



A.027/2024

May 13, 2024

Subject: Management discussion and analysis for the first quarter ended March 31, 2024

To: President and Managers
Stock Exchange of Thailand

NL Development Public Company Limited and subsidiaries (the "Company") would like to inform of the Company's performance for the first quarter ended March 31, 2024, as the following details:

Statement of comprehensive income

Financial statement	For the quarter ended March 31			
	2024		2023	
	THB Million	Percent	THB Million	Percent
Revenues from construction works	359.76	100.00	493.82	100.00
Cost of construction works	307.31	85.42	426.34	86.34
Gross profit	52.45	14.58	67.48	13.66
Other income	9.69	2.69	5.05	1.02
Administrative expenses	45.74	12.71	42.83	8.67
Profit before income tax expense	16.40	4.56	29.70	6.01
Finance costs	0.18	0.05	0.12	0.02
Income tax expense	3.30	0.92	6.36	1.29
Net profit	12.92	3.59	23.22	4.70

Revenues from construction works

In the first quarter of the year 2024, the Company had revenues from construction work in the amount of THB 359.76 million, a decrease of THB 134.06 million or 27.15 percent from the same period in 2023. The reason for the decrease is that some of the Company's projects were gradually delivered at the end of 2023, and that new construction projects were still in the preparation period. As a result, the rates of progress and revenue recognition from construction work were lower than from the same period in 2023.

The Company's revenues from construction works can be categorized as in two formats: by project types and by client types.



(1) Revenues from construction works categorized by project types

Revenues from construction works categorized by building types	For the quarter ended March 31			
	2024		2023	
	THB Million	Percent	THB Million	Percent
1. Hospital	314.70	87.47	488.15	98.85
2. Office and Commercial buildings	43.99	12.23	4.72	0.96
3. Other construction	1.07	0.30	0.95	0.19
Total revenues from construction works	359.76	100.00	493.82	100.00

(2) Revenues from construction works categorized by client types

Revenues from construction works categorized by client types	For the quarter ended March 31			
	2024		2023	
	THB Million	Percent	THB Million	Percent
1. Government	38.19	10.62	352.52	71.39
2. State enterprises	102.80	28.57	84.61	17.13
3. Private	218.77	60.81	56.70	11.48
Total revenues from construction works	359.76	100.00	493.82	100.00

Cost of construction works

In the first quarter of the year 2024, the Company had a cost of construction works of THB 307.31 million, which decreased from the same period in 2023 by THB 119.03 million. This decrease in cost of construction works corresponded to the decrease in revenues. The Company's gross profit decreased by THB 15.03 million. However, the company has a gross profit margin for the first quarter of 2024 of 14.58%, an increase of 0.92% compared to the same period of 2023.

Net profit

In the first quarter of the year 2024, the Company has a net profit of THB 12.92 million, a decrease of THB 10.30 million compared to the same period of 2023. This was mainly due to a decrease in revenues from construction work.

Financial statements

Balance sheet	March 31, 2024		December 31, 2023	
	THB Million	Percent	THB Million	Percent
Total assets	1,723.64	100.00	1,443.77	100.00
Total liabilities	842.38	48.87	904.55	62.65
Total shareholders' equity	881.26	51.13	539.22	37.35



Assets

As of March 31, 2024, the Company has total assets of THB 1,723.64 million. Assets increased by THB 279.87 million from the previous year due to an increase in cash and cash equivalents, and other financial assets, resulting from the Company's initial public offering of shares in the amount of THB 338 million. The main components of assets as of December 31, 2023 are (1) Cash and cash equivalents. (2) Other current financial assets (3) Current contract assets – current (4) Trade and other current receivables (5) Property, plant, and equipment

Liabilities

As of March 31, 2024, the Company has total liabilities of THB 842.38 million, a decrease from 2023 of THB 62.18 million, mainly from a decrease in trade payables which was in line with the construction schedules and normal credit terms. The main components of liabilities as of December 31, 2023, were (1) Trade payables and other current payables, (2) Current contract liabilities, (3) Retention payables.

Shareholders' equity

As of March 31, 2024, the Company has total shareholders' equity of THB 881.26 million, an increase of THB 342.04 million, compared to the end of 2023, because the Company had initial public offering of shares in 2024. As a result, the Company's paid-up registered capital increased by THB 130.00 million and there was an increase in capital surplus of THB 199.13 million.

Backlog

As of March 31, 2024, the Company has a backlog of THB 2,223.16 million, which includes the Multi-Purpose Yard construction project, Phramongkutklao Hospital. However, projects awaiting contract signing are not included.

Yours sincerely

(Mr. Sarun Rojlerjanya)

President