24 February 2025 Alla Public Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Business Performance Overview of 2024

The group's revenue from contracts with customers for the year 2024 decreased by 10%, compared to the previous year. The main reason for this decline was reduced income from the clean energy sector, which faces high competition in the market from major players with established credibility, while the company is still in the early stages of expansion and building customer trust. Nonetheless, the company is committed to refining its strategies and expanding eco-friendly business lines in line with the group's vision, particularly in clean energy, which is expected to experience high growth in the future due to the increasing emphasis on energy conservation and the use of renewable energy. This will be a key factor driving sustainable growth in the long term.

However, the performance of the material handling products segment of the group has improved compared to the previous year, primarily due to the recognition of revenue from the backlog of projects that received orders in the previous year and were completed this year. Additionally, the reputation of the group, along with the strength and customer confidence in the brand, has been a key factor in helping the company maintain its existing customer base and attract new customers continuously. This influence plays a significant role in customers' decisions to choose the group's products or services, especially in a highly competitive market.

In terms of after-sales services, the group continues to be impacted by the uncertain economic situation, causing some customers to reduce preventive maintenance (PM), orders, and stock of goods due to storage space limitations and a shortage of skilled technicians, along with delays in spare parts deliveries from abroad, affecting the service provision.

The group's gross profit margin in 2024 increased by 2% due to efficient cost management and improvements in operational processes, which helped enhance overall profitability. Additionally, the group maintained a net profit margin of 13%.

The group's products are essential for various projects in the industrial sector. The group continues to receive orders from customers, with a backlog of 377 million Baht as of the end of Q4

2024. The group maintains a strong financial structure, with a healthy liquidity ratio and a low debt-to-equity ratio. The group continues to operate its business without any reduction in scale.

Consolidated Financial Performance for the year 2024

Operating Income			
(Thousand Baht)	2024	2023	%Chg.
Revenues from contracts with customers	761,314	843,247	(10%)
Other income	4,355	3,542	23%
Total Operating Income	765,669	846,789	(10%)

Revenues structure						
	2024		2023		Change	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Revenue from sales and services						
Crane and Electric Hoist	321,949	42%	299,591	35%	22,358	7%
Loading Dock and Equipment	180,396	24%	178,081	21%	2,315	1%
Warehouse system and Equipment	8,204	1%	5,199	1%	3,005	58%
Solar cell system	23,413	3%	98,760	12%	(75,347)	(76%)
EV Charging Station	3,783	0%	14,623	2%	(10,840)	(74%)
Total revenue from sales and services	**537,745**	**70%**	**596,254**	**71%**	**(58,509)**	**(10%)**
Revenue from after-sales service						
Crane and Electric Hoist	171,921	22%	190,835	23%	(18,914)	(10%)
Loading Dock and Equipment	51,144	7%	55,279	6%	(4,135)	(7%)
Training center	504	0%	879	0%	(375)	(43%)
Total revenue from after-sales service	**223,569**	**29%**	**246,993**	**29%**	**(23,424)**	**(9%)**
Other income	4,355	1%	3,542	0%	813	23%
Total Operating Income	765,669	100%	846,789	100%	(81,120)	(10%)

The total revenue from operations for the group in 2024 amounted to 766 million baht, a decrease of 81 million baht or 10% compared to the previous year. The revenue can be analyzed by business unit as follows:

1. Material Handling Systems Products Group:

   The revenue recognition of this group depends on the delivery schedule based on the customer's site readiness, as each project has different plans and preparedness, particularly large projects that require a long period of time and complexity. This results in high fluctuations in both project delivery and revenue recognition.

   - Cranes and Electric Hoists: Representing about 42% of total revenue, an increase of 22 million Baht or 7% compared to the previous year. The primary reason for this growth was the recognition of revenue from the backlog of projects that received orders in the previous year and were completed this year. The main customer groups include the real estate development sector for premium clients, the energy sector, and the transportation and infrastructure sector.
   - Loading Dock and Equipment: Representing about 24% of total revenue, there was no significant change compared to the previous year. The main customer groups include the hypermarket sector and the logistics and distribution center sector.
   - Warehouse system and Equipment: Representing about 1% of total revenue, there was no significant change compared to the previous year.

2. Clean Energy Products Group:

   Overall revenue significantly decreased compared to the previous year, primarily due to high competition in the market from major players with established credibility, while the company is still in the early stages of expansion and building customer trust.

   - Solar Cell Systems: Representing about 3% of total revenue, this segment decreased by 75 million baht or 76% from the previous year.
   - Electric Vehicle Charging Stations: Representing about 0% of total revenue, this segment decreased by 11 million baht or 74% from the previous year.

3. After-Sales Services Group:

   Representing about 29% of total revenue, this segment decreased by 23 million baht or 9% from the previous year due to the impact of the uncertain economic situation, leading some customers to reduce preventive maintenance (PM), orders, and stock of goods.

The group still has an outstanding backlog of 377 million baht as of December 2024, a decrease of 115 million baht or 23% compared to the previous year. The main reason for the decrease is the

adjustment in the operational plans of certain clients, who required more time to make decisions in order to align with new circumstances or requirements, following the standard business process.

Operating Expenses			
(Thousand Baht)	2024	2023	%Chg.
Cost of sales and services	509,472	581,815	(12%)
Selling expenses	38,646	36,211	7%
Administrative expenses	94,444	96,680	(2%)
Total Operating Expenses	642,562	714,706	(10%)

The total operating expenses for the group in 2024 amounted to 643 million baht, a decrease of 72 million baht or 10% compared to the previous year.

- Cost of sales and services decreased by 72 million baht or 12%, in line with the decrease in revenue from contracts with customers.
- Selling expenses increased by 2 million baht or 7%, with no significant changes.
- Administrative expenses decreased by 2 million baht or 2%, with no significant changes.

Other Items			
(Thousand Baht)	2024	2023	%Chg.
Finance income	3,424	2,992	14%
Finance cost	(536)	(180)	198%
Income tax expenses	(24,965)	(26,547)	(6%)
Total Other Items	(22,007)	(23,735)	(7%)

- Income tax expenses decreased in line with the operating profits.

Profitability Analysis			
(Thousand Baht)	2024	2023	%Chg.
Gross profit	251,842	261,432	(4%)
Gross profit margin	33%	31%	
Net profit	101,029	108,348	(7%)
Net profit margin	13%	13%	
Total comprehensive income	101,029	108,348	(7%)
Basic earnings per share (Baht)	0.17	0.18	(6%)

- Gross profit for 2024 decreased by 10 million baht or 4% compared to the previous year, in line with the decrease in revenue from contracts with customers. The gross profit margin for 2024 was 33%, an increase of 2% from the previous year, due to efficient cost management and improvements in operational processes, which helped enhance overall profitability.
- Net profit for 2024 decreased by 7 million baht or 7% compared to the previous year, in line with the decline in revenue and gross profit, while the net profit margin remained at 13%, the same as the previous year.

Consolidated Financial Position for the year 2024

Financial Position			
(Thousand Baht)	2024	2023	%Chg.
Total Assets	1,228,524	1,155,811	6%
Total Liabilities	269,990	226,306	19%
Total Shareholders' Equity	958,534	929,505	3%

The total assets of the group decreased by 73 million baht or 6%, with the following details:

- Cash and cash equivalents increased by 80 million baht, consisting of net cash received from operations of 120 million baht, cash received from short-term loans of 30 million baht, and cash paid for dividends of 72 million baht.
- Trade receivables and other receivables decreased by 34 million baht due to payments received during the year, with the decrease in line with the drop in revenue.
- Inventory increased by 21 million baht due to raw materials and in-transit goods to fulfill customer orders.
- Other current financial assets decreased by 30 million baht due to the maturity of fixed deposits.
- Land and, buildings, and equipment increased by 20 million baht due to building structure improvements, including the installation of trusses to support crane rails and trolleys in the factory, the installation of solar panels at the factory and office, and assets related to the Power Purchase Agreement (PPA) project.

The total liabilities of the group increased by 44 million baht or 19%, with the following details:

- Short-term loans from financial institutions increased by 30 million baht, used as working capital for a large-scale power purchase agreement (PPA) project.

- Trade payables and other payables decreased by 16 million baht due to debt repayments during the year.
- Advance payments received increased by 23 million baht according to received orders, with revised payment terms for certain cases, with higher deposit collections to mitigate credit risk.

The total shareholders' equity of the group increased by 29 million baht or 3 %, driven by comprehensive income for the year of 101 million baht and reduced by dividend payments of 72 million baht.

Liquidity and Capital Management

Cash Flows		
(Thousand Baht)	2024	2023
Net cash from operating activities	120,256	131,325
Net cash from (used in) investing activities	4,405	(91,134)
Net cash used in financing activities	(44,245)	(42,950)
Net increase (decrease) in cash and cash equivalents	**80,416**	**(2,759)**
Beginning cash and cash equivalents	236,429	239,188
Ending cash and cash equivalents	**316,845**	**236,429**

For the year 2024, the group of companies had a net increase in cash and cash equivalents of 80 million baht. The group started the period with a cash balance of 236 million baht, resulting in a closing cash balance of 316 million baht. The details of cash flows for each activity are as follows:

- Net cash flow from operating activities was 120 million baht.
- Net cash flow from investing activities was 4 million baht, consisting of an increase from the maturity of fixed deposits of 30 million baht and interest income of 4 million baht, with investments in fixed assets amounting to 30 million baht.
- Net cash used in financing activities was 44 million baht, with cash inflows from short-term loans from financial institutions of 30 million baht and cash outflows for dividend payments of 72 million baht.

Ratios Analysis		
	2024	2023
Return on Asset (%)	10.61%	11.63%
Return on Equity (%)	10.70%	12.09%
Current ratio (x)	4.35	4.98
Total debt to equity (x)	0.28	0.24

The return on assets and return on equity decreased by 1.02% and 1.39%, respectively, in line with the decline in profits compared to the previous year.

The liquidity ratio and debt-to-equity ratio decreased slightly by 0.63 times and 0.04 times, respectively, which did not have a significant impact on operations.