

SET 2025/002

25 February 2025

Subject: Management Discussion and Analysis (MD&A) for the Year 2024 end 31 December 2024

To President  
The Stock Exchange of Thailand

## Executive Summary

### Overview of Significant Events in 2024

#### Investment and Expansion in new businesses

- **The Company invested in 12 million common shares of NETBAY Public Company Limited ("NETBAY")** in January 2024. Each share has a par value of 1 Baht, representing 6.00% of NETBAY's paid-up share capital, at a price of 17.00 Baht per share, totaling 204 million Baht. NETBAY's core business involves the research, development, and creation of a Digital Business Technology Platform for electronic transactions (Digital Business Services). The purpose of this investment is to enhance and expand the Company's information technology services, as the Company foresees that NETBAY's business will generate additional value (synergy) for the Company.
- **The Company established a subsidiary, GOE Consultant Company Limited ("GOE")** in June 2024, with a registered capital of 5 million Baht. This subsidiary will support consulting services related to engineering, geophysics, geology, and other relevant technical advisory services.
- **The Company sold its investment in Pathumwan Smart District Cooling Company Limited ("PSDC"),** an associate in which the Company held a 14.00% stake, to BCPG Public Company Limited ("BCPG") and Keppel DHCS Pte Ltd ("KEPPEL"), in amounts of 7.16% and 6.84% of PSDC's total shares, respectively.

#### Contracts and agreements signing

- **Detailed Design Project for the MRT Orange Line (Western Section: Bang Khun Non – Thailand Cultural Centre)** with CH. Karnchang Public Company Limited. The contract value amounted at 633.58 million Baht (included VAT). The western section of the Orange Line (Bang Khun Non – Thailand Cultural Centre) is a crucial mass transit project aimed at expanding Bangkok's railway network to better connect the city's eastern and western regions, thereby improving convenience, reducing travel time, and alleviating traffic congestion. The 16.4-kilometer underground route comprises 12 stations, with connections to 5 other existing or planned urban rail lines. The Company is responsible for designing complex and modern engineering structures, encompassing civil works, structural works, architectural

works, and station systems, including underground tunnels beneath densely built-up areas and ventilation shafts between stations. These elements significantly affect passenger safety and comfort. In this project, the Company utilizes BIM (Building Information Modeling) technology for design and project management to enhance accuracy in planning, minimize construction errors, and streamline work processes from the outset.

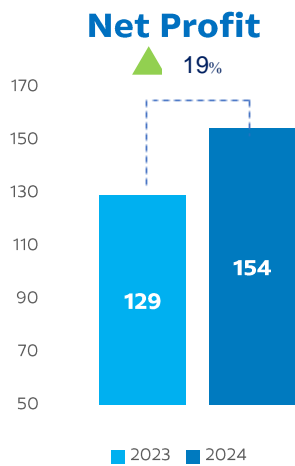
- Construction Supervision and Project Management for the Conversion of Overhead Power Lines to Underground Systems along Three Railway Lines (the MRT Pink Line, Yellow Line, Purple Line) with Metropolitan Electricity Authority (MEA).** The total contract value amounted at 165.94 million Baht (included VAT). This project involves upgrading the stability and efficiency of the Metropolitan Electricity Authority’s power system by converting overhead power lines into underground power lines along a total distance of 38 kilometers, extending 50 meters on both sides of the main roads. Key project components include civil and structural engineering, electrical engineering, and other related systems, such as building underground cable conduits, cable ducts, and installing electrical equipment foundations and systems. The objective is to ensure a safe, modern electricity distribution network capable of supporting future urban development.
- Consultancy Service for Development of the Thailand’s GHG Inventory Platform, Fiscal Year 2024** with Department of Climate Change and Environment, Ministry of Natural Resources and Environment. The project value amounted to 20.41 million Baht. This project is undertaken by a consortium between the Company and NETBAY. Its aim is to develop tools and a centralized platform for storing, exchanging, integrating, and providing digital technology-enabled greenhouse gas data. Additionally, the platform will serve as an open data source on climate change and environmental issues to drive Thailand’s greenhouse gas reduction efforts.

### Summary of Operating Results in 2024

The operating results of TEAM Consulting Engineering and Management Public Company Limited and its subsidiaries (“the Company”) for the 2024 are summarized as follows:

Operating result	Year		Change	
	2024	2023	MB	%
<b>Revenues</b>				
Sales and service income	1,872.10	1,673.67	198.43	11.86
Dividend income	11.61	0.67	10.94	1,632.84
Other income	10.62	10.98	(0.36)	(3.26)
<b>Total revenues</b>	<b>1,894.33</b>	<b>1,685.32</b>	<b>209.01</b>	<b>12.40</b>
<b>Expenses</b>				
Cost of sales and service	1,368.05	1,180.66	187.40	15.87
Administrative expense	342.38	351.54	(9.17)	(2.61)
Loss on changes in value of equity instrument designated at fair value through profit or loss	8.90	-	8.90	

Operating result	Year		Change	
	2024	2023	MB	%
Total Expenses	1,719.33	1,532.20	187.13	12.21
Operating profit	175.00	153.12	21.88	14.29
Finance income	33.12	25.08	8.05	32.09
Share of profit (loss) from investments in joint venture and associates	1.41	(0.53)	1.94	(363.67)
Finance cost	(16.48)	(9.95)	(6.53)	65.59
Profit before income tax expenses	193.05	167.71	25.34	15.11
Income tax expenses	(38.60)	(38.44)	(0.16)	0.42
Profit for the year	154.45	129.27	25.18	19.48



The Company's operating performance for the year 2024 reaches a new high.

#### Profit for the year

In 2024, the Company achieved a net profit of 154.45 million Baht, an increase of 25.18 million Baht from the previous year (equivalent to 19.48% growth), marking a new all-time high profit for the Company. In addition to the Company's core business of providing feasibility study, engineering design across various fields, and project construction supervision for both government and private sectors which has continued to grow steadily, the Company has

expanded its engineering services into Related Business since late 2023. This includes Engineering, Procurement, and Construction Contract (EPC) services, emphasizing the use of technology in project work to boost efficiency and modernization. The major projects undertaken in 2024 is the construction of the new zoo and the construction of the precious wood knowledge museum on the auspicious occasion of the grand coronation ceremony (the construction of the precious wood knowledge museum), reflecting the Company's capability in managing large-scale engineering projects and representing a significant milestone in the expansion of its business scope.

#### Service Revenue

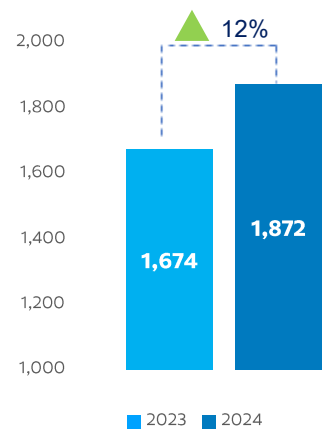
In 2024, the Company's total service revenue reached 1,872 million Baht, an increase of 198.43 million Baht or 11.86% over the prior year. This growth was primarily driven by the execution of large-scale projects during the year, covering both the Company's core businesses and its continuously expanding related business.

In 2024, the Company played a key role in national-level infrastructure projects, such as:

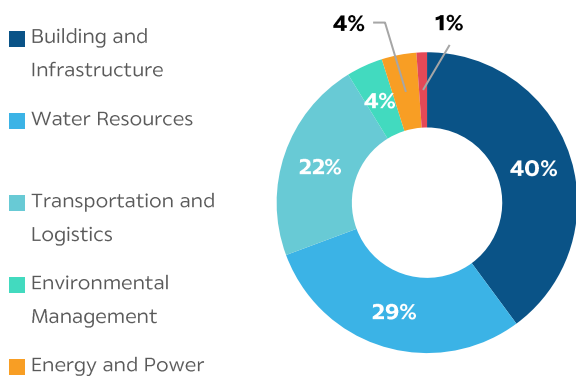
- Construction Supervision of Double Track Railway
- Construction Supervision of Underground Metro
- Design of Luang Prabang Hydropower
- Detailed Design of Chiang Mai Airport
- Construction of the new zoo

Throughout 2024, the Company provided services for over 550 projects, spanning multiple areas of engineering and project management and construction supervision expertise. These services can be categorized according to the Company's core engineering proficiencies, as follows:

### Sales and service income



### Revenue by Type of Engineering Services



Field of Expertise	MB
Building and Infrastructure	746.45
Water Resources	551.66
Transportation and Logistics	409.54
Environmental Management	73.35
Energy and Power	69.96
Others	21.14
<b>Total Sales and service income</b>	<b>1,872.10</b>

### Cost of Services

The Company's cost of services was 1,368.05 million Baht, increasing by 187.40 million Baht or 15.87% from the previous year. The main reason is the cost associated with providing engineering services in the Company's related business of Engineering, Procurement, and Construction Contract (EPC) services.

### Dividend Income

The Company recorded 11.61 million Baht in dividend income from its investment in ordinary shares of NETBAY Public Company Limited.

### Administrative Expenses

Administrative expenses were 342.38 million Baht, decreasing by 9.17 million Baht or 2.61%. These expenses include salaries, research and development costs, depreciation, computer software amortization, credit loss, and other items. The Company managed to keep these costs close to last year's levels. Notably, administrative expenses decreased compared to the previous year because, in the previous year, the Company incurred 5.90 million Baht in share-based payment expenses for employee stock awards.

### Loss on changes in value of equity instrument designated at fair value through profit or loss

The Company has invested in 10.00 million common shares of BlueVenture Group Public Company Limited (BVG), with 5.00 million shares measured at fair value through profit or loss. In 2024, the Company incurred a loss of 8.90 million Baht due to a decline in the share price.

### Net Profit

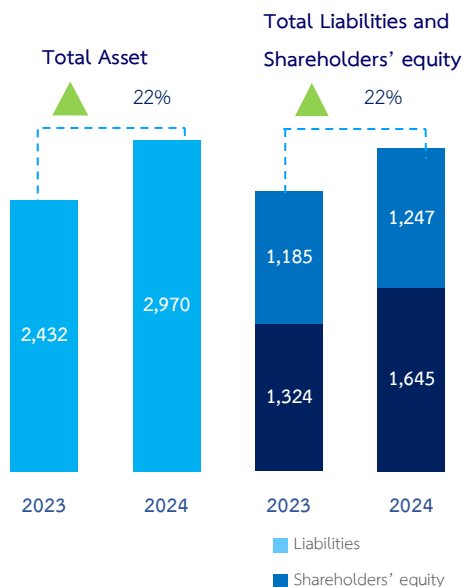
In 2024, the Company earned a net profit of 154.45 million Baht, increasing by 25.18 million Baht or 19.48%. The primary factors behind this growth include higher revenue and gross profit, coupled with efficient expense management, which kept administrative costs near last year's levels, thus enabling the Company to sustain continuous profit growth.

### Backlog

As of 31 December 2024, the Company had signed purchase orders or contracts awaiting delivery totaling 4,487.25 million Baht. Major high-value ongoing projects include the underground metro design project, the construction of the new zoo project, the construction of the precious wood knowledge museum, and the construction supervision of a new railway project.

### Financial Position

Financial position	As of 31 December 2024		As of 31 December 2023		Change	
	MB	%	MB	%	MB	%
Assets	2,970.00	100%	2,432.34	100%	537.66	22%
Liabilities	1,645.79	55%	1,247.06	51%	398.73	32%
Shareholders' equity	1,324.21	45%	1,185.28	49%	138.93	12%



### Assets

As of 31 December 2024, the Company's assets amounted to 2,970.00 million Baht, an increase of 537.66 million Baht or 22% over the previous year. The main reasons were:

- 1) Contract assets increased by 193.42 million Baht due to a higher volume of work.
- 2) Investment in NETBAY Public Company Limited increased by 204.00 million Baht.

### Liabilities

As of 31 December 2024, the Company's had the total liabilities of 1,645.79 million Baht, up by 398.73 million Baht or 32% from the previous year. The primary drivers were:

- 1) Trade payable and other payables increased by 118.83 million Baht, resulting from contracting and equipment purchases.
- 2) Contract liabilities increased by 185.12 million Baht, representing contract liabilities from customer contracts in line with the increased workload over the past year.

### Shareholders' Equity

As of 31 December 2024, shareholders' equity totaled 1,324.21 million Baht, an increase of 138.93 million Baht or 12% compared to the previous year. This was mainly due to a total comprehensive income.

### Significant Financial Ratios

	2024	2023
Net Profit Margin	8.15%	7.67%
Return on Equity (ROE)	12.31%	11.67%
Return on Assets (ROA)	5.72%	5.43%
Debt to Equity Ratio (D/E Ratio)	1.24	1.05
Interest-Bearing Debt to Equity Ratio	0.20	0.15

### Key Developments in Sustainability

TEAM Consulting Engineering and Management Public Company Limited is an engineering and management consulting firm that has played a pivotal role in developing Thailand's infrastructure and environment for over 46 years. Sustainability is at the heart of the Company's business operations, with a focus on integrating innovation, technology, and ESG (Environmental, Social, and Governance) principles to create long-term value for the organization, society, and the environment.

**Corporate Governance Assessment:** In 2024, the Company achieved a **5-star rating for Corporate Governance (CGR)** for the fourth consecutive year and ranked in the Top Quartile for both overall listed company scores and the industry average (Property & Construction) for the second consecutive year.

**Environmental:** The Company is committed to developing projects that reduce environmental impact by prioritizing clean energy and reducing greenhouse gas emissions, along with establishing policies that support eco-friendly construction and building management. As an engineering consulting firm, the Company plays a key role in setting standards and guidelines for selecting high-quality, environmentally friendly construction materials. This includes designing and constructing green buildings, using energy-efficient materials to reduce greenhouse gas emissions, controlling the use of safe materials that do not contribute to air pollution, not approving the use of materials containing mineral fibers, ensuring projects are completed to standard in a single run to reduce the

repetition of work and associated material waste, among others. The Company is dedicated to sustainable business practices that consider environmental impacts and contribute to driving balanced, nature-friendly growth in the construction industry.

**Social:** The Company places great emphasis on developing infrastructure that enhances the quality of life for communities. It implements projects that are safe, sustainable, and aligned with societal needs. The Company supports education through training programs and collaborations with academic institutions. Additionally, it has developed water management projects to help prevent natural disasters and is involved in creating transportation systems that benefit the public.

**Governance:**

The Company focuses on conducting business with transparent and accountable governance. It adheres to ESG standards and maintains robust oversight to ensure fairness for all stakeholders.

The Company continues to advance sustainable initiatives in alignment with its corporate goals by leveraging technology and innovation to drive positive change in environmental, social, and governance areas, paving the way for sustainable growth for both the organization and Thailand in the future.

Please be informed accordingly.

Yours sincerely,

(Ms. Nathaya Limsoontrakul)

Chief Financial Officer

TEAM Consulting Engineering and Management Public Company Limited