



FLOYD PUBLIC COMPANY LIMITED

Management Discussion and Analysis

For the first quarter ended March 31, 2024

WE PROVIDE ENGINEERING SERVICES TO MATCH YOUR SATISFACTION WITHIN A GIVEN TIME



Industry Outlook 2024

The SCB EIC's report anticipates growth in the construction industry for 2024:

Public Sector Construction

In 2024, public sector construction is projected to grow by 2% year-on-year (YOY) to reach a total of 810 billion baht. However, potential delays in the preparation of the 2024 annual budget could challenge this growth, particularly in the first and second quarters. Expenditure is expected to accelerate in the third quarter, coinciding with the end of the fiscal year. Additionally, bidding for new Mega Projects is expected to commence, with various agencies preparing for Cabinet approval. The government remains focused on improving transportation systems, particularly rail transport, and investment policies are aimed at enhancing opportunities for infrastructure projects across both public and private sectors.

Private Sector Construction

The private construction sector is forecasted to sustain growth in 2024, reaching 598 billion Baht, a 3% YoY increase. This growth is driven by an expansion in residential condominium construction following new project launches over the past 1-2 years, as well as growth in office, retail, and industrial facility construction. Renovations in retail and hospitality spaces are expected to support recovering domestic demand and international tourism. However, challenges such as high household debt levels and potential oversupply risks, particularly in certain office developments, may impact the market.

Challenges and Strategies

The construction industry in 2024 faces substantial challenges, including escalating construction costs, liquidity risks, and stringent CO2 emission regulations. Contractors are adapting strategies to effectively address these challenges:

- Strategic revenue enhancement and cost control.
- Liquidity management and optimisation.
- Reducing CO₂ emissions by collaborating with environmentally friendly construction material vendors.

In 2024, Floyd PLC, as a mechanical, electrical, and plumbing (MEP) contracting service provider, recognizes numerous growth opportunities and is poised to implement a **"Balance Growth & Safety"** strategy:

Balance: Maintaining robust financial strength and stability to ensure continuous and operationally efficient business execution.

Growth: Focused on sustainable growth expansion across the commercial building, residential and hospitality, as well as infrastructure sectors.

Safety: Prioritising a safe working environment through stringent safety standards adhered to by both employees and construction projects.



Performance Overview

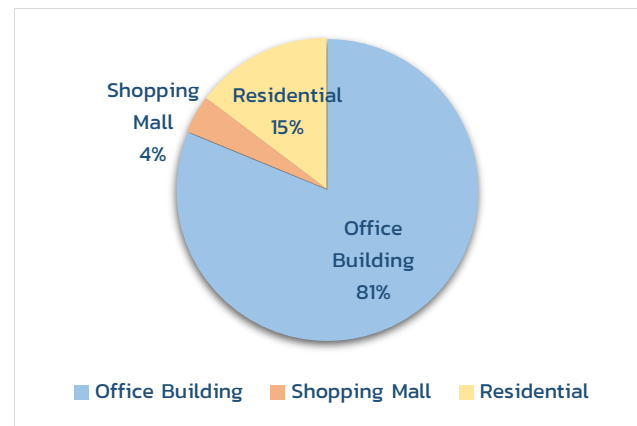
Financial performance of Floyd Public Company Limited and its subsidiary, as per the consolidated financial statements the first quarter ended March 31, 2024, is as follows:

Statement of Income	Q1/2024	Q1/2023	Change	
	Million Baht	Million Baht	Million Baht	Percentage
Revenue from services	83.26	119.55	(36.29)	(30.36%)
Cost of services	67.70	88.77	(21.07)	(23.74%)
Gross profit	15.56	30.78	(15.22)	(49.45%)
Administrative expenses	17.17	13.41	3.76	28.04%
Profit (loss) for the period	(0.01)	16.12	(16.13)	(100.06%)

Revenue from services

The Company's revenue from MEP procurement contracting services for the period amounted to 83.26 million baht, a decrease of 36.29 million baht or 30.36% compared to the same period of the previous year. This decline can be primarily attributed to the limited progress in residential and commercial projects during their initial construction phases. The associated revenue recognition is constrained by the progress of the work. Consequently, the revenue breakdown for Q1/2024 is as follows:

- Office building project: 67.62 million baht
- Residential project: 12.26 million baht
- Shopping mall project: 3.38 million baht



As of March 31, 2024, the Company holds ongoing projects with a total revenue backlog of 530.32 million baht. This figure excludes projects still awaiting contract approval.

Cost of services & Gross profit

The Company's cost of services for the period totalled 67.70 million baht, marking a decline of 21.07 million baht or 23.74% compared to the corresponding period last year. Despite this reduction, the decrease in cost of services was proportionately smaller than the decline in revenue from services, resulting in a decrease in gross profit. The factors contributing to this decrease are as follows:

- Escalation in material prices, influenced by various factors: elevated energy, escalation in electricity prices, rise in metal and copper prices.
- Increase in labour costs particularly due to skilled labour demand and government-initiated hikes in minimum wage.



Administrative expenses

The Company's administrative expenses for the period amounted to 17.17 million baht, representing an increase of 3.76 million baht or 28.04% compared to the same period of the previous year. This rise was predominantly driven by the expansion of our workforce, resulting in higher salary and training expenses. This investment in human capital is aligned with our financial strategy to expand revenue by building a skilled workforce capable of handling upcoming projects.

Statement of Financial Position

Statement of Financial Position	31 Mar 2024	31 Dec 2023	Change	
	Million Baht	Million Baht	Million Baht	Percentage
Assets	566.94	550.55	16.39	2.98%
Liabilities	108.56	92.16	16.40	17.80%
Shareholders' equity	458.38	458.39	(0.01)	(0.00%)

Assets

The Company's total assets amount to 566.94 million baht, reflecting an increase of 16.39 million baht or 2.98%. The majority of this increase is attributed to specific areas: cash and cash equivalents increased by 2.42 million baht, short-term investments increased by 40.79 million baht, and trade and other receivables decreased by 42.17 million baht.

Liabilities

The Company's total liabilities amount to 108.56 million baht, marking an increase of 16.40 million baht or 17.80%. The notable changes in liabilities include an increase of 22.59 million baht in trade and other payables, partially offset by a decrease of 5.31 million baht in other current liabilities (including intermediate value-added tax and intermediate withholding tax).

Shareholders' equity

The Company's shareholders' equity amounts to 458.38 million baht, reflecting a minor decrease of 0.01 million baht, primarily due to a net loss of 0.01 million baht for the first quarter ended March 31, 2024.

