

No. ETE-67/021

Date 9 May 2024

Subject: Management's Discussion and Analysis for the first quarter as of 2024
To: Board of Directors and Management
 Stock Exchange of Thailand

The Eastern Technical Engineering Public Co., Ltd. (“the Company”) would like to provide an overall performance of the Company and its subsidiaries for the first quarter as at 31 March 2024, which have been approved by the Board of Directors meeting no. 2/2024 held on 9 May 2024, and details are as follows.

Performance for three-month period ended 31 March 2024

Performance results	Consolidated financial information			
	(Unit : Million Baht)			
	Quarter 1 2024	Quarter 1 2023	Change	% Change
Revenue from construction service	165.86	162.56	3.30	2.03%
Revenue from management service	164.44	167.32	(2.88)	-1.72%
Revenue from alternative energy	45.56	47.59	(2.03)	-4.26%
Revenue from sale of goods and other services	1.21	1.14	0.07	6.10%
Revenue	377.08	378.61	(1.54)	-0.41%
Cost	323.54	326.80	(3.25)	-1.00%
Gross profit	53.54	51.82	1.72	3.32%
Other income	0.20	0.82	(0.62)	-75.24%
Selling & Admin expenses	26.68	27.01	(0.33)	-1.23%
Finance costs	14.39	11.13	3.26	29.24%
Share of loss from associate	0.01	0.02	(0.01)	-47.41%
Income(Revenue) tax expense	1.06	0.35	0.70	198.04%
Profit for the period	11.61	14.12	(2.51)	-17.80%

The Company and its subsidiaries reported that net profit for the first quarter period ended 31 March 2024, amounting to Baht 11.61 million, decreasing by Baht 2.51 million or 17.80 % when compared with the same period of last year which had net profit Baht 14.12 million due to the following reasons.



Revenues

The Company and its subsidiaries had total revenues for the first quarter ended 31 March 2024 Baht 377.08 million, decreasing by Baht 1.54 million or 0.41% when compared with the same period of last year which had total revenues Baht 378.61 million. However, gross profit was Baht 53.54 million, increasing by Baht 1.72 million or 3.32 % when compare with the same period of previous year due to the following reasons.

1. Revenue from construction service for the first quarter end 31 March 2024 was Baht 165.86 million, increasing Baht 3.30 million or 2.03 % when compared with the same period of last year which the amount was Baht 162.56 million because of projects were accomplished following the contracts.
2. Revenue from management service for the first quarter ended 31 March 2024 was Baht 164.44 million, decreasing Baht 2.88 million or 1.72% when compared with the same period of last year which the amount was Baht 167.32 million. Nevertheless, gross profit increased Baht 1.09 million when compared with the same period of previous year because management team considered to accept only projects which did not have risks of delay or budget cancellation in the future. Moreover, the Company accepted the projects which had higher gross profit margin.
3. Revenue from alternative energy for the first quarter ended 31 March 2024 was Baht 45.56 million, decreasing Baht 2.03 million or 4.26% when compared with the same period of last year which the amount was Baht 47.59 million due to a decrease in a biomass power generation business. The first quarter in 2024, the machine was stopped to be under repair for some parts of machine. After that, capacity utilization rate during that time decreased.

Selling and Administrative Expenses

Selling and administrative expenses for the first quarter ended 31 March 2024, amounting to Baht 26.68 million, decreased by Baht 0.33 million or 1.23% when compared with the same period of previous year which the selling and administrative expenses were Baht 27.01 million.

Financial Cost

Financial cost for the first quarter ended 31 March 2024, amounting to Baht 14.39 million, increased by Baht 3.26 million or 29.24% when compared with the same period of last year which the amount was Baht 11.13 million due to higher borrowings for investment in an alternative energy business and a working capital in business.



Financial Position as at 31 March 2024

Consolidated financial information (Unit : Million Baht)			
	March 31	December 31	
	2024	2023	Change
Current assets	1,153.93	1,180.97	(27.05)
Non-current assets	1,351.27	1,265.94	85.34
Total assets	2,505.20	2,446.91	58.29
Current liabilities	1,108.36	1,154.31	(45.95)
Non-current liabilities	423.39	330.75	92.63
Total liabilities	1,531.74	1,485.06	46.68
Equity	973.45	961.85	11.61

Total Assets

The Company and its subsidiaries had total assets as at 31 March 2024 amounted to Baht 2,505.20 million, increasing by Baht 58.29 million from 2023 due to these main reasons.

- Trade and other receivables, amounting to Baht 642.96 million, decreased by Baht 17.23 million from the end of 2023 because of collecting debts from trade receivables that were billed.
- Inventories, amounting to Baht 132.72 million, increased by Baht 23.12 million from the end of 2023 because they were on the process to install in the project of the construction service business.
- Contract assets amounted to Baht 197.89 million, decreasing by Baht 20.55 million from the end of 2023 because of an increase from engineering service that could be billed.
- Property, plant and equipment, amounting to Baht 1,135.73 million, increased by Baht 77.52 million from the end of 2023 because of an increase from factory and machine which were under construction and installation process in alternative energy business.



Total Liabilities

The company and its subsidiaries had total liabilities as of 31 March 2024, amounting to Baht 1,531.74 million, an increase from the end of 2023 by Baht 46.68 million baht due to the following main reasons.

- Bank overdrafts and short-term loans from financial institutions amounted to Baht 661.07 million, increasing by Baht 20.62 million from the end of 2023 because of withdrawals for working capital in the business.
- Trade and other payables, amounting to Baht 304.70 million, increased by Baht 39.95 million from the end of 2023 due to an increase in trade payables and accrued costs of construction projects.
- Long-term loans from financial institutions, amounting to Baht 429.77 million, decreased by Baht 19.66 million from the end of 2023 because of long-term loan repayments during the period following a regular contract.

Shareholders' Equity

The shareholders' equity of the Company and its subsidiaries as at 31 March 2024 amounted to Baht 973.45 million, an increase from 31 December 2023 by Baht 11.61 million due to the increase in net profit of companies' group during the period. Consequently, it increased as mentioned.

Please be informed accordingly,

Sincerely,

(Raivin Lekavorranan)

Chief Executive Officer

