

## Management Discussion and Analysis

### Financial Performance and Profitability

#### Revenue

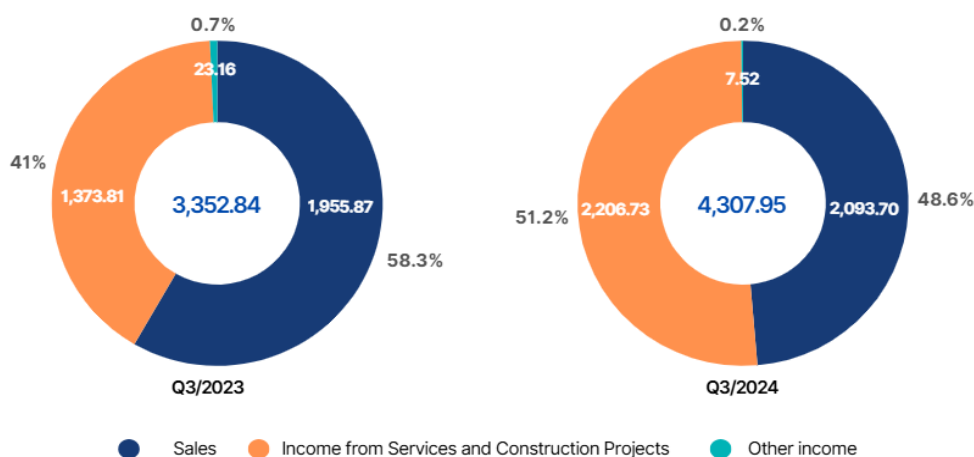
The Company's total revenue for the nine-month periods of 2023 and 2024 were 3,352.84 million Baht and 4,307.95 million Baht, respectively. The revenue structure can be categorized as follows:

Revenue Structure	Consolidated Financial Statement			
	The Nine-Month Period of 2023		The Nine-Month Period of 2024	
	Million Baht	%	Million Baht	%
Sales	1,955.87	58.3	2,093.70	48.6
Income from Services and Construction Projects	1,373.81	41.0	2,206.73	51.2
<b>Total Revenue from Sales and Services</b>	<b>3,329.68</b>	<b>99.3</b>	<b>4,300.43</b>	<b>99.8</b>
Other Income	23.16	0.7	7.52	0.2
<b>Total Revenue</b>	<b>3,352.84</b>	<b>100.0</b>	<b>4,307.95</b>	<b>100.0</b>

#### Revenue Structure

The details of revenue by segmentation for the nine-month period of 2023 and 2024 are as follows:

Unit: Million Baht



For the nine-month periods of 2023 and 2024, sales represented 58.3% and 48.6% of total consolidated revenues, respectively, while income from services and construction projects contributed 41.0% and 51.2%, respectively.

## **Income Increase Analysis, Categorized by Income Type**

### **Sales**

Sales for the nine-month periods of 2023 and 2024 were 1,955.87 million Baht and 2,093.70 million Baht, respectively, representing 58.3% and 48.6% of total revenue.

Sales in the first half of 2024 increased by 137.83 million Baht, or 7.05%, compared to the same period in 2023. This growth was primarily driven by increased sales to public and private sector customers who are the main contractors for substations. The rise in sales mainly came from the following products:

- Distribution transformer
- Various types of circuit breakers, such as load break switch
- Control and protection systems for substations
- Electrical equipment, such as meter and protection relay

### **Services and Construction Projects**

Income from services and construction projects for the nine-month periods of 2023 and 2024 amounted to 1,373.81 million Baht and 2,206.73 million Baht, representing 41.0% and 51.2% of total revenue, respectively. Income from services and construction projects in 2024 increased by 832.92 million Baht, or 60.6%. This growth was mainly driven by the following factors:

- EPC (Engineering, Procurement, and Construction) for 500/230 kV high-voltage substations at Lamphun and Mae Moh Provinces.
- Procurement and installation of control equipment for intelligent grid.
- Procurement and installation of feeder device control units (FDCUs) in 4 regions of Thailand, as continuation contract for the SCADA project completed last year.
- Procurement and installation of high-voltage equipment, including load break switches.

### **Other Income**

Other revenues mainly consisted of (1) profit from asset sales (2) income from land and building leases, and (3) profit from exchange rate fluctuations.

Other revenues for the nine-month periods of 2023 and 2024 were 23.16 million Baht and 7.52 million Baht, calculated as 0.7% and 0.2% of the total consolidated revenue, respectively. The main reason for the decrease in other income is the reduction in foreign exchange gains compared to the previous year.

### **Cost and Gross Profit Margin**

The costs and gross profit margin of income from sales and services can be categorized as follows:

	<b>The nine-month period of 2023 (%)</b>	<b>The nine-month period of 2024 (%)</b>
Gross Profit of Sales	33.5	34.3
Gross Profit of Services and Construction projects	17.1	13.6

### **Cost of Sales**

In the nine-month periods of 2023 and 2024, the cost of goods sold were 1,300.61 million Baht and 1,375.08 million Baht, respectively. Gross profit margins were calculated as 33.5% and 34.3% of sales, respectively. The increase in cost of sales is consistent with the increase in revenue, driven by an increase in sales of 137.83 million Baht. The slight 0.8% increase in gross profit in 2024 was due to the effective costs management of existing product groups such as distribution transformer, various types of circuit breakers and procurement and installation of control equipment for intelligent grids, etc.

### **Cost of Services and Construction Projects**

In the nine-month periods of 2023 and 2024, the costs of services and construction projects were 1,138.80 million Baht and 1,905.62 million Baht, respectively. Gross profit margins were 17.1% and 13.6% of income from services and construction projects. The slight 3.5% decrease in gross profit margin was primarily due to lower gross margins in some substation projects in 2024 compared to those from the previous year, as well as the completion of construction projects under contract, which resulted in a decline in the overall project gross margin.

### **Sales and Distribution Expenses**

Sales and distribution expenses primarily consisted of (1) employee-related costs such as salaries, welfare, and other benefits for sales and service staff, (2) delivery costs, (3) fees and charges, and (4) warranty reserve costs.

For the nine-month periods of 2023 and 2024, sales and distribution expenses were 112.03 million Baht and 123.21 million Baht, representing 3.3% and 2.9% of total revenue, respectively. The increase in sales and distribution expenses was mainly due to higher provisions for product warranties and the rise in employee salaries and benefits.

### **Administrative Expenses**

In the nine-month periods of 2023 and 2024, administration expenses were 478.23 million Baht and 545.59 million Baht, representing 14.3% and 12.7% of total revenue, respectively. The increase in administrative expenses was mainly due to higher costs for wages and services, as well as an increase in employee salaries and benefits.

### **Share of Profit from Investments in Joint Ventures**

The Company holds 40% shares in Songkhla Biomass Co., Ltd. (SKB) and 60% in Coelme International Co., Ltd. (CI). The Company recognized the share of profit from these investments using the equity method.

For the nine-month periods of 2023 and 2024, the share of profit from joint ventures was 31.07 million Baht and 28.08 million Baht, respectively, representing 0.9% and 0.7% of total revenue. The change was insignificant.

### **Financial Costs**

In the nine-month periods of 2023 and 2024, the financial costs were 50.51 million Baht and 45.76 million Baht, respectively, representing 1.5% and 1.1% of the total revenue. The main reason for the decrease in financial costs was the Company group's financial management efforts to reduce financial expenses, along with the reduction in long-term loan repayments to financial institutions as per the agreement.

### **Net Profit**

The Company's net profit for the nine-month periods of 2023 and 2024, were 259.61 million Baht and 282.11 million Baht, respectively.

The net profit attributable to equity holders of the Company for the nine-month period of 2023 and 2024 was 238.72 million Baht and 262.55 million Baht, respectively, representing an increase of 23.82 million Baht or 6.1% in 2024.

The increase in net profit was primarily due to efficient cost control and effective management of operating expenses.

### **Financial Position Analysis**

#### **Assets**

The Company's assets as of 31 December 2023 and 30 September 2024, were 6,576.97 million Baht and 6,671.46 million Baht, respectively, representing a growth rate of 1.4%. The main reasons were due to the following changes:

- Decrease in cash and cash equivalents due to payment of trade payables for TDMS project and repayment of long-term loans with financial institutions.
- Increase in trade receivables from the delivery of GIS equipment for the 500/230 kV Lamphun and Mae Moh substations.
- Increase in unbilled receivables from the delivery of GIS equipment for the 500/230 kV Lamphun and Mae Moh substations.
- Increase in retention receivables for the 500/230 kV Lamphun and Mae Moh substations and the Ao Phai project.

## Financing Structure

### Liabilities

The Company's total liabilities as of 31<sup>st</sup> December 2023 and 30<sup>th</sup> September 2024 were 3,311.43 million Baht and 3,297.88 million Baht, respectively, reflecting a decrease of 0.4%. The change in 2024 were due to the following:

- Increase in trade payables from the purchase of GIS equipment for the 500/230 kV Lamphun and Mae Moh substations.
- A decrease in repayment for long-term loans from financial institutions.
- A decrease in advances received from customers for the 500/230 kV Lamphun and Mae Moh substations for FDI (Feeder Device Interface) projects in four regions of Thailand, following the recognition of revenue for the entire contract.

### Shareholder Equity

As of 30<sup>th</sup> September 2024, Shareholders' equity stood at 3,373.57 million Baht, representing 50.6% of debt and shareholder's equity. Compared to December 31, 2023, this represents an increase of 3.3% due to the current year's operating profit.

### Financial Ratios

<b>Financial Ratio</b>	<b>Unit</b>	<b>The nine-month period ending 30 September 2023</b>	<b>For the nine-month period ending 30 September 2024</b>
Return on Equity	%	12.9	10.9
Return on Asset	%	6.9	7.7
Debt-to-Equity Ratio	times	1.1	1.0
Current Ratio	times	1.2	1.3

Full-year adjustments: Return on Equity, Return on Assets