

1.Executive Summary

For Q1/2024 performance, Sahakol Equipment Public Company Limited (“the Company”) had total service income of 1,351.5 million baht, a decrease of 23.3% from Q4/2023 and increased by 10.3 percent from the same period last year. From the decrease of production from the Mae Moh 8 project and and the adjustment of the work plan of the Hongsa project to prepare for connecting into the Build, Lease and Transfer (BLT) ‘s belt system which will be completed in Q2/2024 , including the decrease of the recognition of revenue from the Build Lease and Transfer (BLT) project according to project contract which required system testing.

In Q1/2024, The company had cost of services increased by 83.9 million baht or 8.2% from the same period last year due to higher explosives cost from the Mae Moh 8 project and higher subcontractors from the Build Lease and Transfer (BLT) project.

The company had gross profit of 240.9 million baht, an increase of 4.8% from Q4/2023, which had a gross profit of 229.8 million baht and an increase of 21.4% from the same period last year. Gross profit margin increased to 17.8% from 13.1% in Q4/2023 and 16.2% in Q1/2023, resulting in the company's net profit in Q1/2024 was 46.7 million baht, a decrease of 5.9% from 4Q/2023 and a decrease from 1Q/2023 by 13.4%.Net profit margin increased to 3.4% from 2.8% in Q4/2023.

2. Financial Performance

Unit : M THB	Q4/2023	Q1/2024	Q1/2023	% Gain (Loss) QoQ	% Gain (Loss) YoY
Total revenues	1,783.1	1,359.7	1,255.5	(23.7%)	8.3%
Service revenues	1,761.2	1,351.5	1,225.2	(23.3%)	10.3%
Cost of Services (Include Depreciation) ¹	1,531.3	1,110.6	1,026.7	(27.5%)	8.2%
¹ Depreciation	198.4	193.1	211.4	(2.7%)	(8.7%)
Gross Profit (After Depreciation)	229.8	240.9	198.5	4.8%	21.4%
Administrative expenses	99.1	123.9	115.2	25.1%	7.6%
EBITDA	359.6	326.3	335.1	(9.3%)	(2.6%)
Financial Cost	73.5	70.7	60.9	(3.8%)	16.0%
Net Profit	49.6	46.7	54.0	(5.9%)	(13.4%)
EBITDA margin (%)	20.2%	24.0%	26.7%	3.8%	(2.7%)
Gross Profit Margin (%)	13.1%	17.8%	16.2%	4.8%	1.6%
Net Profit Margin (%)	2.8%	3.4%	4.3%	0.7%	(0.9%)

Key performance

- Service revenue in Q1/2024 was 1,351.5 million baht (-23.3% QoQ, +10.3% YoY).
- EBITDA in Q1/2024 was 326.3 million baht (-9.3% QoQ, -2.6% YoY).
- Net profit in Q1/2024 was 46.7 million baht (-5.9% QoQ, -13.4% YoY).

Quarterly Q1/2024 performance compared to Q4/2023 performance (QoQ)

In Q1/2024, the company had total revenue of 1,359.7 million baht, a decrease of 423.4 million baht or 23.7% from Q4/2023 from the decrease of production in lignite job from the Mae Moh 8 project and the adjustment of the work plan of the Hongsa project to prepare for connecting into the Build, Lease and Transfer (BLT) 's belt system which will be completed in Q2/2024, including the decrease of the recognition of revenue from the Build Lease and Transfer (BLT) project. While the cost of services decreased by 27.5% with significant changes in costs and expenses as follows:

- Maintenance costs decreased by 406.0 million baht, mainly from the Mae Moh 8 project because there was no replacement of belts and planned maintenance decreased.
- Fuel costs decreased by 32.7 million baht from the decrease of production from the Mae Moh 8 project and the adjustment of the work plan of the Hongsa project.
- Sale and administration expenses increased by 24.9 million baht because in this quarter there was an unrealized loss from exchange rates from the purchase of machinery for installation in the Build, Lease and Transfer (BLT) project.

As a result, in Q1/2024, the company had a gross profit of 240.9 million baht, an increase of 11.1 million baht or an increase of 4.8% and a net profit of 46.7 million baht, a decrease of 2.9 million baht or a decrease of 5.9%.

Quarterly Q1/2024 performance compared to Q1/2023 (YoY)

The company's total revenue increased by 104.2 million baht or 8.3% from the same period last year due to the recognition of revenue from the Build Lease and Transfer (BLT) project which began operations in Q1/2023 with a 8.2% increase in cost of services due to:

- Maintenance costs increased by 27.3 million baht from the Build Lease and Transfer (BLT) project.
- Fuel costs decreased by 3.8 million baht from the decrease of production from the Mae Moh 8 project and system shutdown for the adjustment of the work plan of the Hongsa project.
- Explosive costs increased by 21.6 from the raw material cost of explosives has increased.
- Subcontractors increased by 41.6 million baht from the Build Lease and Transfer (BLT) project to deliver work according to the contract.
- Depreciation decreased by 18.3 million baht from some old machines that have been fully depreciated.
- Sale and administration expenses increased by 8.7 million baht because in this quarter there was an unrealized loss from exchange rates from the purchase of machinery for installation in the Build, Lease and Transfer (BLT) project.

As a result, in Q1/2024, the company had a gross profit of 240.9 million baht, an increase of 42.5 million baht or an increase of 21.4% and a net profit of 46.7 million baht, a decrease of 7.3 million baht or a decrease of 13.4% from Q1/2023

3.Operation Result by Project

Unit : M THB	Q4/2023	Q1/2024	Q1/2023	% Gain (Loss) QoQ	% Gain (Loss) YoY
Mae Moh 8					
Service Revenue	703.6	600.1	680.4	(14.7%)	(11.8%)
Cost of Services (Include Depreciation) ¹	681.7	501.7	626.0	(26.4%)	(19.9%)
¹ Depreciation	140.2	133.4	139.7	(4.8%)	(4.5%)
Gross Profit	21.8	98.5	54.4	350.9%	80.9%
Gross Profit Margin (%)	3.1%	16.4%	8.0%	13.3%	8.4%
Hongsa D and Hongsa O&M					
Service Revenue	482.9	343.7	446.7	(28.8%)	(23.1%)
Cost of Services (Include Depreciation) ¹	365.0	260.4	318.9	(28.7%)	(18.3%)
¹ Depreciation	42.4	44.0	58.9	3.7%	(25.2%)
Gross Profit	117.9	83.3	127.8	(29.4%)	(34.9%)
Gross Profit Margin (%)	24.4%	24.2%	28.6%	(0.2%)	(4.4%)
North Pit Wall Expansion					
Service Revenue	60.8	73.3	67.0	20.6%	9.4%
Cost of Services (Include Depreciation) ¹	80.6	86.6	69.1	7.4%	25.4%
¹ Depreciation	11.7	11.7	11.7	0.0%	(0.2%)
Gross Profit	(19.9)	(13.3)	(2.1)	32.9%	(538.1%)
Gross Profit Margin (%)	(32.7%)	(18.2%)	(3.1%)	14.5%	(15.1%)
Built Lease and Transfer (BLT)					
Service Revenue	514.0	334.5	31.1	(34.9%)	975.0%
Cost of Services (Include Depreciation) ¹	403.2	261.5	11.0	(35.2%)	2,281.3%
¹ Depreciation	4.1	4.0	0.2	(3.3%)	2,298.1%
Gross Profit	110.7	73.0	20.1	(34.0%)	262.7%
Gross Profit Margin (%)	21.5%	21.8%	64.7%	0.3%	(42.9%)

(1) *Mae Moh 8 project*

Mae Moh 8 project had revenue of 600.1 million baht, a decrease of 14.7% from Q4/2023 due to the decrease of production. Cost of services decreased by 26.4% from the maintenance cost from replacing the belt is minimal. As a result, the gross profit margin increased to 16.4% from 3.1% in Q4/2023.

If considering the performance in the same period of the previous year. Gross profit increased by 44 million baht or 80.9% from the maintenance cost from replacing the belt is minimal. As a result, the gross profit margin increased to 16.4% from 8.0%.

(2) *Hongsa D and Hongsa O&M*

Hongsa project, the revenue was 343.7 million baht, a decrease of 139.2 million baht or 28.8% from Q4/2023 due to the reduction in production volume from system shutdown for the adjustment of the work plan to prepare for connecting into the Build, Lease and Transfer (BLT) 's belt system which will be completed in Q2/2024. As a result, the gross profit decreased by 34.6 million baht or decreased by 29.4%. The gross profit margin decreased to 24.2% from 24.4%.

If considering the performance in the same period of the previous year The Hongsa project's gross profit decreased by 44.5 million baht or 34.9% due to the reduction in production volume from system shutdown for the adjustment of the work plan. As a result, the gross profit margin decreased to 24.2% from 28.6%.

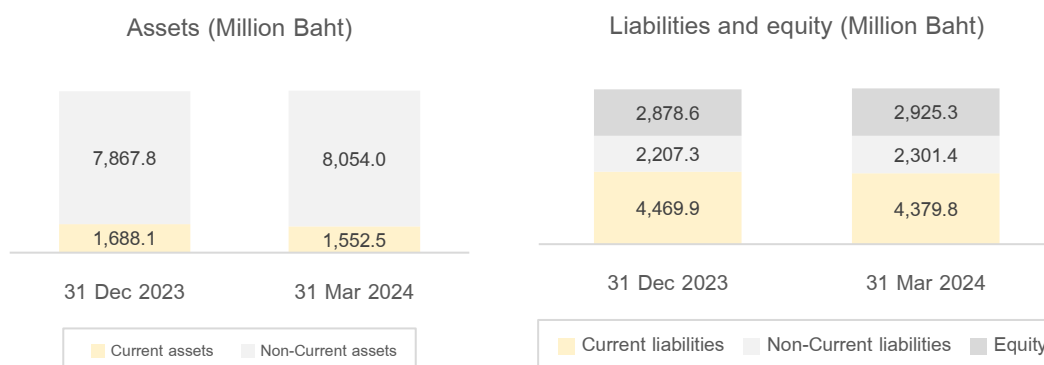
(3) North Pit Wall Expansion Project

The North Pit Wall Expansion project revenue increased by 12.5 million baht or 20.6% from Q4/2023. However, the project still had a loss of 13.3 million baht. The gross profit margin in the Q1/2024 was still negative 18.2%.

(4) Built Lease and Transfer Project

The Build Lease and Transfer (BLT) project is a construction of a conveyor system to be delivered to the employer. In Q1/2024, the revenue was 334.5 million baht, and the gross profit was 73.0 million baht. The project revenue was recognized according to a percentage of completion.

4. Financial Position and Cash Flow

Balance Sheet Position**Assets**

Total assets as of 31 March 2024 totaled 9,606.5 million baht, increased by 50.7 million baht from that as of 31 December 2023 which totaled 9,555.9 million baht or 0.5% with the following details:

	(Million Baht)			
	31 March 2024	31 Dec 2023	change	%change
Current assets	1,552.5	1,688.1	(135.6)	(8.0%)
Non – Current assets	8,054.0	7,867.8	186.3	2.4%
Total assets	9,606.5	9,555.9	50.7	0.5%

Liabilities

Total liabilities as of 31 March 2024 were 6,681.2 million baht, Compared to a liabilities of 6,677.2 million baht as of 31 December 2023, increased by 4.0 million baht or by 0.1% due to an increase of bank loan with the following details:

	(Million Baht)			
	31 March 2024	31 Dec 2023	change	%change
Current liabilities	4,379.8	4,469.9	(90.1)	(2.0%)
Non - Current liabilities	2,301.4	2,207.3	94.1	4.3%
Total liabilities	6,681.2	6,677.2	4.0	0.1%

Shareholder's equity

Shareholder's equity as of 31 March 2024 amounted to 2,925.3 million baht, increased by 46.7 million baht or 1.6% from net profit for this period with details as follows:

		(Million Baht)			
		31 March 2024	31 Dec 2023	change	%change
Total shareholders' equity		2,925.3	2,878.6	46.7	1.6%

Statement of Cash Flows

As of 31 March 2024, cash and cash equivalents stood at 296.1 million baht, increased by 115.8 million baht or 64.3% from those in December 2023 which had cash and cash equivalents amounted to 180.2 million baht as summarized below:

		(Million Baht)
Cash flows from operating activities		23.7
Cash flows from investing activities		(84.2)
Cash flows from financing activities		176.4
Currency translation difference		-
Net decrease in cash and cash equivalents		115.8

Cash flows from operating activities was 23.7 million baht from operating profit

Cash flows from investing activities amounting at (84.2) million baht, mainly due to asset acquisition according to the project investment plan.

Cash flows from financing activities in the amount of 176.4 million baht, mainly arising from from short-term loans and long-term loans

Financial Cost

Financial cost for Q1/2024 and Q1/2023 were 70.7 million baht and 60.9 million baht respectively, increased 16.0%.

		(Million Baht)			
		31 March 2024	31 Dec 2023	change	%change
Financial cost		70.7	60.9	9.8	16.0%

5. Key Financial Ratios

Profitability Ratios		2023	Q1/2024
Gross Profit (After Depreciation)	(Percent)	14.2	17.8
EBITDA	(Percent)	21.1	24.0
EBIT	(Percent)	7.1	9.3
Net (Loss) Profit	(Percent)	2.1	3.4

Efficiency Ratios		2023	*Q1/2024
Return on Assets	(Percent)	1.4	1.3
Return on Fix Assets	(Percent)	15.2	15.6
Return on Equity	(Percent)	4.5	4.2

Leverage Ratios		2023	Q1/2024
Debt to Equity ratio	(times)	2.3x	2.3x
Interest Bearing Debt to Equity ratio	(times)	1.7x	1.8x

Note *Key financial ratios as of 31 March 2024 was calculated based on last 12 months.