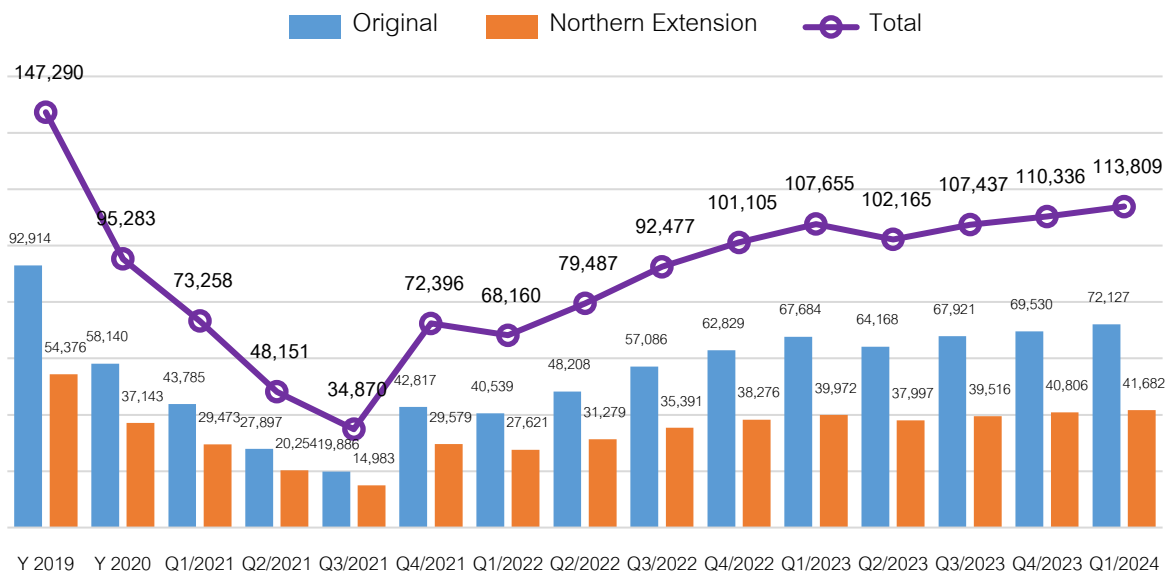
The company collaborated with "SmileyAssistance 24Hrs." to enhance road-side assistant by sending toll road users and cars to their destination with peace of mind with convenience, speed and safety.



On March 22, 2024, the management team and partners of ASIAM Infra Co., Ltd. presented the knowledge and innovation of materials and equipment in infrastructure inspection, maintenance and repair to the Board of Directors of DMT. The Japanese technology will be applied to maximize the benefits of Thailand's transportation mega project



3. Traffic volume in Q1/ 2024



Traffic volume in Q1/2024 on the original concession was averaged at 72,127 vehicles per day. The North Extension Concession was averaged 41,682 vehicles per day and including 2 parts was averaged at 113,809 vehicles per day. Compared to Q4/2023, the traffic volume of the original concession was averaged 69,530 vehicles per day. The North Extension Concession was averaged 40,806 vehicles per day, which were increased by 3.7% and 2.1% respectively. In Q1/2024, the traffic volume is continuing the upward trend from Q4/2023 after the end of the COVID-19 pandemic, which is the highest level in three years, reflecting the gradual recovery in travel activity in both the business and tourism sectors in the Bangkok metropolitan area and urban expansion in the metropolitan area. This led to higher travel after the COVID-19 pandemic. While comparing to Q1/2023, the traffic volume of the original concession was averaged 67,684 vehicles per day and the North Extension concession was averaged 39,972 vehicles per day, the traffic volume in Q1/2024 was higher than Q1/2023 by 6.6% and 4.3% respectively. When assessing Q1/2024, compared to the average daily volume throughout the year (AADT) in 2023, the original concession averaged 67,332 vehicles per day, the averaged traffic volume in Q1/2024 was higher than that of the averaged full year 2023 on the original concession and the north extension concession at 7.1% and 5.3% respectively.

For major events in Q1/2024, all activities can proceed as usual. For the economic issues, oil prices, and war conditions in foreign country in the first quarter do not have any more impact than the previous ones, which is in line with the expected factors in the management's assumptions. The business and industrial sectors are in the process of recovering. After the end of the COVID-19 pandemic, transportation activities are still essential and are likely to grow



back to near pre-pandemic levels of COVID-19. Although the overall traffic volume of Don Muang Tollway has not returned to the pre-COVID-19 level as a result of the volume of travel related to Don Muang International Airport adjacent to the Don Muang Tollway. Also, Inflation and rising oil prices are higher than expected, however, the management analyze that they have minor effect on the traffic volume on the Don Muang Tollway as a result of recovery of the business sector. In addition, the management study note that using the Don Muang Tollway is to avoid traffic congestion on Vibhavadi Rangsit Road which can save travel time and reduce fuel consumption, thus making the use of the elevated highway more cost-effective. As a result, road users are willing to choose the Don Muang Tollway for fast travel.

4. Traffic Volume Outlook for Q2 and Overview in 2024

Traffic volume trends in the second quarter and overall in 2024, as the Company has tracked the traffic volume of the Don Muang Tollway and found that when assessing the traffic volume generated in Q1/2024 compared to the average daily traffic volume throughout the year (AADT) in 2023, the original concession traffic volume was averaged 67,332 vehicles per day. The concession on the north extension was averaged 39,575 vehicles per day, including 2 parts was averaged 106,907 vehicles per day, while the traffic volume in Q1/2024, including 2 parts, was averaged 113,809 vehicles per day, which was 6.5% higher than that of the full year. This increasing number indicates a potential growth in traffic volume, and considering the growth from Q4/2023 with a total traffic volume of 110,336 vehicles per day, the Q1/2024 increased by only 3.1%. As for the trend of events that need to be monitored to assess the trend of traffic volume and revenue that may increase significantly, it is necessary to monitor the government's policies that plan to stimulate tourism in the next phase, which will allow the tourism industry to continue to recover from 2023 and increase the overall travel volume. It is expected that there will be more flights from international airlines, which according to the airport service data, Suvarnabhumi Airport currently has a high volume of travel, which may cause consideration for using the Terminal 1 Don Muang Airport that connects to various regions of the country. This includes monitoring the expansion plan of Don Muang Airport on phase 3, which has already progressed in the implementation of the project. This suggests that travel by airplane is likely to expand after this, resulting in a significant increase in traffic volume on the Don Muang Tollway. The management continues to monitor it closely.

As for tracking the travel volume of the MRT Red Line train adjacent to the Don Muang Tollway, Ministry of Transport has a policy to support the use of Mass transit. On October 16, 2023, the Cabinet approved a 20-baht policy on Mass transit train in two routes, namely the Purple and Red lines. The management is closely monitoring to see how much they will affect



the change in travel patterns. However, according to the analysis of traffic experts, In conclusion, the group of users of the MRT Red Line is different from the users of the Don Muang Tollway. In addition, the current use of the MRT Red Line has found that the cost of travel includes connecting and accessing the station (Feeder) is higher, although the fare of the sky train has been reduced to 20 baht per person per way. Factors that need to be considered in the cost of travel must also include the fare for connecting other transportation systems such as motorcycle taxis. Minibus. As most users of the Don Muang Tollway ride with more than two people, and it is still a convenient one-way door-to-door service. The management predicts that there is no change in travel patterns and travel by car still a major mode of transport in Bangkok. Also, the government policy to support the EV car will help more EV cars and reduce the cost of traveling by car.

5. Performance of the first quarter of 2024

5.1 The Company's Performance

Unit : Million Baht

	Q1/2023	Q4/2023	Q1/2024	%increase/(decrease)	
				QoQ	YoY
Toll revenue	576.54	605.08	617.87	2%	7%
Cost of toll road service	207.25	233.16	226.56	-3%	9%
Gross profit	369.29	371.92	391.30	5%	6%
Investment income	7.43	5.90	5.17	-12%	-30%
Other income	0.34	4.96	1.03	-79%	203%
Distribution costs	3.19	4.86	6.89	42%	116%
Administrative expenses	53.39	59.24	49.31	-17%	-8%
Amortization gains measured by amortization			1.20	100%	100%
Financial costs	1.29	9.57	7.40	-23%	474%
Income tax expenses	66.18	62.27	66.78	7%	1%
Profit for the period	253.01	246.84	268.32	9%	6%
Total comprehensive profit for the period	253.29	247.70	268.70	8%	6%
Earnings per share (Baht)	0.21	0.21	0.23	10%	10%



Performance of the first quarter of 2024 Compared to Q4 2023

In Q1 2024, the Company's profit for the period was Baht 268.32 million. This was an increase of Baht 21.48 million or 9% from the fourth quarter of 2023, mainly due to the increase in traffic volume. As a result, toll revenue increased by Baht 12.79 million or 2%. Administrative expenses decreased by 17%.

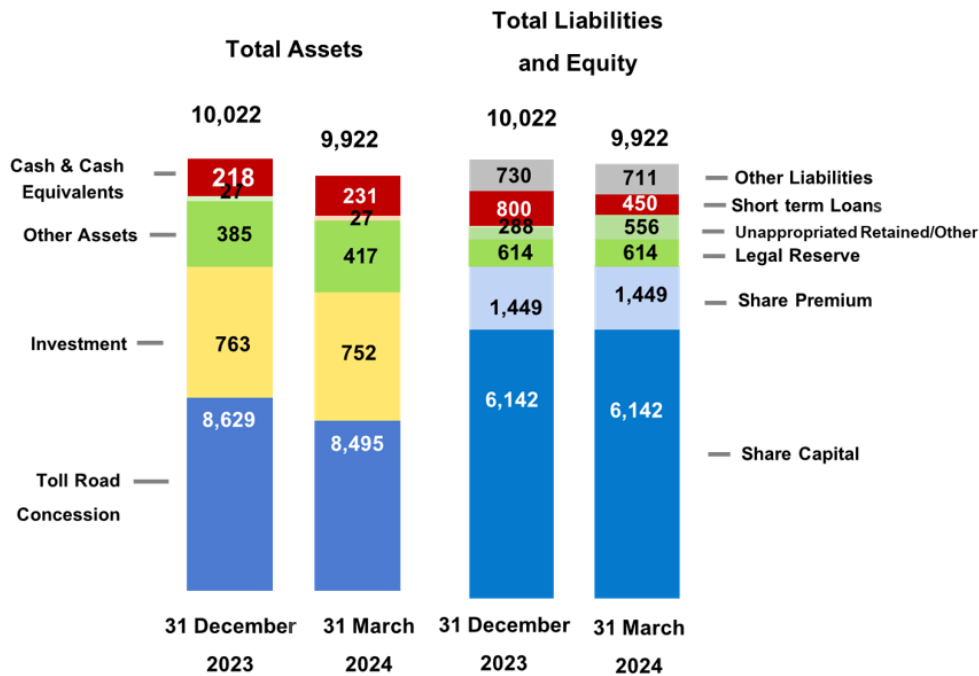
Performance of the first quarter of 2024 Compared to Q1 2023

In the first quarter of 2024 and the same period last year, the Company's profit for the period increased by Baht 15.31 million or 6%, mainly due to increased traffic volume. This resulted in an increase in toll revenue of Baht 41.33 million or 7% and administrative expenses decreased by 8%. The total of cost of toll road operations- amortization of concession cost increased 9% consistent to an increase of traffic volume.

5.2 Financial Status of the Company

As of 31 March 2024 compared to 31 December 2023

Unit : Million Baht



Unit : Million Baht



	2023 December 31	2024 March 31	Increase/(decrease)	
			Million Baht	%
Total Assets	10,022.33	9,922.19	-100.14	-1%
Total Liabilities	1,529.58	1,160.74	-368.84	-24%
Shareholders' Equity	8,492.75	8,761.45	268.70	3%

Financial Status As of March 31, 2024 compared to December 31, 2023, the Company had total assets of Baht 9,922.19 million decreased by Baht 100.14 million or 1 % and total liabilities amounted to Baht 1,160.74 million. This was a decrease of Baht 368.84 million or 24% from the disbursement of working capital for a period of the first 3 months from financial institutions of Baht 350 million. Total shareholders' equity Baht 8,761.45 million Increased by Baht 268.70 million or 3%. Shareholders' equity increased from operating profit in the first quarter of 2024 by Baht 268.70 million.

As of December 31, 2022, the Company has allocated 10% of its registered capital under Section 116 of the Public Limited Companies Act B.E. 2535 (1992).

5.3 The Company's Cash Flow

Unit : Million Baht

Cash Flow Statement	2023 31 March	2024 31 March	Increase / (decrease)	
			Amount	Percent
Net cash from operating activities	441.69	430.53	(11.16)	(3%)
Net cash used in investing activities.	(126.89)	(36.63)	90.26	(71%)
Net cash used in financing activities.	(51.83)	(380.44)	(328.61)	634%
Net Cash and cash equivalents increased (decreased)	263.72	13.46	(250.26)	(95%)
Cash and cash equivalents As of January 1	306.94	217.79	(89.15)	(29%)
Cash and cash equivalents As of March 31	569.91	231.25	(338.66)	(59%)

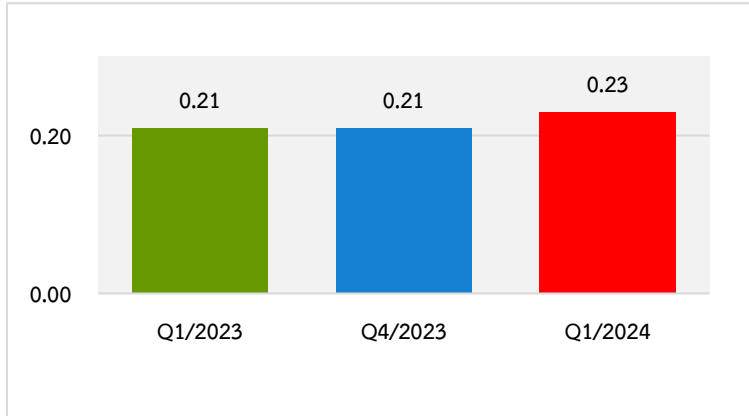
As of March 31, 2024, the Company's cash and cash equivalents were Baht 231.25 million decreased by Baht 338.66 million, or 59%, compared to March 31, 2023. In the first quarter of 2024, the Company's net cash from operating activities was Baht 430.53 million. This was a



decrease compared to the first quarter of 2023 of Baht 11.16 million or 3%, mainly due to an increase in trade and other payables. Net cash flow used in investing activities was Baht 36.63 million. The increase amounted to Baht 90.26 million when compared to the first quarter of 2023, due to cash proceeds from the sale of current and long-term investments increased net Baht 224.84 Million, cash paid to purchase temporary and long-term investments net increased Baht 84.31 Million, net cash expenditure for asset purchases increased by Baht 29.26 million, cash to pay for the toll collection system increased by Baht 20.19 million, and private debentures, including interest income, amounted to Baht 5.47 million. Net cash used in financing activities were Baht 380.44 million. The decrease amounted to Baht 328.61 million, due to the Company repaid net short-term loans of Baht 350 million and dividend payments and cash received from disbursement of working capital decreased Baht 26.24 Million. The Company can manage financial costs and return on investment and debts are paid according to the contracts. The total amount of interest expenses increased to Baht 4.85 million from 1-3-month terms revolving credit utilization of 800 MB. As of March 31, 2024, the Company had outstanding of liabilities from working capital disbursement of Baht 450 million.

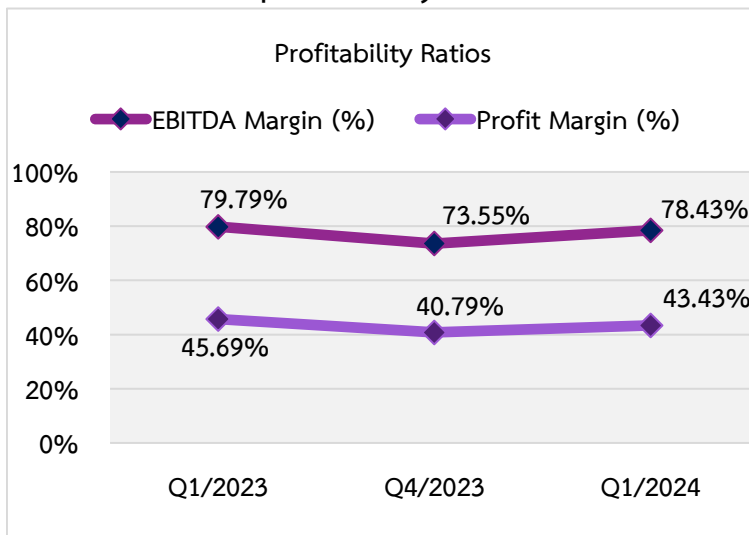
5.4 Key Financial Ratios of the Company

Earnings per share (Baht per share)



In Q1/2024, the Company's net profit margin per share was Baht 0.23, an increase compared to Q1/2023 and Q4/2023 ratios of Baht 0.21 and Baht 0.21 per share, respectively. The total number of registered and paid-up shares is 1,181,232,800.

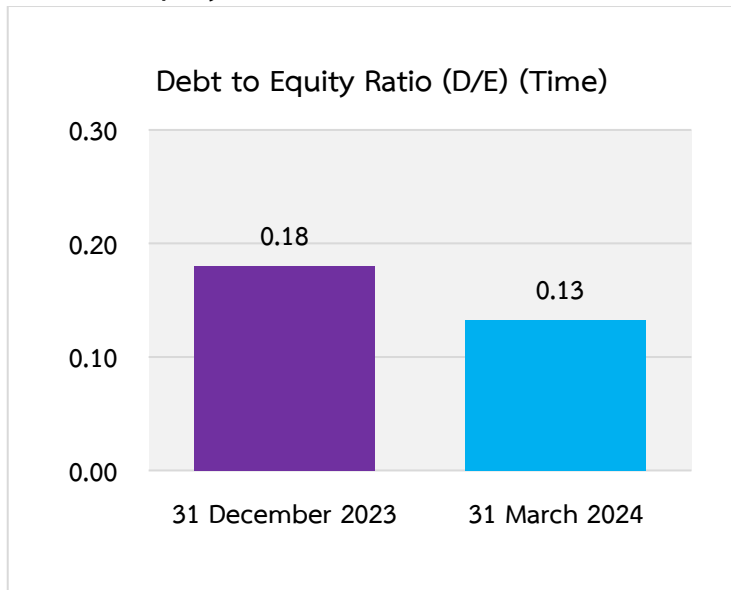
The ratio shows profitability.



In Q1 2024, EBITDA margin and NPAT margin were 78.43% and 43.43%, respectively. This was due to higher toll revenue and efficient management of operating costs.



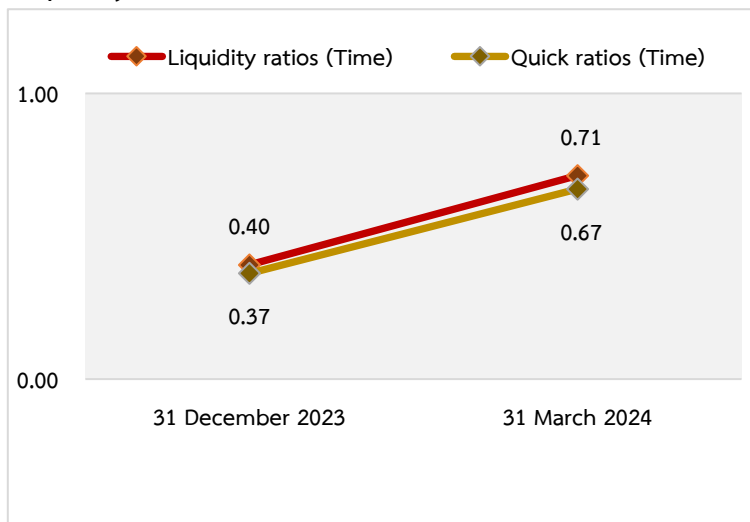
Debt to Equity Ratio (Times)



As of March 31, 2024, the debt-to-equity ratio was 0.13 times, decreased from December 31, 2023, which was 0.18, as the Company's short-term loans for working capital decreased from Baht 800 million at the end of 2023 to Baht 450 million as of March 31, 2024, the Company had revolving line for business reserve that had not been disbursed of Baht 1,250 million (31 December 2023 : Baht 900 Million)

Liquidity ratio

Liquidity ratios and Quick ratios.



As of March 31, 2024, liquidity ratios and quick ratios were 0.71 times and 0.67 times, respectively, up from December 31, 2023, due to a decrease in short-term loans.



5.5 Dividend payment for 2024 , 2023 and 2022

	Approval Date	Scheduled to pay	Rate per share (Baht)	Amount (Million Baht)
2024				
Annual Dividend 2023	25 April 2024	May 2024	0.15	177.18
2023				
Interim Dividend 2022	21 February 2023	March 2023	0.38	448.87
Annual Dividend 2022	25 April 2023	May 2023	0.50	590.62
Interim Dividend 2023	11 May 2023	June 2023	0.35	413.43
Interim Dividend 2023	10 August 2023	September 2023	0.35	413.43
Interim Dividend 2023	9 November 2023	December 2023	0.35	413.43
2022				
Dividend 2021	26 April 2022	May 2022	0.25	295.31
Interim Dividend 2022	10 August 2022	September 2022	0.10	118.12
Interim Dividend 2022	14 November 2022	December 2022	0.15	177.18
2023				
Dividend 2020	29 April 2021	May 2021	0.50	520.62
Interim Dividend 2021	10 August 2021	September 2021	0.07	82.68

The Company has a policy to pay dividends to shareholders at the rate of not less than 90% of profit for the year*. After the allocation of statutory reserves.

Remark : *Profit for the year refers to the net profit ended December 31 of each year after deducting corporate income tax expenses.

6. Performance of Business Sustainability Plan 2024-2028

The Company has formulated a long-term business strategy through consideration and recommendation from all of the Company's sub-committees, according to the powers and duties of that committee by obtaining policies and opinions in revising the Company's vision "To be a company operating in the transportation system and Other businesses with efficient management system". Therefore, the Business Plan for Sustainability 2024 – 2028 and the Budget Plan for 2024 have 7 driving strategies as follows:

order	Strategy	Objectives and Performance
1	Strategy Safer Road Traffic Management/ Maintenance	Develop and standardize the operation and maintenance of tollways for the highest satisfaction of regulators and tollway users. Performance: Operation and maintenance comply with regulatory standards as prescribed by the Department of Highways.



2	Strategies to Growing together (Inclusive Growth)	Establishing partnerships to participate in bidding for new motorway and expressway projects for business sustainability Performance : In the process of preparing to participate in bidding process of the project. The target projects are M82, M5 and rest areas.
3	Strategies to create alternative sources of income (New Business Venture)	Study to invest in new businesses other than motorway and expressways to reduce the risk of single-source of income and to create long-term business stability driven by the new organization structure, New Business Venture. Performance : In the process of studying other business investments and recruiting senior executives for positions. Assistant Managing Director - New Business Venture
4	Strategy ESG In Process	Establish strategic activities in the business plan for environmental sustainability and corporate or economic governance in order to response to environmental changes, law and consumer Behavior Performance : In the process of planning to reduce corporate greenhouse gas with Carbon Nuetral and Net Zero Emission targets throughout the service chain. Long-term and risk management plan
5	Strategy HPO & Smart Working Place	Developing employees' potential to be highly proficient and flexible while creating a good working environment. Performance: In the process of Implementing the ISO 45001 and ISO 27001 standards and improve employees' welfare and flexible work environment.
6	Strategy Relationship/Partnership/ Synergy Development	Building alliances, partners, or surrounding communities to increase competitiveness and keep up with changes. Performance : It is in accordance with the plan to create participation of all groups of corporate stakeholders.
7	Strategy DMT Excellence Recognition	Creating awareness of the Company's expertise to be recognized by stakeholders for confidence in business operations. Performance : Present and communicate the award for empirical work through public relations media and report to the Department of Highways as the regulatory agency.