



Yong Concrete Public Company Limited

Management Discussion and Analysis

Operating Results for the First Quarter Ended March 31, 2026

Overview of Operating Results

The Company engages in the manufacturing and distribution of precast concrete products and ready-mixed concrete under the “YONG” trademark, including precast structure installation services and transportation services through Prom Transport Co., Ltd.

In the first quarter of 2026, the domestic economy continued to slow down, resulting in intensified competition among operators in the construction business, while the real estate sector had not yet fully recovered. In addition, key raw material costs such as steel, cement, stone and sand, including fuel costs for transportation, remained high and volatile in line with market conditions.

Nevertheless, the Company adjusted its operating approach to align with the economic conditions and cost volatility by focusing on efficient cost management through close monitoring of raw material price trends and procurement planning, as well as managing appropriate raw material reserve levels in line with production plans. This was to mitigate the impact of cost volatility, maintain operational continuity, and support the Company’s long-term competitiveness.

The Company is currently implementing the strategic plans it has established. The initial results are reflected through the expansion of production capacity and more efficient cost management.

Summary of Significant Events

During the first quarter of 2026, the Company made significant progress in expanding production capacity in accordance with its strategic plan. The Board of Directors’ Meeting No. 1/2026, held on 18 February 2026, resolved to approve the investment in the construction of one concrete products factory and three ready-mixed concrete plants, including investments in machinery and equipment to support the production of new products.

The Company conducted a feasibility study of the project, assessed current production capacity, and analyzed the return on investment (ROI), debt-to-equity ratio (D/E), and other related financial factors. The Board of Directors considered that the project was appropriate, consistent with the Company’s business plan, and capable of supporting the Company’s long-term growth.

Subsequently, the Board of Directors’ Meeting No. 2/2026, held on 5 March 2026, excluding directors with conflicts of interest, resolved to propose to the Extraordinary General Meeting of Shareholders No. 1/2026 for approval of the investment in the construction of the concrete products factory and the long-term land lease from connected persons. Such transactions are classified as acquisition of assets and connected transactions. The Board of Directors considered that the transactions were necessary, appropriate, and consistent with the Company’s production capacity expansion plan in the EEC area, including suitability in terms of location and economic value.



In determining the land lease rate, the Company referred to asset valuation reports prepared by two independent appraisers approved by the Office of the Securities and Exchange Commission, using the Market Approach. The appraisal results indicated that the lease rate and conditions of the lease agreement were in accordance with normal commercial terms and were not less favorable than those generally available to third parties under the same conditions.

The Board of Directors and the Audit Committee were of the opinion that the transactions were reasonable, transparent, and beneficial to the Company and its shareholders as a whole. Directors with conflicts of interest did not participate in the consideration and had no voting rights on the relevant agenda. The Company expects to enter into the transactions after receiving approval from the Extraordinary General Meeting of Shareholders No. 1/2026, scheduled to be held on 22 May 2026.

Summary of Operating Results

Operating results for the three-month period ended 31 March 2026, compared with the same period, are summarized as follows:

Unit: THB thousand

Transaction	The consolidated statement of comprehensive income for the three-month period ended March, 31		Changes	
	2026	2025	Increase (Decrease)	%
Revenue from sales	170,759	168,771	1,988	1.18
Revenue from services	55,361	74,849	(19,488)	(26.04)
Total revenue from sales and services	226,120	243,620	(17,500)	(7.18)
Cost of sales	127,602	133,433	(5,831)	(4.37)
Cost of services	45,718	58,770	(13,052)	(22.21)
Total cost of sales and services	173,320	192,203	(18,883)	(9.82)
Gross profit	52,800	51,417	1,383	2.69
Other income	1,191	2,862	(1,671)	(58.39)
Distribution costs and Administrative expenses	46,261	42,664	3,597	8.43
Financial cost	2,410	1,676	734	43.79
Income tax expenses	1,639	1,849	(210)	(11.36)
Net income for the period	3,681	8,090	(4,409)	(54.50)
Net comprehensive income for the period	3,681	8,090	(4,409)	(54.50)
Earnings per share (EPS) (Baht)	0.01	0.01	-	



Analysis of Statement of Comprehensive Income

➤ Total revenue

Total revenue for the three-month period ended 31 March 2026 amounted to THB 226.12 million, a decrease of THB 17.50 million or 7.18% compared with the previous year. Revenue from product sales increased by 1.18%, supported by sales of products to projects under the Company's long-term contracts.

However, revenue from fence installation services and pile supply and driving services decreased by 26%, in line with the slowdown of certain types of construction projects and the real estate market which had not yet fully recovered. As a result, the Company's total revenue declined compared with the previous year.

➤ Total cost

Total Cost of Sales and Services for the three-month period ended 31 March 2026 amounted to THB 173.32 million, a decrease of THB 18.88 million or 9.82% compared with the previous year, which was in line with the decrease in total revenue during the period.

However, when comparing Total Cost of Sales and Services with total revenue, the Company demonstrated improved cost management efficiency, reflected by a lower cost-to-revenue ratio compared with the previous year. The Company continued to implement cost control measures, including close management of raw material procurement, adjustment of production plans in accordance with workload, and improvement of resource utilization efficiency in the production process in order to reduce waste and support the Company's profitability.

➤ Gross profit

Gross profit for the three-month period ended 31 March 2026 amounted to THB 52.80 million, an increase of THB 1.38 million or 2.69% compared with the previous year.

The increase was attributable to cost management efficiency and appropriate management of the mix of work and products.

➤ Distribution costs and Administrative expenses

Selling and administrative expenses for the three-month period ended 31 March 2026 amounted to THB 46.26 million, an increase of THB 3.60 million or 8.43% compared with the previous year. The increase was mainly due to higher personnel expenses, as well as expenses related to management and preparations to support the Company's business expansion plan, in line with the Company's business expansion plan.



➤ **Financial cost**

Finance costs for the three-month period ended 31 March 2026 amounted to THB 2.41 million, an increase of THB 0.73 million compared with the previous year. The increase was mainly due to interest expenses related to the renewal of long-term land lease agreements and lease agreements for transportation vehicles of the Company and its subsidiaries.

➤ **Net profit**

The Company recorded net profit for the three-month periods ended 31 March 2026 and 2025 of THB 3.68 million and THB 8.09 million, respectively, representing a decrease of THB 4.41 million or 54.50%.

Although net profit declined from the previous year, the Company continued to focus on liquidity management and maintaining financial discipline to support business operations and the Company's investment expansion plans.

From 2026 onward, the Company will continue to improve production capacity utilization, together with disciplined cost management and selection of projects with appropriate profit margins, in order to strengthen profitability and support the Company's future growth.

Analysis of Financial Position

➤ **Total assets**

Total assets of the Company as of 31 March 2026 amounted to THB 1,380 million, an increase of THB 93 million or 7.20% from 31 December 2025. The increase was mainly due to increases in cash and cash equivalents, trade receivables, inventories, and operating-related assets, which were consistent with the Company's business operations and expansion plans.

During the period, the Company invested in buildings and equipment, including investments in vehicles of its subsidiaries, to support operations and improve efficiency in production and transportation processes.

As of 31 March 2026, the Company reviewed the quality of trade receivables and recorded an allowance for doubtful accounts at an adequate level in accordance with accounting policies and credit risk assessments. The Company's average collection period increased from the previous period due to longer payment periods of certain customers. Nevertheless, the Company continued to closely monitor and manage trade receivables in order to maintain liquidity and the quality of trade receivables.

➤ **Total liabilities**

Total liabilities of the Company as of 31 March 2026 amounted to THB 492 million, an increase of THB 89 million or 22.05% from 31 December 2025. The increase was mainly due to higher interest-bearing liabilities to support the Company's operations and business expansion plans, including increases in trade payables and other current payables in line with business operations.



➤ Total shareholders' equity

Total shareholders' equity of the Company as of 31 March 2026 amounted to THB 888 million, an increase of THB 4 million or 0.42% from 31 December 2025, resulting from the Company's net profit for the period.

Cash Flow Analysis

For the operating results for the three-month period of 2026, the Company recorded net cash used in operating activities of THB 6.27 million. This was mainly due to the increase in inventories to support operations and manage raw material costs amid volatility in energy and raw material prices in the market. Such inventory management was a preparation to support operations and maintain the Company's competitiveness in the next period.

Net cash used in investing activities amounted to THB 4.66 million, mainly from investments in buildings and equipment to support operations and improve efficiency in production and transportation processes.

For financing activities, the Company recorded net cash generated from financing activities of THB 58.15 million, mainly from the increase in short-term borrowings from financial institutions to support working capital and the Company's operations.

As a result of the above cash flows, cash and cash equivalents as of 31 March 2026 amounted to THB 110.74 million, which remained sufficient for business operations. The Company continued to appropriately manage liquidity and capital structure to support operations and investment plans in the next period.

Key Financial Ratios

Key financial ratios		Reviewed/Audited Consolidated Financial Statements for the		
		periods ended		
		31 Mar 2026	31 Dec 2025	31 Mar 2025
Current Ratio	(times)	1.35	1.43	1.41
Quick Ratio	(times)	1.01	1.03	1.04
Gross Profit Margin	(%)	23.35%	21.69%	21.11%
Net Profit Margin	(%)	1.62%	2.07%	3.28%
Return on Equity	(%)	1.66%	2.28%	3.56%
Return on Assets	(%)	1.10%	1.61%	2.57%
Debt to Equity Ratio	(times)	0.55	0.46	0.40
Cash Interest Coverage Ratio	(times)	(2.37)	15.95	29.53
Debt Service Coverage Ratio	(times)	(0.51)	2.67	3.96



The increase in the debt-to-equity ratio (D/E Ratio) from 0.46 times to 0.55 times was mainly due to the increase in interest-bearing liabilities to support the Company's operations and investments. Nevertheless, such level remained appropriate and consistent with the Company's capital structure management policy.

The current ratio and quick ratio remained at levels sufficient for business operations and short-term obligations, reflecting the Company's ability to manage working capital under the conditions of a slowing economy and volatile raw material costs.

The gross profit margin improved from the previous year, reflecting efficiency in cost management and product mix management, while the net profit margin, return on equity (ROE), and return on assets (ROA) decreased in line with the lower net profit during the period, as well as higher finance costs and expenses from the Company's expanded operations.

The cash interest coverage ratio and debt service coverage ratio as of 31 March 2026 decreased compared with the previous period, mainly due to lower net cash flows from operating activities during the period as a result of working capital and inventory management to support the Company's operations and business expansion plans. As a result, such ratios temporarily declined to lower-than-normal levels.

Nevertheless, the Company maintained sufficient liquidity for its business operations and remained capable of managing its debt obligations and financial commitments in the normal course of business. The Company continues to place emphasis on cash flow management, working capital management, and appropriate capital structure management to support its operations and future growth.

Factors Affecting Operations

In 2026, the construction industry remained in an adjustment period under an economic environment that was gradually recovering, particularly the private sector which remained cautious in investment. However, certain areas with continuing industrial and infrastructure development still had appropriate demand for construction materials, which supported the Company's operations in target areas.

Factors that may affect the construction sector in 2026 include:

- Construction costs that remain at high levels, including the risk of labor shortages.
- Increased awareness of structural quality and safety standards, causing certain customer groups to place greater emphasis on the quality of raw materials and production processes.
- Increased competition in certain market segments, particularly projects focused on price competition, which may affect profit margin levels of operators in the industry.



- Environmental trends and greenhouse gas emission reduction, which are becoming increasingly important factors for customers.

- Industrial and infrastructure development in certain areas with investment potential, which supports demand for construction materials and creates opportunities for the Company to expand its customer base.

The Company conducts its business with a focus on long-term value creation rather than competing solely on price, while selecting projects that provide appropriate returns, controlling costs efficiently, and differentiating itself through product quality and delivery efficiency. The Company regularly monitors and evaluates factors relating to competition, costs, and profitability under its enterprise risk management framework to support stable and sustainable business operations.

Strategic Direction

In response to the aforementioned business environment, the Company continues to strengthen production capacity, cost management, and systematic risk control to support the stability of its cost structure and enhance long-term profitability.

The Company has set growth targets based on prudent assumptions and in line with economic conditions, with emphasis on disciplined capital management and quality, balanced, and sustainable growth. The Company will expand its business in high-potential areas under an operating framework that is appropriate for market demand.

The Company's medium-term targets take into account the period required for the gradual realization of efficiency from new investments and the continuous increase in production capacity utilization, in order to support growth consistent with the Company's business potential and competitive environment. Key directions are as follows:

- Expand revenue opportunities through increased production capacity in target areas, particularly the Eastern Economic Corridor (EEC), to support customer base expansion.
- Efficiently control production costs through diversification of procurement sources and management of purchase contracts to reduce risks from raw material cost volatility.
- Prudently manage backlog by considering an appropriate mix of government and private sector projects in line with risk and return levels.
- Continuously enhance production quality control and develop operational safety standards.
- Apply technology to improve operational efficiency and develop personnel capability to support business growth.
- Support sustainable business operations by collaborating with business partners to reduce greenhouse gas emissions and develop products that align with environmental trends.



The Company continues to operate its business prudently under appropriate cost and liquidity management in order to support sustainable growth in the next period.

Please be informed accordingly.

Yours sincerely,

(Mr. Sunpetech Slisatakorn)

Chief Executive Officer