



Inspection for a sustainable future

We are Dexon Technology
More than 30 Years of Inspection Experience

**DEXON Technology Public Company Limited
Management Discussion and Analysis
For the Year 2025**

Economic Overview and Industry Outlook

The global economy is expected to experience a moderate slowdown in 2026, with growth projected at 2.5%, compared with 2.7% in 2025. The deceleration primarily reflects weaker global trade momentum as the full-year impact of U.S. tariff measures becomes more pronounced, following the fading of earlier front-loading activities.

Despite these headwinds, economic activity continues to be supported by ongoing investment in artificial intelligence (AI) and data center infrastructure, particularly in the United States, which remains a key driver of capital expenditure and technological advancement. Accommodative monetary conditions are also expected to provide partial support, with the U.S. Federal Reserve anticipated to reduce policy rates further, while major central banks in Europe are expected to maintain a cautious stance. However, risks to the global outlook persist, including geopolitical tensions, policy uncertainty in major economies, and potential volatility in technology-related asset markets, which may weigh on global growth prospects.

Thailand's economy is expected to grow at a slower pace, reflecting external headwinds and ongoing structural constraints, which are likely to keep overall economic momentum subdued. Exports are expected to weaken amid trade tensions and rising import competition, while tourism continues to recover at a moderated pace. Private consumption remains constrained by high household debt, and private investment is supported selectively by BOI-promoted projects in emerging industries.

On the policy front, monetary conditions are expected to remain accommodative, with potential interest rate cuts aimed at supporting economic stability, while fiscal stimulus may face delays due to political uncertainty, which could affect the pace of public investment disbursement.

In response to this complex macro-environment, Dexon Technology PLC (Dexon) continued to focus on execution efficiency and service delivery amid a challenging economic environment. The Company's specialized inspection and asset integrity services remained essential to clients' operational and safety requirements across key industries. This continued to support the Company's operational stability while reinforcing its long-term positioning in the energy and infrastructure sectors.

Performance Overview

Income Statement

Items (Unit: MB)	2024	2025	YoY
Revenue from services	754	811	8%
Other income	3	2	(40%)
Total revenues	757	813	7%
Cost of services	(510)	(610)	20%
SG&A	(207)	(247)	19%
Finance cost	(5)	(7)	48%
Others	3	(10)	(417%)
Total expenses	(719)	(873)	21%
Profit (loss) before income tax	38	(60)	(257%)
Income tax	(4)	1	(115%)
Net profit (loss) for the period	34	(60)	(274%)

For FY2025, the Company recorded total **revenue** of THB 813 million, an increase of THB 56 million (+7%) % compared to last year and marking a new revenue high, continuing the Company's long-term growth trend.

This growth was primarily supported by contributions from our subsidiaries in the United States and Germany. These results reflect the success of our strategic focus on expanding into high-potential international markets, where demand for our in-line inspection services continues to grow.

Compared to the same period of last year, the Company's **cost of services** in Y2025 rose to THB 610 million, representing a 20% increase. The increase was mainly driven by higher personnel costs and subcontract cost associated with more manpower-intensive project execution, as well as additional costs to enhance best-in-class service quality. These included costs incurred to enhance services quality including advancements in report turnaround time, analytical depth, and overall service deliverables, supported by internally developed AI capabilities and an expanded data analytics team. In addition, certain work was specific re-executed as part of ongoing quality assurance efforts to maintain service standards, support customer satisfaction, and sustain business growth.

The Company's **selling, general, and administrative expenses (SG&A)** were THB 247 million in 2025, increasing 19% from 2024. SG&A expenses increased mainly due to non-recurring items. The increase was primarily driven by non-recurring items, including severance payments, provisions for inventory and fixed asset obsolescence, unrealized foreign exchange losses from Baht appreciation, and the finalization of tax refunds from prior years.

These items are within normal business exposure and do not reflect the Company's underlying operating performance. Excluding these non-recurring items, SG&A remained well managed and aligned with the Company's cost control discipline.

As a result, the Company recorded a net loss of THB 60 million in 2025, compared to a net profit of THB 34 million in 2024.

Statement of Financial Position

Items (Unit: MB)	31-Dec-24	31-Dec-25	Change	%Change
Cash & cash equivalents	123	191	68	55%
Trade & other receivables	184	148	(36)	(19%)
Contract assets	108	147	39	36%
Inventories	67	53	(15)	(22%)
Property, plant & equipment	357	314	(43)	(12%)
Intangible assets	18	40	22	121%
Other assets	93	95	3	3%
Total assets	951	988	37	4%
Trade & other payables	82	73	(8)	(10%)
Loans from financial institutions	61	172	110	180%
Employee benefit obligations	33	43	10	32%
Other liabilities	31	49	18	59%
Total liabilities	206	337	131	63%
Paid-up share capital	238	238	-	0%
Retained earnings	54	(37)	(90)	(168%)
Others	453	449	(4)	(1%)
Total equities	745	651	(94)	(13%)
Total liabilities & equities	951	988	37	4%

Total assets: As of 31 December, 2025, the Company had total assets of THB 988 million, an increase of THB 37 million from the end of 2024. This was primarily due to an increase in cash and cash equivalent, and contract assets from increased on-going project.

Total liabilities: Liabilities amounted to THB 337 million, increasing THB 131 million or 63% from the end of last year. The increase was mainly driven by higher borrowings to mitigate foreign exchange risk, particularly potential losses from USD-to-THB conversion during Baht appreciation, and to support refinancing plans. In addition, liabilities increased due to lease obligations arising from operational expansion to support continued business growth in the U.S. market, a key market for the global oil and gas industry.

Total equities: The Company's equity was THB 651 million, a decrease of THB 94 million, or 13%, from the end of last year, resulting from dividend payments and the net loss in 2025, which was partly impacted by non-recurring items and certain accounting adjustments.

Cash Flow Statement

Cash Flow Statement (Unit: MB)	2024	2025	Change
Net cash flow from (used in) operating activities	98	83	(15)
Net cash flow from (used in) investing activities	(83)	(70)	14
Net cash flow from (used in) financing activities	(33)	57	91
Net increase (decrease) in cash	(18)	71	89
Effect on exchange rate	(7)	(3)	4
Cash at the beginning of the period	149	123	(26)
Cash at the end of the period	123	191	68

As of December 31, 2025, the Company reported cash and cash equivalents of THB 191 million, compared to THB 123 million at the beginning of the period. The main reasons were:

Cash flow from operating activities amounted to THB 83 million, Operating cash flow remained positive despite lower cash contribution, but was impacted by higher costs from manpower-intensive service engagements, rework activities, and service quality enhancement.

Cash flow from investing activities was a net outflow of THB 70 million, primarily due to investments in equipment and intangible assets to support ongoing business expansion.

Cash flow from financing activities was a positive THB 57 million, due mainly to increased loans from financial institutions.

Key Financial Ratios

Key Financial Ratio	2024	2025
Profitability Ratio		
Gross Profit Margin	32.3%	24.6%
EBITDA Margin	19.6%	8.3%
Net Profit Margin	4.4%	(7.3%)
Return on Equity	4.2%	(8.6%)
Liquidity Ratio		
Current Ratio	3.0	2.3
Quick Ratio	2.5	2.1
Efficiency Ratio		
Return on Asset	3.4%	(6.2%)
Fixed Assets Turnover	1.9	2.4
Leverage and Solvency Ratio		
Debt/Equity	0.3	0.5
Cost of Debt	5.8%	4.7%

Remark: The cost of debt is calculated by dividing the financial cost by average Interest-Bearing Debt (IBD) at the beginning and end of the period.

Financial Ratio Analysis

In this period, the Company's gross profit margin decreased from 32.3% to 24.6% in 2025, while net profit margin turned negative at 7.3% in 2025. The pressure on gross profit margin was mainly driven by specific re-execution costs, while the decline in net profit margin was primarily attributable to non-recurring cost items. The Company has since implemented cost control initiatives and process efficiency improvements, which are expected to support margin recovery in the next quarter and coming years.

Return on assets declined to (6.2%) in 2025, mainly driven by lower profitability during the period. Fixed asset turnover increased to 2.4x in 2025, reflecting the Company's improved operational efficiency, as sales growth outpaced the growth in fixed assets.

In 2025, the Company had quite a stable debt-to-equity ratio of 0.3x to 0.5x across the period, indicating that its financial status remains healthy. Cost of debt decreased to 4.7% in 2025 which remained at a manageable level.