60TH ANNIVERSARY

CIVIL ENGINEERING

MD&A 3Q26

MANAGEMENT DISCUSSION AND ANALYSIS

For the third quarter of 2026





Executive Summary

In 9M26, the Company operated under a challenging business environment amid Thailand's sluggish economic growth and the continued slowdown of the global economy. Meanwhile, geopolitical tensions in the Middle East drove up global energy and raw material prices, placing additional cost pressures on the industrial sector as a whole.

In the construction industry, contractors continued to face rising construction material, energy, and operating costs, putting pressure on the profitability of certain projects amid intense competition. However, the government introduced measures to mitigate the impact on public-sector contractors by relaxing the criteria for calculating construction cost compensation under price-adjustable construction contracts (K- Factor), helping to partially offset the impact of rising construction costs.

Amid these challenges, the Company implemented a proactive strategy under the concept of **"CIVIL FAST" (Right Project Selection + Cost Control + On-Schedule Delivery.)**, focusing on selecting high-potential projects, closely monitoring project progress, and delivering projects according to or ahead of the planned schedule. The Company also implemented measures to manage fluctuations in construction material and energy prices, while controlling operating expenses, improving resource utilization efficiency, and maintaining overall operational effectiveness.

In 3Q26, **the Company secured new contracts with a total value of more than 1,261 million baht (bringing the cumulative value in 9M26 more than 3,655 million baht).** Of this amount, 2,394 million baht were projects with signed contracts, while 1,261 million baht were projects pending contract signing. **The current signed backlog stood at 12,800 million baht**, providing continuous revenue recognition visibility for at least the next three years. This strong backlog reflects customers' confidence in the Company's operational capabilities and continued trust in the Company.

Operations under the **"CIVIL FAST"** framework played a significant role in improving organizational efficiency. **In 9M26**, the Company successfully completed and delivered 13 projects with a total value of more than 1,602 million baht. **In 3Q26, the Company completed and delivered 3 projects with a total value of more than 73 million baht**, all of which were road construction projects. These three small-scale road projects had relatively short implementation periods, enabling faster revenue recognition and cash flow generation.

In 3Q26, **the revenue was 1,379 million baht, increasing by 11%** from last year, and recorded a net profit of 37 million baht. In 9M26, **the revenue was 3,835 million baht, increasing by 10%** from last year, and recorded a net loss of 14 million baht. Regarding the financial position.

The Company had total assets of 8,673 million baht and continued to maintain appropriate and consistent liquidity management. **The Company generated increased cash flow from operations**, supporting the working capital requirements for ongoing project execution.

The Company is committed to driving its business towards becoming a comprehensive construction service provider while creating a better world for future generations through the integration of **ESG** principles across all aspects of its operations. **Environmental (E):** focuses on energy management, greenhouse gas emissions, resource conservation, pollution control, and biodiversity. **Social (S):** emphasizes human rights, employee development and safety, as well as strong relationships with business partners and local communities. **Governance (G):** upholds good corporate governance, risk management, transparency, and anti-corruption practices to strengthen stakeholder confidence and achieve sustainable growth.

1 Overview of Business Operations, Economy, and Industrial Sector Impacting Operations

An overview of business operations, as well as the economic and industry conditions affecting operations, can be summarized as follows:

1. **Government Construction Expected to Contract, While Private-Sector Construction Remains Stable** In 2027, the value of government construction is expected to decline by 5% YoY to 927 billion baht, due to budget constraints and a more cautious approach to public investment. Meanwhile, private-sector construction is expected to remain stable at 598 billion baht, although residential and commercial real estate construction continues to face pressure. Nevertheless, investment in industrial facilities and data centers presents new business opportunities amid challenges from volatile construction costs and increasingly stringent safety standards.
2. **Construction Materials Business** The construction materials industry continues to face challenges from sluggish economic conditions and fragile purchasing power. In 2027, the industry is expected to contract in line with declining demand for construction materials. Material prices are expected to ease in response to lower raw material and energy costs, although they remain above historical averages. The industry also faces intense price competition, particularly steel and tiles from imported products. Nevertheless, growth opportunities remain in government infrastructure investment, industrial facility construction, data centers, and building renovation and maintenance. In response, the Company focuses on cost management, maintaining liquidity, improving operational efficiency, and expanding its customer base into high-potential segments to strengthen its long-term business position.
3. **Opportunities in large-scale projects.** The Ministry of Transport has prepared 11 megaprojects with a total value of approximately 359,804 million baht to be proposed to the Cabinet for consideration and advancement in 2026. These projects primarily focus on the development of transportation infrastructure, including road and expressway networks and rail systems. Key projects that present bidding opportunities for the Company include the double-track railway project Phase 2 (Khon Kaen–Nong Khai section), high-speed rail Phase 2, Chumphon Airport, Nakhon Si Thammarat Airport (expansion), the Don Mueang Tollway (Rangsit–Bang Pa-In section), and the U-Tapao Airport connecting road, as well as public–private partnership (PPP) projects.

The company has a strategy plan to diversify revenue in small and medium project size that can accelerate revenue recognition, reducing the risk from potential material price fluctuations to manage overall profit margin at a suitable level. This also involves looking at new business opportunities in the future that will promote stronger company growth.

**Source : SCB EIC, Krungsri Research*

2 Summary of Incidents and Key Developments

Key Achievements in 3Q26

1. **Continuous Backlog Growth:** The Company has secured new projects totaling more than 1,261 million baht, bringing its current backlog (for projects with signed contracts only) to over 12.8 billion baht. In addition, several projects are currently under negotiation and are expected to be signed in the near future which will support the company in generating **"continuous revenue recognition through 2029."** This reflects the company's strong revenue base and stable growth trend due to consistent new project acquisition in the future.
2. **Achieved a 5-Star "Excellent" Corporate Governance Rating:** The Company remains committed to good corporate governance, risk management, transparency, and anti-corruption practices. These efforts have been recognized with a 5-Star "Excellent" corporate governance rating for the fourth consecutive year, placing the Company among the "Top Quartile Companies." This recognition reinforces stakeholder confidence and supports sustainable business growth.
3. **Completed Projects Ahead of Schedule:** Through the implementation of the CIVIL FAST strategy, the Company has successfully completed and delivered projects 100% ahead of schedule. Most of these projects are small-scale road construction projects, enabling faster payment collection and offering higher profit margins compared to larger projects. This approach aligns with the Company's strategy of undertaking both small- and large-scale projects to balance revenue recognition and ensure a continuous pipeline of work.

3 Summary of Operating Results

Unit: million baht	3M		%Increase (Decrease)	9M		%Increase (Decrease)
	3Q25	3Q26		9M25	9M26	
Revenue	1,239	1,379	11%	3,483	3,835	10%
Gross Profit (Loss)	(38)	122	421%	158	234	48%
Gross Profit (Loss) Margin (%)	(3.1%)	8.8%	11.9%	4.5%	6.1%	1.6%
Admin. Expenses	93	82	(12%)	278	264	(5%)
(%)	7.5%	6.0%	(1.5%)	8.0%	6.9%	(1.1%)
EBITDA	(77)	90	217%	53	121	128%
EBITDA (%)	(6.2%)	6.5%	12.7%	1.5%	3.2%	1.7%
Net Profit	(112)	37	133%	(91)	(14)	85%
Net Profit Margin (%)	(9.0%)	2.7%	11.7%	(2.6%)	(0.4%)	2.2%

Key Highlights

Revenue: In 9M26, the revenue was 3,835 million baht, increasing by 352 million baht or +10%YoY. This was primarily driven by the construction business, which recorded a revenue increase of 32 million baht, particularly from road construction, dams, and reservoirs. Meanwhile, the Company continued to expand its construction materials distribution business to support and strengthen its core construction operations, generating additional revenue of 325 million baht or +116% YoY, particularly from precast concrete products. This was a key contributor to overall revenue growth. However, rising construction costs, particularly construction material and fuel prices, continued to constrain revenue growth. **In 3Q26, the revenue was 1,379 million baht, increase of 140 million baht or +11% YoY.** This was mainly attributable to a 69 million baht or +6.4% YoY increase in construction revenue, supported by the completion and delivery of three road construction projects. In addition, revenue from construction materials distribution increased by 69 million baht or +44% YoY, reflecting growth in related businesses and the Company's expanding revenue base.

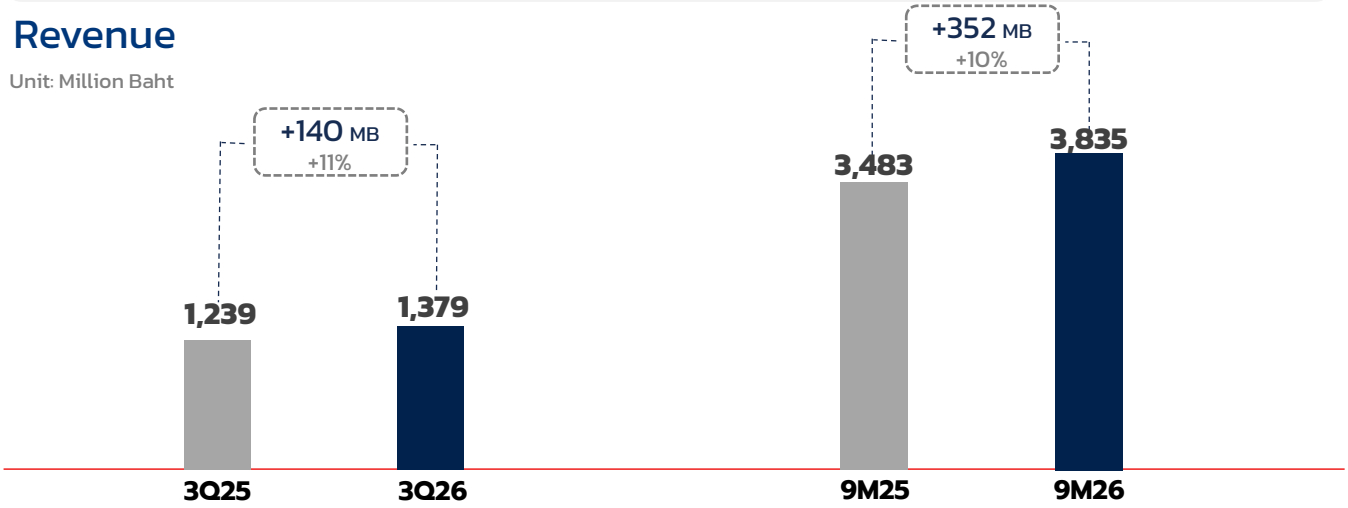
%Gross Profit: In 9M26, the gross profit margin was 6.1%, increasing by 1.6% YoY. In 3Q26, the gross profit margin was 8.8%, increasing by 11.9% YoY. Although the Company was affected by rising construction costs driven by higher energy and material prices, which required cost estimates for certain projects to be revised in line with prevailing conditions, it closely monitored project progress and regularly reviewed cost estimates. The Company also implemented cost management measures and diversified project risks through a broader project portfolio, particularly short-duration road construction projects that could be completed and delivered ahead of schedule. In addition, higher gross profit from the construction materials distribution business contributed to the overall improvement in gross profit margin compared with the same period last year.

Net Profit (Loss): In 9M26, the net loss was 14 million baht primarily due to volatile and rising construction costs, coupled with economic uncertainty and external factors beyond the Company's control. Nevertheless, the Company continued to implement management measures focusing on expense control, resource utilization efficiency, close monitoring of project performance, and regular operational plan reviews to mitigate the impact on overall performance. **In 3Q26, the net profit was 37 million baht** mainly supported by increased revenue from the construction business and construction materials distribution, which grew by 69 million baht each. In addition, administrative expenses decreased by more than 11 million baht. These factors contributed to improved operating performance and a return to net profitability compared with the same period last year.

Financial Performance

Revenue

Unit: Million Baht



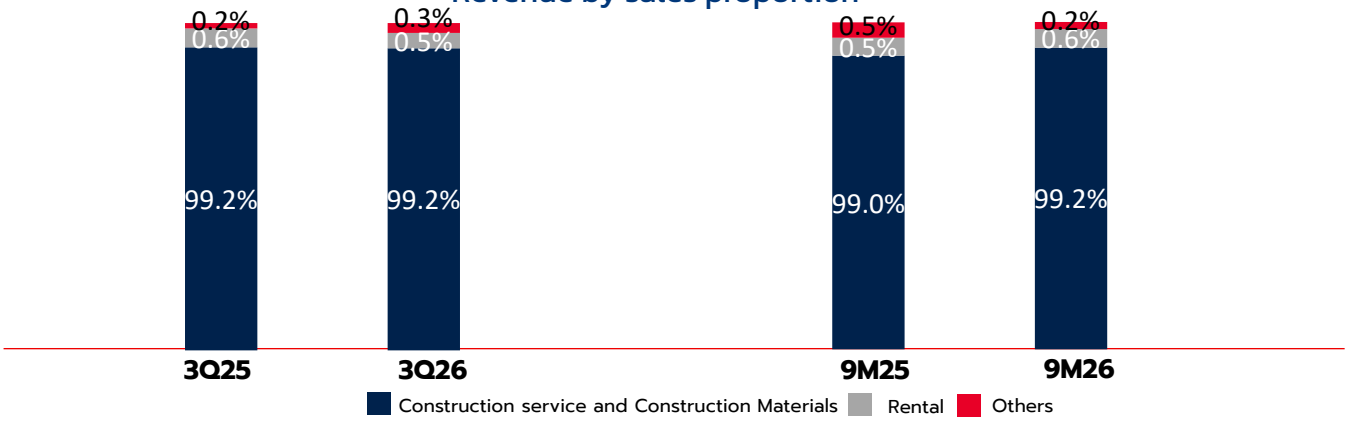
3M

In 3Q26, total revenue amounted to 1,379 million baht, increasing by 140 million baht, or +11% YoY. This was primarily driven by a 69 million baht or +6.4% YoY increase in construction service revenue, mainly from road construction, drainage and flood mitigation projects. In addition, revenue from construction materials continued its strong growth, increasing by 69 million baht or +44% YoY, primarily from sales of precast concrete segments.

9M

In 9M26, total revenue amounted to 3,835 million baht, increasing by 352 million baht, or +10% YoY. This was mainly driven by continued expansion in construction materials sales, particularly precast concrete segments, which increased by 325 million baht or +116% YoY. This growth reflects the Company's strategic plan to diversify its revenue streams and reduce its reliance on construction service revenue as its sole source of income.

Revenue by sales proportion



3M

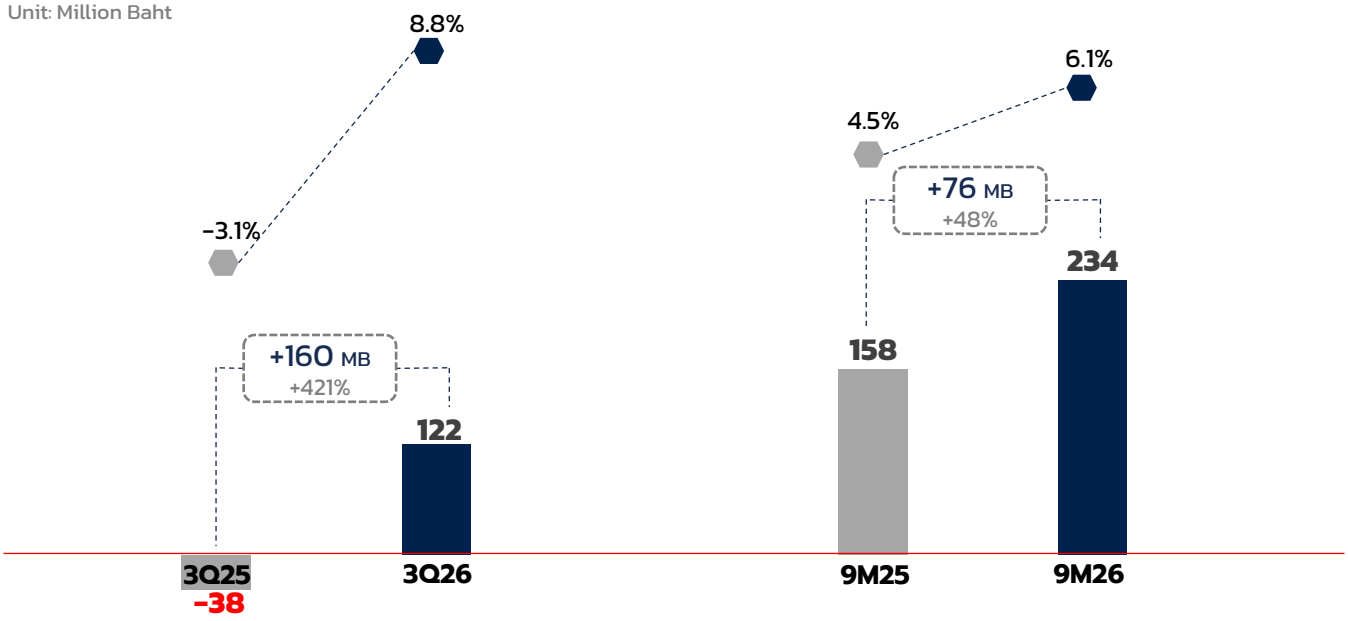
- **Revenue from construction service and Construction materials** (99.2% of Total revenue)
  In 3Q26, revenue from construction services and construction materials was 1,369 million baht, increasing by 139 million baht or +11% YoY This was primarily driven by a 69 million baht or +6.4% YoY increase in construction revenue, following the completion and handover of three road construction projects, and a 69 million baht or +44% YoY increase in construction materials revenue.
- **Revenue from rental** (0.5% of Total revenue)
  In 3Q26, revenue from rental was 6 million baht, decreasing by 1 million baht or -11% YoY. This was mainly attributable to lower revenue from machinery rentals, while revenue from property rentals remained unchanged compared with the same period last year.
- **Revenue from others** (0.3% of Total revenue)
  In 3Q26, revenue from others was 4 million baht, increasing by 2 million baht or +100% YoY. This was mainly due to financial support received from participation in the SET Jump+ Program, an initiative by the Stock Exchange of Thailand aimed at enhancing the capabilities and growth of listed companies while promoting the sustainable growth of the Thai capital market.

9M

- **Revenue from construction service and Construction materials** (99.2% of Total revenue)
  In 9M26, revenue from construction services and construction materials was 3,804 million baht, increasing by 356 million baht or +10% YoY. This was primarily driven by continued expansion in construction materials sales, particularly precast concrete segments, which increased by 325 million baht or +116% YoY.
- **Revenue from rental** (0.6% of Total revenue)
  In 9M26, revenue from rental was 22 million baht, increasing by 3 million baht or +16% YoY. This was mainly attributable to more efficient utilization of machinery and equipment through the rental of idle or temporarily unutilized machinery, tools, and equipment to contractors for use in the Group's construction projects, generating higher rental income.
- **Revenue from others** (0.2% of Total revenue)
  In 9M26, revenue from others was 8 million baht, decreasing by 8 million baht or -50% YoY. mainly due to the sale of unused old machinery in the previous year.

Gross Profit

Unit: Million Baht



3M

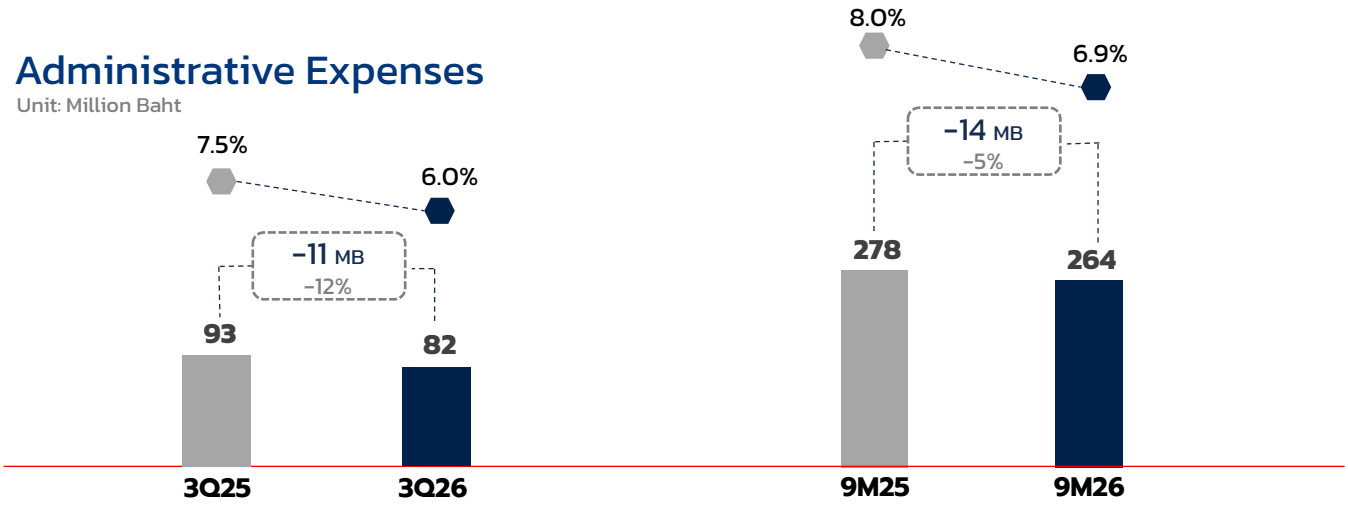
In 3Q26, the gross profit margin was 8.8%, increasing by 11.9% YoY. This was mainly driven by effective management and control of construction project costs, particularly for small-scale road construction projects with shorter implementation periods that were completed ahead of schedule, enabling the Company to achieve cost savings in line with its plans. In addition, the Company received approval for K-Factor compensation, which helped partially mitigate the impact of rising construction costs. These factors contributed to the improvement in the Company's gross profit margin compared with the same period last year.

9M

In 9M26, the gross profit margin was 6.1%, increasing by 1.6% YoY. Despite rising construction costs driven by higher energy and material prices, which required revisions to certain project cost estimates, the Company continued to closely monitor project progress, review cost estimates, and implement effective cost management measures. The Company also diversified risks through a broader project portfolio, particularly short-duration road construction projects completed ahead of schedule. In addition, government compensation under price-adjustable construction contracts (K-Factor), progressively recognized based on approved amounts, together with higher gross profit from the construction materials distribution business, contributed to an improvement in the Company's overall gross profit margin compared with the same period last year.

Administrative Expenses

Unit: Million Baht



3M

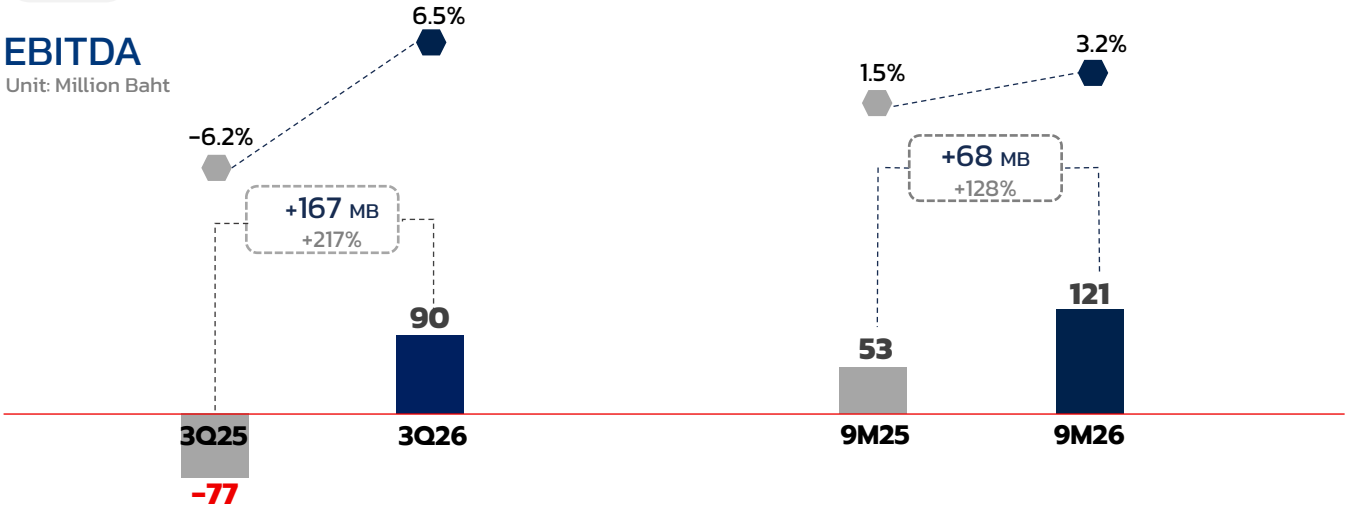
In 3Q26, the administrative expenses amounted to 82 million baht, decreasing by 11 million baht or -12% YoY. This was mainly attributable to the Company's continued efforts to enhance internal management efficiency across the group, together with the implementation of the Lean operational efficiency improvement program to control administrative expenses and achieve tangible improvements in operational performance.

9M

In 9M26, the administrative expenses amounted to 264 million baht, decreasing by 14 million baht or -5% YoY. This was primarily driven by more efficient resource utilization, particularly through the use of available production capacity at the precast concrete components factory (Yard Segment) to manufacture and sell products to external customers. In addition, the Company continued implementing the Lean operational efficiency improvement program, focusing on waste reduction, workforce management, optimal resource utilization, process improvements, and expense control. These initiatives enabled the Company to manage administrative expenses more efficiently.

EBITDA

Unit: Million Baht



3M

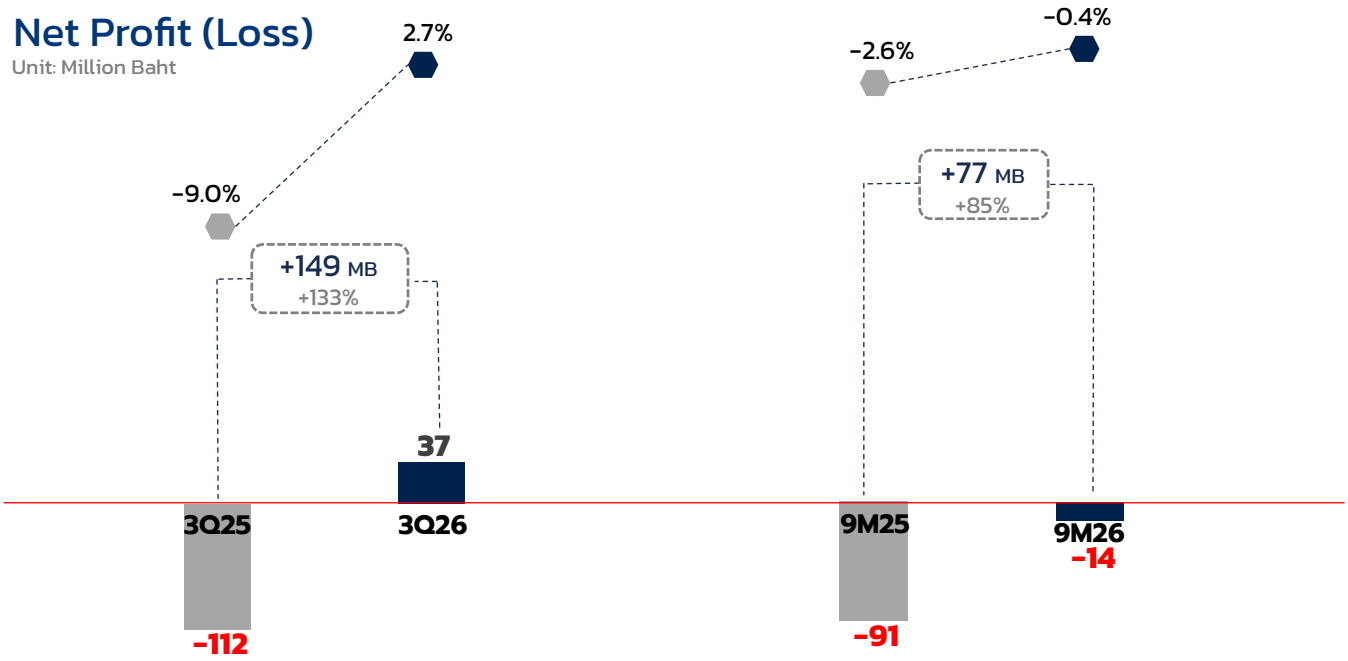
In 3Q26, EBITDA amounted to 90 million baht, increasing by 167 million baht or +217% YoY. This was mainly attributable to the prior-year revision of construction cost estimates for railway projects, resulting from extended construction periods and certain operational processes beyond the Company's control, which led to higher indirect costs. In 2026, however, the Company effectively managed project costs, particularly for small-scale road construction projects that were completed ahead of schedule, generating cost savings. In addition, the Company received approval for K-Factor compensation and benefited from higher profits from its construction materials distribution business, further supporting EBITDA growth.

9M

In 9M26, EBITDA amounted to 121 million baht, increasing by 68 million baht or +128% YoY. Despite rising construction costs, driven by higher energy and material prices, the Company continued to effectively manage costs and diversify project risks. Furthermore, the approval of K-Factor compensation helped mitigate the impact of rising costs, while increased profits from the construction materials distribution business also contributed to the improvement in EBITDA.

Net Profit (Loss)

Unit: Million Baht



3M

In 3Q26, net profit amounted to 37 million baht, increasing by 149 million baht or +133% YoY. The improvement was primarily attributable to the prior-year revision of estimated construction costs for railway projects to reflect the impact of extended construction periods and certain operational constraints beyond the Company's control, which resulted in higher project overhead costs. In 2026, operating performance improved, driven by a 69 million baht, increase in construction revenue and an increase of over 69 million baht in construction material sales revenue. In addition, the Company effectively managed its administrative expenses, resulting in a reduction of 11 million baht.

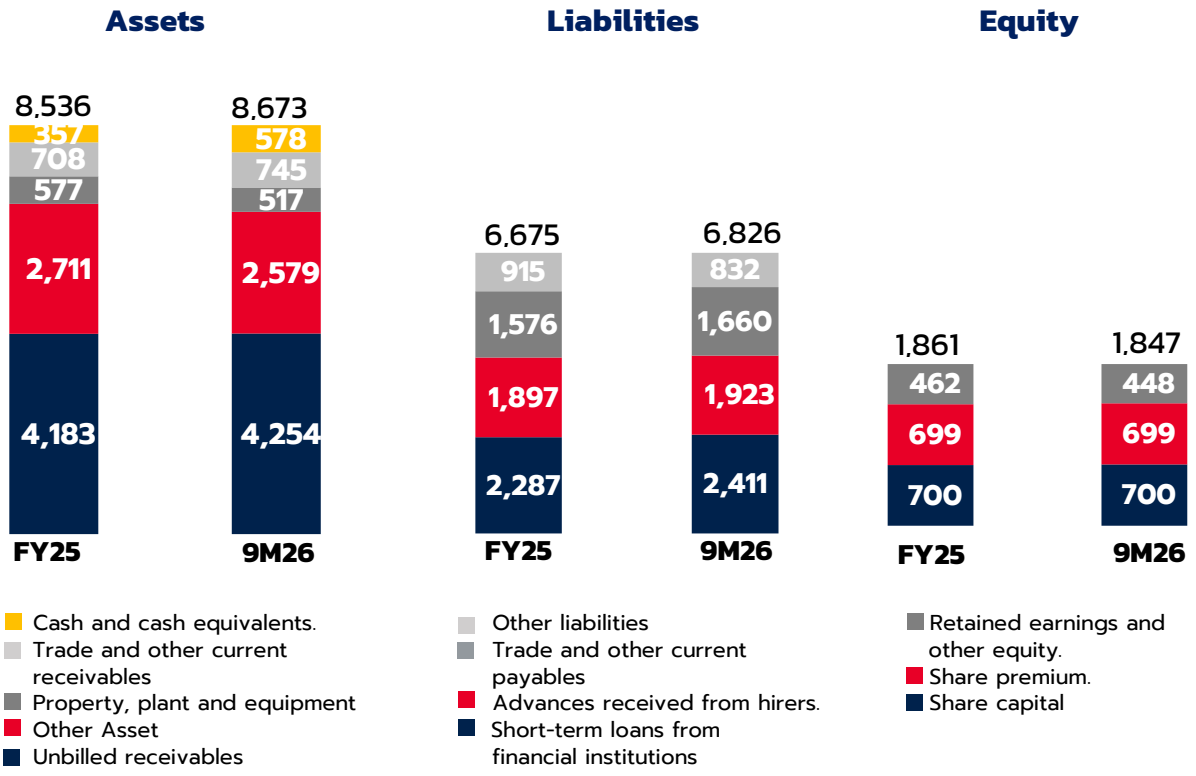
9M

In 9M26, net loss amounted to -14 million baht, increasing by 77 million baht or +85% YoY. This was primarily affected by volatile and rising construction costs, together with economic uncertainty and external factors beyond the Company's control. Nevertheless, the Company continued to implement management measures focusing on expense control, improving resource utilization efficiency, closely monitoring project performance, and reviewing operational plans in line with prevailing circumstances to mitigate the impact on overall performance.

4 Summary of Financial Position

Unit: Million Baht

Statement of Financial Position



Financial Information

Assets

The Company had total assets of 8,673 million baht, increasing by 137 million baht, or +1.6% YoY The main reason was an increase in cash and cash equivalents of 221 million baht, resulting from the management of cash flow and working capital to support ongoing operations and the commencement of new projects for which contracts were signed during the first nine months of 2026. In addition, trade and other current receivables increased by 37 million baht million baht, mainly due to projects completed toward the end of the third quarter of 2026 that were awaiting collection under normal payment terms. Subsequent to 30 September 2026, the Company has already received partial payments from these receivables. Unbilled revenue also increased by 71 million baht in line with project progress. Meanwhile, inventories and construction materials pending transfer to projects decreased by 67 million baht due to the utilization of construction materials in projects and the sale of construction materials to external parties. Property, plant and equipment decreased by 60 million baht as a result of depreciation recognized over the useful lives of the assets and retention receivables decreased by 11 million baht.

Liabilities

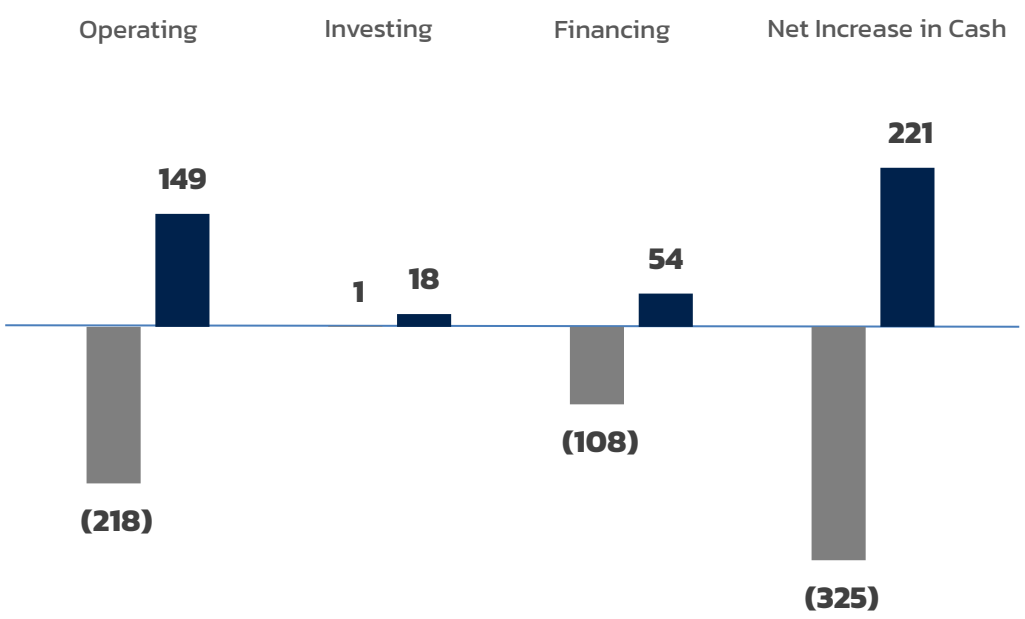
The Company had total liabilities of 6,826 million baht, increasing by 151 million baht, or +2.3% YoY. mainly due to trade and other current payables, which increased by 84 million baht in accordance with normal business payment terms and payment cycles. In addition, short-term borrowings from financial institutions increased by 124 million baht to support investments and provide working capital for newly awarded construction projects. The procurement of these funding sources was in line with the Company's capital structure management plan Meanwhile, certain liabilities decreased, including advance construction revenue, which declined by 50 million baht as revenue was progressively recognized in accordance with project progress and contractual obligations were settled as scheduled.

Equity

The Company had shareholders' equity of 1,847 million baht, decreasing by 14 million baht, or -0.8% YoY, primarily due to the net loss of 9M26.

Financial Information (continued)

Unit: Million Baht



Cash Flow

The Company reported a net increase in cash of 221 million baht, mainly attributable to the following:

Increase in "operating activities" of 149 million baht. This was mainly due to an increase in trade payables and other current payables of 73 million baht, which was in line with normal business payment terms and cycles. and an increase in advances received from customers of 26 million baht. In addition, trade and other current receivables increased by 39 million baht, mainly from projects completed toward the end of the third quarter of 2026 and pending payment under normal contractual terms. Unbilled construction revenue also increased by 72 million baht in line with project progress. These increases were partially offset by a decrease of 50 million baht in advance construction revenue and a reduction of 67 million baht in inventories and construction materials awaiting transfer to projects.

Increase from "investing activities" of 18 million baht. This was mainly due to a decrease of 36 million baht in restricted bank deposits and interest received of 8 million baht. These were partially offset by an increase of 26 million baht in cash payments for investments in property, plant and equipment, in accordance with the Company's investment plan.

Increase from "financing activities" of 54 million baht. The increase was mainly due to an increase in short-term borrowings from financial institutions of 124 million baht, partially offset by repayment of lease liabilities of 62 million baht.

5 Factors that may impact future operations or growth

Factors that may affect future operations or growth are as follows:

1. **Fiscal Constraints Leading to a More Cautious Approach to Public Investment:** Public-sector investment is expected to face increasing pressure from fiscal constraints, with the capital expenditure budget for FY2027 declining by 13% compared with FY2026. Most Mega Project construction activities will continue to be driven by ongoing projects. However, several new Mega Projects are expected to enter the bidding process during the remainder of 2026 and 2027, including the Nakhon Ratchasima–Nong Khai High-Speed Railway, the Double Deck Expressway (Ngam Wong Wan–Rama 9), and Phase 2 of the Double-Track Railway projects (Chumphon–Surat Thani, Surat Thani–Hat Yai Junction–Songkhla, and Hat Yai–Padang Besar).
2. **Rising Construction Material and Fuel Costs:** The Construction Materials Price Index (CMI) stood at 113.7 in September 2026, increasing by 6.8% YoY. In the third quarter of 2026, the index rose by 6.2% YoY but remained unchanged with QoQ. The annual increase was driven by higher prices across almost all categories, as rising oil and energy prices compared with the previous year pushed up production and transportation costs. The highest increases were recorded in other construction materials (+19.8%), mainly due to asphalt prices; electrical and plumbing equipment (+13.3%), driven by copper prices reaching multi-year highs and demand from infrastructure and data center projects; and concrete products (+9.2%). Steel and steel products were the only category to decline, decreasing by 0.8% amid intense domestic competition, despite continued pressure from high raw material and transportation costs. Meanwhile, prices of wood, tiles, concrete products, and steel were also affected by competitive pricing and promotional activities. For the fourth quarter, the CMI is expected to continue expanding YoY, driven by three key factors: persistently high oil and energy costs amid geopolitical conflicts; demand for construction materials from public-sector construction projects and post-disaster repairs; and rising prices of base metals, particularly copper and aluminum.
3. **Labor Shortage.** In 2026, the construction sector is expected to continue facing labor shortages, particularly in terms of both the number and skill levels of workers. Insufficient labor may slow down certain activities, increase costs, and reduce contractors' competitiveness. Addressing this issue will require investment in technologies to partially substitute for labor.

6 Sustainability Development

Sustainability Projects

- **Achieved a 5-Star "Excellent" Corporate Governance Rating:** for the fourth consecutive year and was recognized among the "Top Quartile Companies."
- **Achieved a Perfect Score of 100 ("Excellent – Exemplary") in the 2026 AGM Checklist Assessment:** For the third consecutive year, the Company received a perfect score of 100 in the AGM Checklist Assessment under the Annual General Meeting (AGM) Quality Assessment Project for listed companies on the Stock Exchange of Thailand (SET), organized by the Thai Investors Association and the Federation of Thai Capital Market Organizations. This recognition reflects the Company's commitment to protecting shareholders' rights in accordance with good corporate governance principles.
- **Participated in the SET's Jump+ Program:** An initiative aimed at promoting the growth of listed companies and enhancing the long-term value of the Thai capital market. The Company has developed comprehensive action plans covering all three key areas, including greenhouse gas management, to enhance operational performance and support sustainable corporate growth.
- **Prepared and Obtained Verification and Certification of Its Greenhouse Gas Management:** The Company's greenhouse gas management report has been successfully verified and certified by the Thailand Greenhouse Gas Management Organization (TGO). The report provides a framework for reducing greenhouse gas emissions, improving energy efficiency, and enhancing environmental credibility. This achievement reinforces the Company's commitment to environmental responsibility, good governance, and sustainable value creation for all stakeholders.



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