

RTCS 016/2566
 November 13, 2023

Subject: Management Discussion and Analysis Quarter 3 Ending 30 September 2023

To: The President
 The Stock Exchange of Thailand

Right Tunnelling Public Company Limited and its Subsidiaries (“the Company and its Subsidiaries”) would like to report the consolidated operating results and financial position as of 30 September 2023, was reviewed by the auditor. The details are as follows:

Financial Highlight

Statement of Comprehensive Income Unit: million baht or as otherwise stated	9M/22	9M/23	Change		3Q/22	2Q/23	3Q/23	Change	
			YoY%					QoQ%	YoY%
Revenues from construction services	1,674.66	2,300.00	27.19%		592.49	818.52	862.29	5.08%	31.29%
Sales of construction materials	10.51	19.70	46.65%		8.33	9.49	4.76	-99.12%	-74.85%
Exchange gain	4.86	2.95	-64.63%		2.19	1.13	1.02	-10.59%	-114.90%
Other income	5.94	10.30	42.38%		1.77	2.79	5.61	50.29%	68.54%
Total revenues	1,695.96	2,332.95	27.30%		604.78	831.92	873.68	4.78%	30.78%
Cost of construction services	1,547.65	1,977.46	21.74%		567.35	704.63	712.22	1.07%	20.34%
Cost of sales of construction materials	9.52	19.06	50.04%		7.14	9.13	4.50	-103.11%	-58.66%
Administrative expenses	178.21	181.92	2.04%		65.70	55.95	51.96	-7.68%	-26.44%
Total expenses	1,735.38	2,178.44	20.34%		640.18	769.71	768.68	-0.13%	16.72%
Net Operating profit	(39.42)	154.51	125.51%		(35.40)	62.21	105.01	40.75%	133.72%
Finance revenues	0.84	1.24	32.55%		0.36	0.62	0.41	-50.98%	11.22%
Finance cost	(53.01)	(109.57)	51.63%		(20.72)	(38.21)	(39.68)	3.72%	47.78%
Profit before income tax expenses	(91.59)	46.18	298.33%		(55.76)	24.63	65.73	62.53%	184.83%
Income tax expenses	21.36	(7.17)	398.01%		10.64	(3.65)	(9.51)	61.64%	211.81%
Profit for the period	(70.23)	39.01	280.02%		(45.13)	20.98	56.22	62.69%	180.27%
Gross Profit Margin (%)	7.58%	14.02%			4.24%	13.91%	17.40%		
Net Profit Margin (%)	-4.14%	1.67%			-7.46%	2.52%	6.43%		

Performance

1. Revenues: For 3Q/23, the total revenue of the Company and its Subsidiaries was Baht 873.68 million, increased by Baht 268.90 million or equivalent to 30.78 percent increased compared to last year. The major revenue was from the construction revenue in the number of Baht 862.29 million, increased by Baht 269.80 million or equivalent to 31.29 percent increased compared to last year. For 9M/23, the total revenue of the Company and its Subsidiaries was Baht 2,332.95 million, increased by Baht 636.99 million or equivalent to 27.30 percent increased compared to last year. The major revenue was caused by the recognition of revenue has been increased in accordance with the estimated plan.

2. Expenses: For 3Q/23, the total expense of the Company and its Subsidiaries was Baht 768.68 million, increased by Baht 128.49 million or equivalent to 16.72 percent compared to last year. The major expenses were the cost of construction services in the number of Baht 712.22 million, increased by Baht 144.87 million or equivalent to 20.34 percent increased compared to last year. For 9M/23, the total expense of the Company and its Subsidiaries was Baht 2,178.44 million, increased by Baht 443.06 or equivalent to 20.34 percent increased compared to last year, accordance with the estimated plan.

3. Profitability: For 3Q/23, showed that the Company and its Subsidiaries had the gross profit of Baht 150.07 million, increased by Baht 124.93 million or equivalent to 83.25 percent compared to last year. The gross profit margin is 17.40 percent. The net profit is at the amount of Baht 56.22 million, increased by Baht 101.35 million or equivalent to 180.27 percent. The net profit margin is 6.43 percent. For 9M/23, it showed that the Company and its Subsidiaries had the gross profit of Baht 322.54 million, increased by Baht 195.53 million or equivalent to 60.62 percent. The net loss is at the amount of Baht 39.01 million, increased by Baht 109.24 million or equivalent to 280.02 percent. The increased in gross profit and net profit were caused by construction material costs decreased and changing the way of working reflected cost reduction in some projects as well as increased of revenue recognition from new project in accordance with the progress plan.

Financial Position

Statement of Financial Position Unit: million baht	As of 31 Dec 2022	As of 30 Sep 2023	Change	
			Amount	%
Total Assets	4,515.40	5,754.31	1,238.92	21.53%
Total Liabilities	3,485.18	4,685.03	1,199.86	25.61%
Total Equity	1,030.22	1,069.28	39.06	3.65%

- Total Assets:** As of 30 Sep 2023, the total Assets of the Company and Subsidiaries were Baht 5,754.31 million, increased by Baht 1,238.92 million from the end of last year or 21.53 percent. The major changes in assets are contract assets - unbilled receivables increased by Baht 531.64 million which revenue recognized in proportion of work completed and not yet billed to customer, and trade and other receivable increased by Baht 432.99 million.
- Total Liabilities:** As of 30 Sep 2023, the total Liabilities of the Company and its Subsidiaries were Baht 4,685.03 million, increased by Baht 1,199.86 million from the end of previous year or 25.61 percent. The major changes in liabilities contract liabilities – advances received from hirers which increased by bath 227.04 million and debentures which increased by bath 695.57 million according to the issuance and offering of debentures named “Debentures of Right Tunnelling Public Company Limited no. 1/2023 due 2025 which the issuer has the right to redeem the debentures before the maturity date” on February 24,2023.
- Shareholders’ equity:** As of 30 Sep 2023, total Shareholders’ equity of the Company and its Subsidiaries were Baht 1,069.28 million increased by Baht 39.06 million from the previous year or 3.65 percent due to the comprehensive gain for the 9M/23 by Baht 39.06 million.

Yours sincerely,

(Mr.Pattanapong Suwannachat)

Deputy Managing Director for Accounting and Finance/Chief Financial Officer (CFO)