FLOYD PUBLIC COMPANY LIMITED

Management Discussion and Analysis

For the second quarter ended June 30, 2026

Industry Outlook

An analysis by SCB EIC reveals that the value of the construction industry in 2026 is projected to remain stable at 1.41 million Baht, with the breakdown of public and private sector construction values as follows:

- The value of public sector construction in 2026 is projected to expand by +1% YOY, reaching 860,000 million Baht. This growth faces pressure from the budget expenditure framework for fiscal year 2026, with investment budget allocations decreasing by 5% from fiscal year 2026, coupled with political uncertainties. Nevertheless, ongoing mega-projects are progressing, and new mega-projects are expected to be tendered in 2026.

- The value of private sector construction in 2026 is projected to continue contracting to 551,000 million Baht (-1% YOY). Residential building construction is expected to continuously contract by -2% YOY due to the shrinking housing market, while commercial real estate construction is projected to remain stable.

Construction Industry Challenges 2026

- High construction costs, driven by the elevated prices of both construction materials and labor.
- The impact of earthquake incidents, which has affected confidence within the construction sector.
- Role of Chinese Contractors
- Oversupply in the Real Estate Sector
- Low Productivity in the Construction Sector
- Pressure to Reduce Emissions

Adjusting strategies for construction contractors

1. **Increase Revenue Opportunities**
   - Develop capabilities and collaborate with partners to bid for a wider range of projects.
   - Public-private partnerships.
   - Exercise caution when participating in price-competitive bidding.
   - Increase opportunities to secure subcontracting work from large construction contractors for ongoing infrastructure projects and major private sector construction.

2. **Backlog Emphasize Backlog Management**
   - Adjust the proportion of bids for public and private sector construction projects appropriately.
   - Complete construction according to the plan and deliver work as per the contract to ensure timely payment of installments.

3. **Construction Cost Control**
   - Partner with a diverse range of construction material suppliers and manufacturers to provide options and reduce reliance on any single entity.
   - Enter into advance purchase agreements for construction materials, aligning with usage requirements.
   - Mitigate risks of labor shortages and rising labor costs by monitoring labor situations, planning labor utilization in line with construction schedules, and investing in construction technology to replace manual labor.

4. **Utilizing Technology to Enhance Productivity**
   - Invest in adopting technology to replace labor, reduce material waste, and minimize errors from incorrect construction designs.
   - Partner with foreign construction contractors who possess technological expertise to facilitate knowledge transfer.
   - Develop personnel to support the adoption of construction technology.

5. **Building Credibility**
   - Implement rigorous safety upgrades to ensure construction processes strictly adhere to 'Zero Accident' standards, while utilizing only high-quality and certified materials.
   - Partner with reputable and highly experienced foreign construction contractors who also possess expertise in construction technology capable of mitigating various disasters.

6. **Reducing Emissions**
   - Partner with environmentally friendly construction material suppliers and manufacturers.
   - Invest in adopting environmentally friendly technologies.
   - Increase energy efficiency in both construction sites and offices.

PERFORMANCE OVERVIEW

Financial performance of Floyd Public Company Limited and its subsidiary, as per the consolidated financial statements the second quarter ended June 30, 2026, is as follows:

Statement of Income	30 Jun 2026	30 Jun 2025	Change	
3M(Q2)	Million Baht	Million Baht	Million Baht	Percentage
Revenue from services	43.85	192.45	(148.60)	(77.21%)
Cost of services	(25.03)	(155.97)	(130.94)	(83.95%)
Gross profit	**18.82**	**36.48**	**(17.66)**	**(48.41%)**
Finance income & Other income	1.01	0.43	0.58	134.88%
Administrative expenses	(17.19)	(12.81)	4.38	34.19%
Gain on revaluation of investments	1.31	3.44	(2.13)	(61.92%)
Reversal of expected credit loss	-	0.07	(0.07)	(100.00%)
Finance costs	-	(1.50)	(1.50)	(100.00%)
Tax expense	(0.70)	(4.88)	(4.18)	85.66%
Net profit	**3.25**	**21.23**	**(17.98)**	**(84.69%)**

Statement of Income	30 Jun 2026	30 Jun 2025	Change	
6M	Million Baht	Million Baht	Million Baht	Percentage
Revenue from services	123.08	358.53	(235.45)	(65.67%)
Cost of services	(73.69)	(303.08)	(229.39)	(75.69%)
Gross profit	**49.39**	**55.45**	**(6.06)**	**(10.93%)**
Finance income & Other income	1.57	0.95	0.62	65.26%
Administrative expenses	(31.34)	(25.52)	5.82	22.81%
Gain on revaluation of investments	1.35	3.46	(2.11)	(60.98%)
Reversal of expected credit loss	0.14	0.20	(0.06)	(30.00%)
Finance costs	-	(1.50)	(1.50)	(100.00%)
Tax expense	(3.98)	(5.89)	(1.91)	(32.43%)
Net profit	**17.13**	**27.15**	**(10.02)**	**(36.91%)**

Revenue from services

3M(Q2)/2026

The Company's revenue from MEP procurement contracting services for the Q2/2026 amounted to 43.85 million baht, a decrease of 148.60 million baht or 77.21% compared to the same period of the previous year. This decrease was primarily due to the fact that most projects have been executed and progressively handed over. The revenue generated in Q2/2026 consists of ongoing projects carried over from 2025 and additional contracts secured in 2026. The revenue breakdown is as follows:

- Office building project: 0.92 million baht or 2.10%
- Residential project: 17.00 million baht or 38.77%
- Shopping mall project: 9.34 million baht or 21.30%
- Data center project: 16.59 million baht or 37.83%

6M/2026

The Company's revenue from MEP procurement contracting services for the 6-month period of 2026 amounted to 123.08 million baht, a decrease of 235.45 million baht or 65.67% compared to the same period of the previous year. This decrease was primarily due to the fact that most projects have been executed and progressively handed over. The revenue generated in 6M/2026 consists of ongoing projects carried over from 2025 and additional contracts secured in 2026. The revenue breakdown is as follows:

- Office building project: 12.74 million baht or 10.35%
- Residential project: 58.10 million baht or 47.21%
- Shopping mall project: 12.20 million baht or 9.91%
- Data center project: 40.04 million baht or 32.53%

As of June 30, 2026, the Company holds ongoing projects with a total revenue backlog of 817.41 million baht. Additionally, the Company is in the process of bidding for projects across a diverse range of business sectors. The main customer base is divided into four core groups:

(1) Commercial Buildings, such as department stores and office buildings

(2) Data Centers

(3) Residential and Hospitality, and

(4) Infrastructure and Government Projects

Cost of services

3M(Q2)/2026

The Company's cost of services for the Q2/2026 amounted to 25.03 million baht, a decrease of 130.94 million baht or 83.95% compared to the same period of the previous year.

6M/2026

The Company's cost of services for the 6-month period of 2026 amounted to 73.69 million baht, a decrease of 229.39 million baht or 75.69% compared to the same period of the previous year.

This reduction in costs aligns with the decrease in revenue. This reduction in cost is consistent with the decline in revenue. Notably, the Company achieved higher gross and net profit margins, driven by the progressive handover of projects in 6M/2026 and effective cost control measures. As profit margins for individual projects are influenced by factors such as market competition, project duration, and service costs, the Company prioritizes comprehensive cost management. This encompasses every stage from project acquisition and budgeting to procurement planning, subcontractor management, and ensuring timely, high-quality delivery.

Administrative expenses

3M(Q2)/2026

The Company's administrative expense for the Q2/2026 amounted to 17.19 million baht, an increase of 4.38 million baht or 34.19% compared to the same period of the previous year.

6M/2026

The Company's administrative expense for the 6-month period of 2026 amounted to 31.34 million baht, an increase of 5.82 million baht or 22.81% compared to the same period of the previous year.

This increase was primarily driven by higher employee-related expenses resulting from the reallocation of personnel costs from the cost of services back to administrative expenses. This reallocation occurred due to the progressive handover of projects and the subsequent return of the workforce to the head office.

Statement of Financial Position	30 Jun 2026	31 Dec 2025	Change	
	Million Baht	Million Baht	Million Baht	Percentage
Assets	**615.84**	**661.50**	**(45.66)**	**(6.90%)**
> Current assets	399.14	440.63	(41.49)	(9.42%)
> Non-current assets	216.70	220.87	(4.17)	(1.89%)
Liabilities	**104.78**	**123.12**	**(18.34)**	**(14.90%)**
> Current liabilities	81.44	100.87	(19.43)	(19.26%)
> Non-current liabilities	23.34	22.25	1.09	4.90%
Equity	**511.06**	**538.38**	**(27.32)**	**(5.07%)**

Assets

The Company's total assets amount to 615.84 million baht, reflecting a decrease of 45.66 million baht or 6.90% compared to the end previous year. This is mainly due to a decrease in cash and cash equivalents by 106.46 million baht, an increase in short-term investments by 96.37 million baht, a decrease in receivables by 52.10 million, and an increase in unbilled completed work by 29.56 million baht.

Liabilities

The Company's total liabilities amount to 104.78 million baht, a decrease of 18.34 million baht or 14.90%, compared to the of the previous year. This is mainly due to a decrease in payables by 13.30 million baht, and a decrease in other current liabilities (including intermediate value-added tax and intermediate withholding tax) by 7.32 million baht.

Equity

The Company's shareholder's equity amount to 511.06 million baht, reflecting a decrease of 27.32 million baht or 5.07%, compared to the end of the previous. This change is attributable to operational performance, which yielded a net profit of 17.13 million baht, alongside cash dividends paid amounting to 44.44 million baht.

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