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At BJC/SET 2567-007

14 May 2024

Subject: Explanation of 1Q2024 Operating Results changing over 20%

To: President
The Stock Exchange of Thailand

BJC Heavy Industries Public Company Limited (hereinafter referred to as "the company") would like to clarify the changes in 1Q2024 Operating Results as compared with those in 1Q2023 as follows.

Overview of Business Operation

Global oil and gas capex is expected to grow from USD 797.58 bil to USD 983.04 bil during 2024-2029 at a CAGR of 4.27% as industry had started recovering after the rise in oil & gas demand amid the opening of the COVID-19 lockdowns (Source: EIA, IEA). To meet the strong global demand for crude oil and natural gas, more investment is required for exploration and production activities, which promulgates the CAPEX in the oil and gas industry.

In addition to environmental concerns, high prices of conventional energy, economic uncertainty, energy security issues are encouraging more countries to pay attention to renewable, green and clean energy. This drives to spend for alternative sector which has been underpinned by fiscal support from governments and aided by the rise of sustainable finance, especially in advanced economies. To reach global net zero emissions by 2050, the capex is expected to spend up to 4.4 tril. USD in 2030F, providing more project opportunities for this fast-growing sector (Source: World Economic Forum).

BJCHI has actively participated in receiving potential project bids from many clients both in oversea and local markets in many industries, such as power plants, refineries, petrochemical, oil and gas, green energy as well as the mining business. Currently, the total bidding value is over 43,000 million baht.

As the leading modularization and fabrication service provider, the Company strongly believes our capability is able to provide one-stop products and services to clients in various industries, creating more project opportunities and achieving long-term sustainable growth for shareholders.



Revenue

Contracted Revenue

In 1Q2024, Contracted Revenue (excluding other revenue) was 629.2 million baht, decreasing by 42.5% from 1,093.5 million baht in 1Q2023. The Contract Revenue decreased due to the reduction of project activities from CRISP and SANTOS as compared to the same period of last year.

Other Revenue

In 1Q2024, other revenue (excluding FX gain) was 11.6 million baht, increasing by 87.0 % from that in 1Q2023 at 6.2 million baht due to the increasing in interest and dividend income from financial investment.

Expenses

Contracted Costs

Contracted Costs in 1Q2024 was 327.6 million baht, decreasing by 66.7% as compared to that in 1Q2023 at 983.6 million baht. The decrease in Contracted Costs was in line with reduction of project activities.

Selling, General and Administrative expenses (SG&A)

Selling, General and Administrative expenses (SG&A) in 1Q2024 was 37.3 million baht, decreasing by 27.2% from 1Q2023 which was 51.3 million baht in line with reduction of project activities after delivery of project CRISP and improvement of management.

Foreign Exchange (FX) Impact

In 1Q2024, the Company recognized FX gain by 127.3 million baht, increasing by 658.3% as compared to FX loss in 1Q2023 at 22.2 million baht due to THB become depreciated since the beginning of year 2024.

Gross Profit and Net Profit

In 1Q2024, Gross Profit was at 301.6 million baht, increasing from 109.9 million baht in 1Q2023. On the other hand, Net profit in 1Q2024 was at 310.1 million baht, increasing by 732.4% from 37.2 million baht in 1Q2023 due to reasons as explained above.

Please be informed accordingly,

Best regards,
BJC Heavy Industries Public Company Limited
(Mr. Seung Woo Lee)
Director/Deputy Managing Director