



CIVIL ENGINEERING

# CIVIL 3Q25 MD&A

MANAGEMENT DISCUSSION AND ANALYSIS

For the third quarter 2025

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

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

- 1. Weak Thai Economy and Global Slowdown** Thai economy is showing clear signs of weakening, with growth expected to fall below 1% from the second half of this year through the first half of next year. Exports have started to decline sharply following U.S. retaliatory tariffs and increasing risks to financial stability—particularly the risk of deflation. The global economy is also projected to slow down during the remainder of this year and continue into 2026.
- 2. Overall construction investment is expected to rise slightly due to large-scale government projects**  
[Y2025] **First Half:** Strong growth of 12.3%, driven by government infrastructure projects (+24.5%). Private sector construction, however, contracted by -2.5% due to a sharp decline in residential construction.  
**Second Half:** The sector faces economic headwinds and tighter housing credit conditions, leading to a significant slowdown in total construction activity. **FY2025:** Overall growth is expected at only 1.0–2.0% (slight expansion in public sector; contraction in private sector). **[Y2026]:** The overall construction industry is expected to remain stable at 1.41 trillion baht. Public construction value is projected to grow by +1% YoY, reaching 860 billion baht, though it continues to face pressure from a 5% decline in the 2026 investment budget compared to the previous year and ongoing political uncertainty. Nevertheless, ongoing mega projects are showing progress, and new project bids are expected to open in 2026. Meanwhile, private construction value is projected to continue declining to 551 billion baht (-1% YoY).
- 3. Opportunities in large-scale projects.** The investment trends and country development from stimulus measures provide opportunities for key construction contractor to participate in key projects bidding. This includes project Phase 2 of the double-track railway (Khon Kaen to Nong Khai), the high-speed railway (Phase 2), the Chumphon and Nakhon Si Thammarat airports (expansion projects), Don Mueang Tollway (extension from Rangsit to Bang Pa-In), the road connecting U-Tapao Airport, and public-private partnership (PPP) projects.

The company has a strategy plan to diversify revenue in small and medium project size that can accelerated 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. *\*Data from SCBEIC, KRUNGSRI Research*

## 2 Summary of Incidents and Key Developments

### Key Achievements in the third quarter of 2025

- 1. Continuous Backlog Growth:** The company has secured new projects worth over 1,600 ล้านบาท bringing the total value of the current backlog (for projects with signed contracts) to over 12.8 billion baht. In addition, there are several projects currently under negotiation and preparing for contract signing, which will support the company in generating "continuous revenue for at least the next 3 years." This reflects the company's strong revenue base and stable growth trend due to consistent new project acquisition in the future.
- 2. Faster-than-Planned Project Completion:** Under the company's "CIVIL FAST" initiative, construction projects have been completed and delivered 100% ahead of schedule. Most of these were small-scale infrastructure projects, which enabled faster payment collection and achieved higher profit margins compared to large-scale projects. This aligns with the company's strategy to maintain a balanced portfolio of small and large projects, ensuring both consistent revenue recognition and continuous project flow.
- 3. Strengthening organizational culture "CIVIL FAST":** FAST reflects the company's core belief in striving for excellence in project delivery with speed and clear objectives. It demonstrates the company's commitment to conducting construction projects efficiently and effectively, while also being responsible for enhancing the quality of life for the public and communities sustainably. Therefore, FAST is not only a business principle but also an important tool in creating a strong corporate culture that supports the company's long-term sustainable growth.

## 3 Summary of Operating Results

Unit: Million baht	3M		Increase (Decrease)	9M		Increase (Decrease)
	3Q24	3Q25		9M24	9M25	
Revenue	1,389	1,239	(11%)	3,696	3,483	(6%)
Gross Profit (Loss)	131	(36)	(127%)	346	174	(50%)
Gross Profit (Loss) Margin (%)	9.4%	(2.9%)	(12.3%)	9.4%	5.0%	(4.4%)
Admin. Expenses	83	93	12%	242	278	15%
(%)	6.0%	7.5%	1.5%	6.5%	8.0%	1.5%
Net Profit (Loss)	42	(112)	(367%)	88	(91)	(203%)
Net Profit (Loss) Margin (%)	3.1%	(9.0%)	(12.1%)	2.4%	(2.6%)	(5.0%)

### Key Highlights

**Revenue:** For 3Q25, Total revenue amounted to 1,239 million baht, decreasing by 150 million baht or -11% YoY, for 9M25, Total revenue amounted to 3,483 million baht, decreasing by 213 million baht or -6% YoY. Due to the extension of work schedules in large-scale construction projects (railway projects), the progress and revenue recognition based on the percentage of completion have been postponed. In addition, the earthquake that occurred in late March, along with delays in signing new contracts, has resulted in slower project deliveries and revenue recognition for several projects compared to the planned schedule. Nevertheless, the company successfully completed and delivered more than 10 small-scale projects, helping to mitigate the impact from the deferred revenue of medium- and large-scale projects. This reflects the company's strategy to diversify risks through a balanced mix of projects of various sizes, enhancing flexibility and ensuring continuity in revenue recognition.

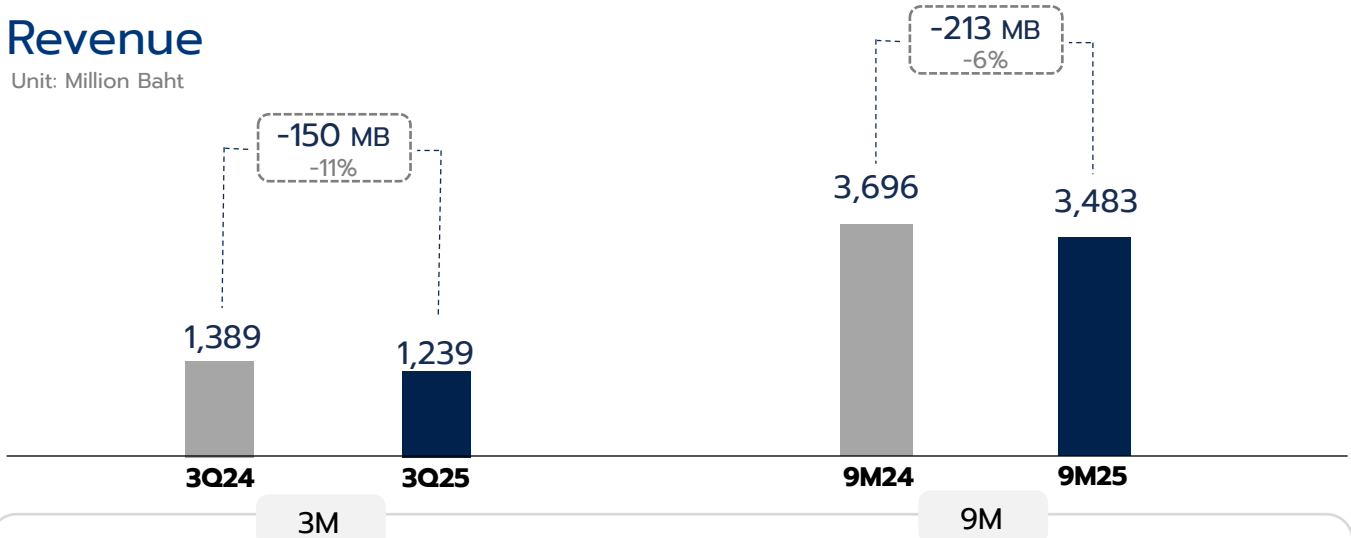
**%Gross Profit (Loss):** For 3Q25, the gross loss margin was -2.9%, decreasing by 12.3% YoY, for 9M25, the gross profit margin was 5.0%, decreasing by 4.4% YoY. This was mainly due to budget adjustments for railway-related projects that had extended construction periods, leading to higher indirect construction costs consistent with longer project timelines.

**Net Profit (Loss):** For 3Q25, net loss amounted to -112 million baht, decreasing by 154 million baht YoY, for 9M25, net loss amounted to -91 million baht, decreasing by 179 million baht YoY. The main factors were budget adjustments in railway projects with extended construction timelines, delayed revenue recognition from several projects pending safety inspections after the earthquake, and increased administrative expenses related to preparing the company's construction material factory for upcoming expansion and new projects in 4Q25.

## Financial Performance

### Revenue

Unit: Million Baht

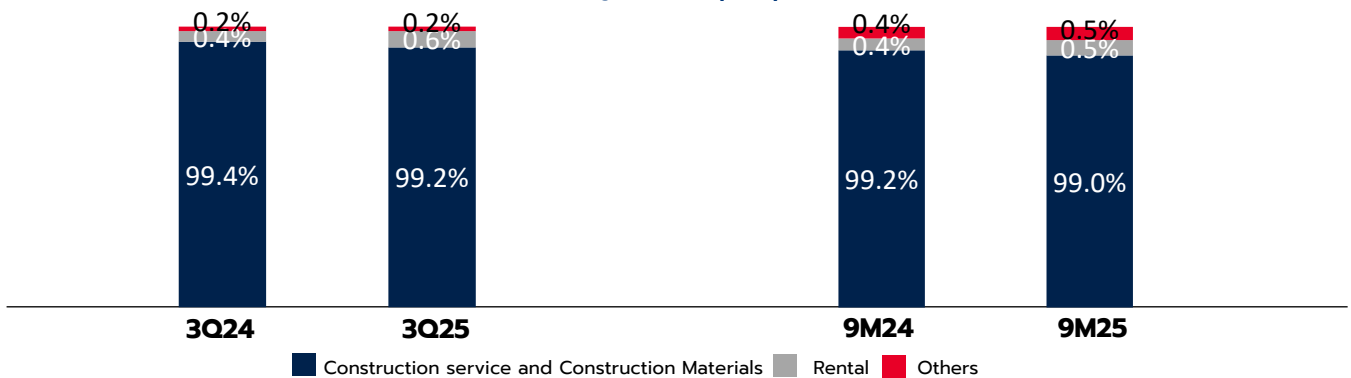


Total revenue for 3Q25 amounted to 1,239 million baht, decreasing by 150 million baht or -11% YoY.

The decline was mainly due to the extension of work schedules in large-scale construction projects, particularly railway projects, which caused a delay in revenue recognition compared with the planned schedule. However, revenue from the sale of construction materials continued to grow, increasing by THB 87 million or 126% YoY.

Total revenue for 9M25 amounted to 3,483 million baht, decreasing by 213 million baht or -6% YoY. The decline was mainly attributable to the earthquake at the end of March and the delay in signing new contracts, which resulted in slower-than-planned project deliveries and revenue recognition in several projects. Nevertheless, the Company completed and delivered over 10 small-scale projects, which helped mitigate the impact of deferred revenue. This demonstrates the Company's operational agility and effective management under challenging circumstances.

### Revenue by sales proportion



#### ■ Revenue from construction service and Construction materials (99.2% of Total revenue)

3Q25 Revenue from construction service and construction materials was 1,230 million baht, decreasing by 151 million baht or -11% YoY. Due to the extension of work schedules in large-scale construction projects (railway projects), which resulted in a delay in revenue recognition from the original plan. However, revenue from the sale of construction materials continued to grow by more than 87 million baht or 126%.

#### ■ Revenue from construction service and Construction materials (99.0% of Total revenue)

9M25 Revenue from construction service and construction materials was 3,448 million baht, decreasing by 218 million baht or -6% YoY. Due to the progress and extension of work schedules in railway projects, as well as in road construction projects, which underwent safety inspections following the earthquake incident during the first half of the year.

**3M**

■ **Revenue from rental** (0.6% of Total revenue)  
 3Q25 revenue from rental was 7 million baht or +36% YoY. The main reason was the efficient management of machinery, which resulted in an increase in revenue from equipment rental.

■ **Revenue from others** (0.2% of Total revenue)  
 3Q25 Revenue from others was 2 million baht, equal to last year.

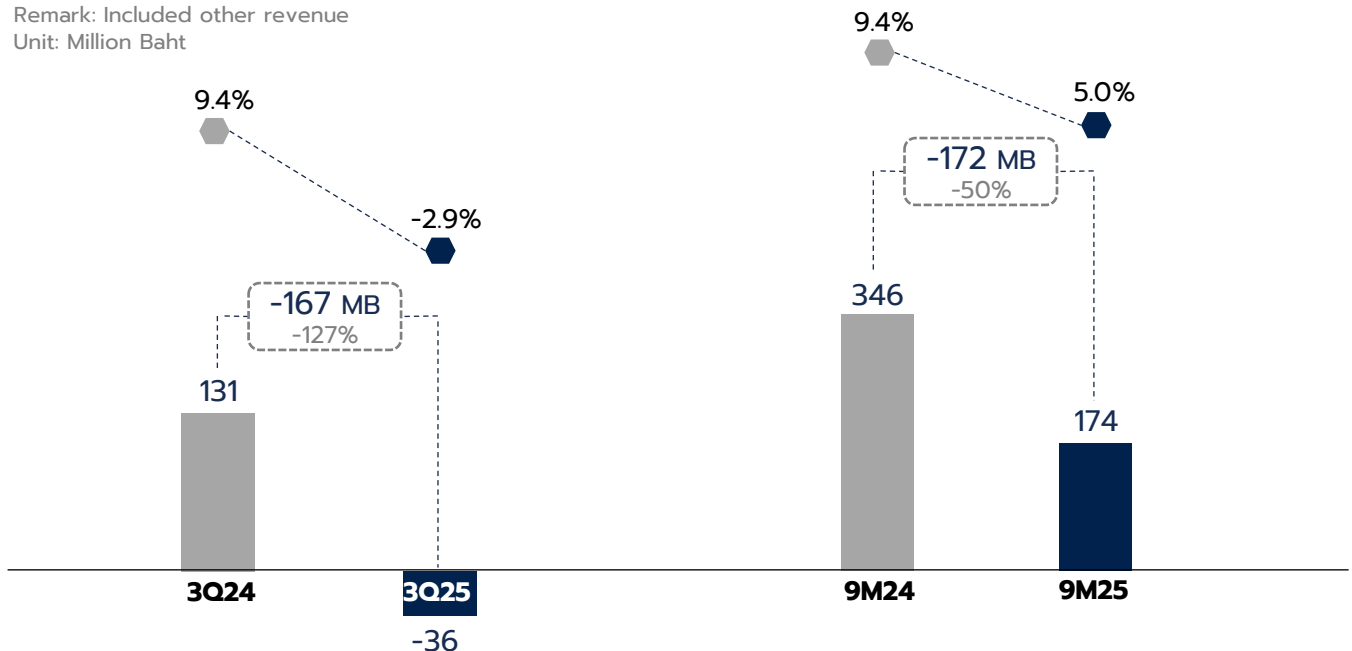
**9M**

■ **Revenue from rental** (0.5% of Total revenue)  
 9M25 revenue from rental was 19 million baht or +20% YoY, primarily driven by effective machinery management, leading to higher revenue from equipment rentals.

■ **Revenue from others** (0.5% of Total revenue)  
 9M25 Revenue from others was 16 million baht or +9% YoY, resulting from the sale of unused old machinery.

## Gross Profit (Loss)

Remark: Included other revenue  
 Unit: Million Baht


**3M**

The company had a gross loss margin of -2.9% in 3Q25, decreasing by 12.3% YoY. Mainly due to the budget adjustment for the railway project group. Based on the current assessment, there is an observed budget increase within the railway project group, mainly due to extended construction durations and uncontrollable processes. The matter is under ongoing review to ensure appropriate mitigation and control measures.

(Note: Without the budget adjustment for the railway project group, the company would have achieved a gross profit margin of 9.0%, or an increase in gross profit of 108 million baht.)

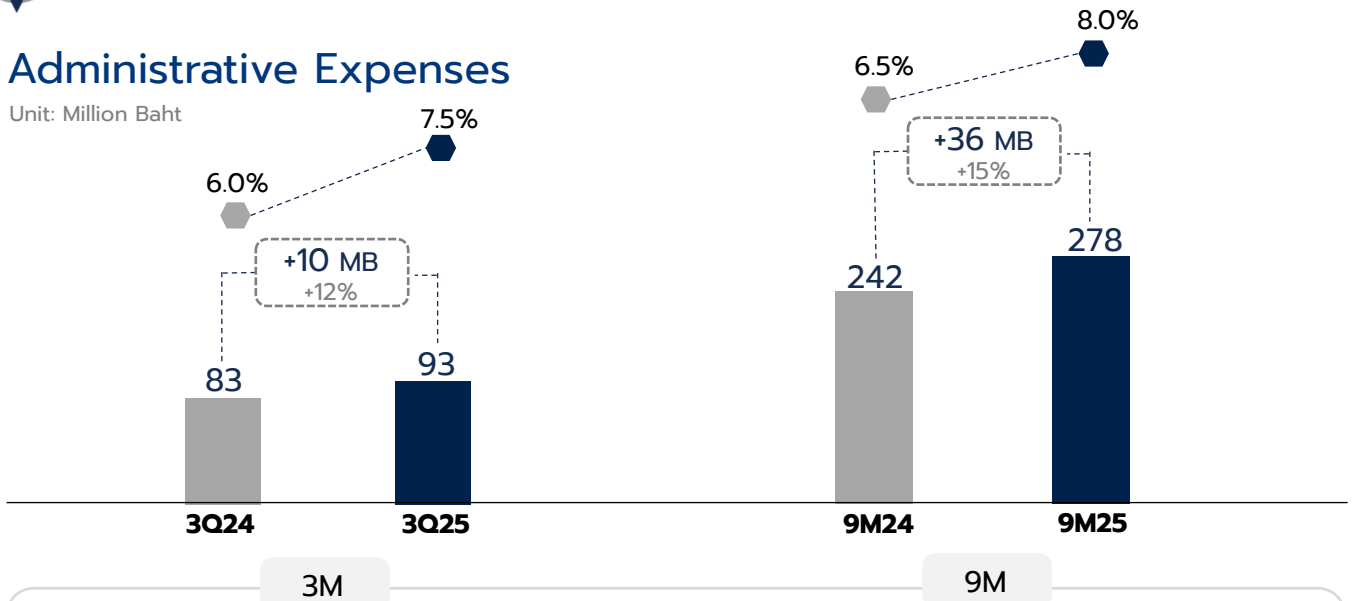
**9M**

The company had a gross loss margin of -5.0% in 9M25, decreasing by 4.4% YoY. Mainly due to the budget adjustment for the railway project group. Based on the current assessment, there is an observed budget increase within the railway project group, mainly due to extended construction durations and uncontrollable processes. The matter is under ongoing review to ensure appropriate mitigation and control measures.

(Note: Without the budget adjustment for the railway project group, the company would have achieved a gross profit margin of 8.0%, or an increase in gross profit of 281 million baht.)

## Administrative Expenses

Unit: Million Baht

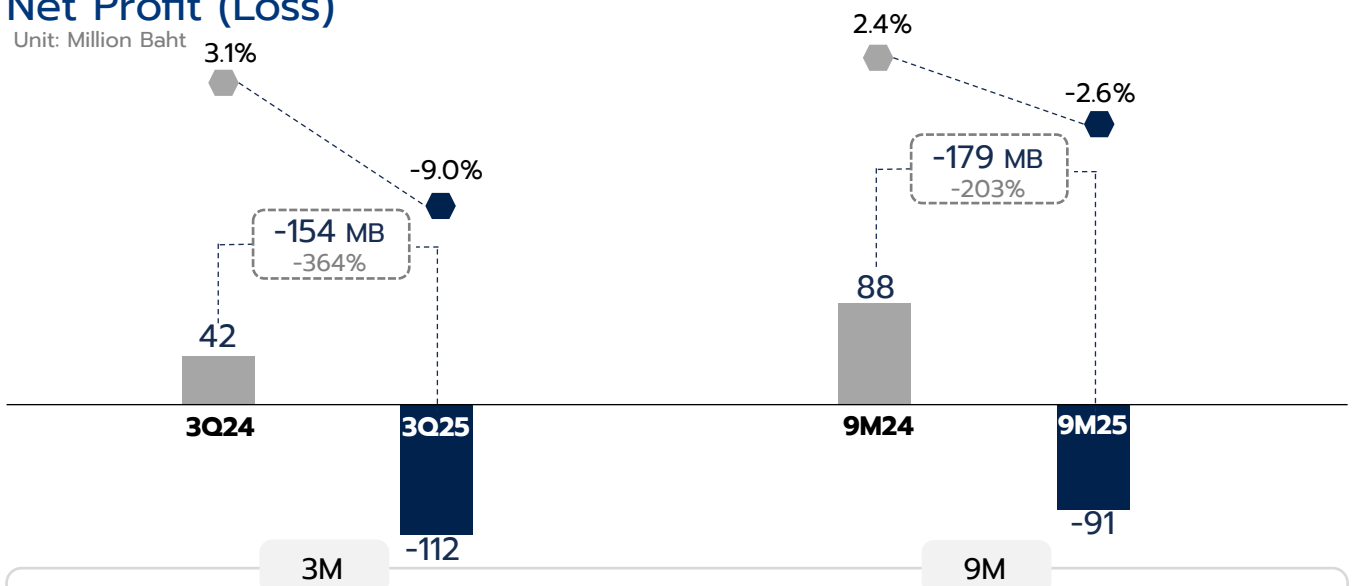


The administrative expenses for 3Q25 amounted to 93 million baht, increasing by 10 million baht or +12% YoY. These expenses were incurred to enhance management efficiency across the group and to cover preparation costs at the Segment manufacturing facility in anticipation of production activities scheduled to commence in Q4.

The administrative expenses for 9M25 amounted to 278 million baht, increasing by 35 million baht or +15% YoY. These expenses were incurred to enhance management efficiency across the group and to cover preparation costs at the Segment's manufacturing facility in anticipation of production activities scheduled to commence in Q4.

## Net Profit (Loss)

Unit: Million Baht



The net loss for 3Q25 amounted to -112 million baht, decreasing by 154 million baht YoY. The main reason is the budget adjustment of the railway project group, which has an extended construction period, together with an increase in administrative expenses from the Segment factory's preparation costs for production that will take place in the fourth quarter.

*(Note: Without the budget adjustments for the railway project group, the company would have recorded a net profit of approximately 32 million baht or net profit margin 2.3%)*

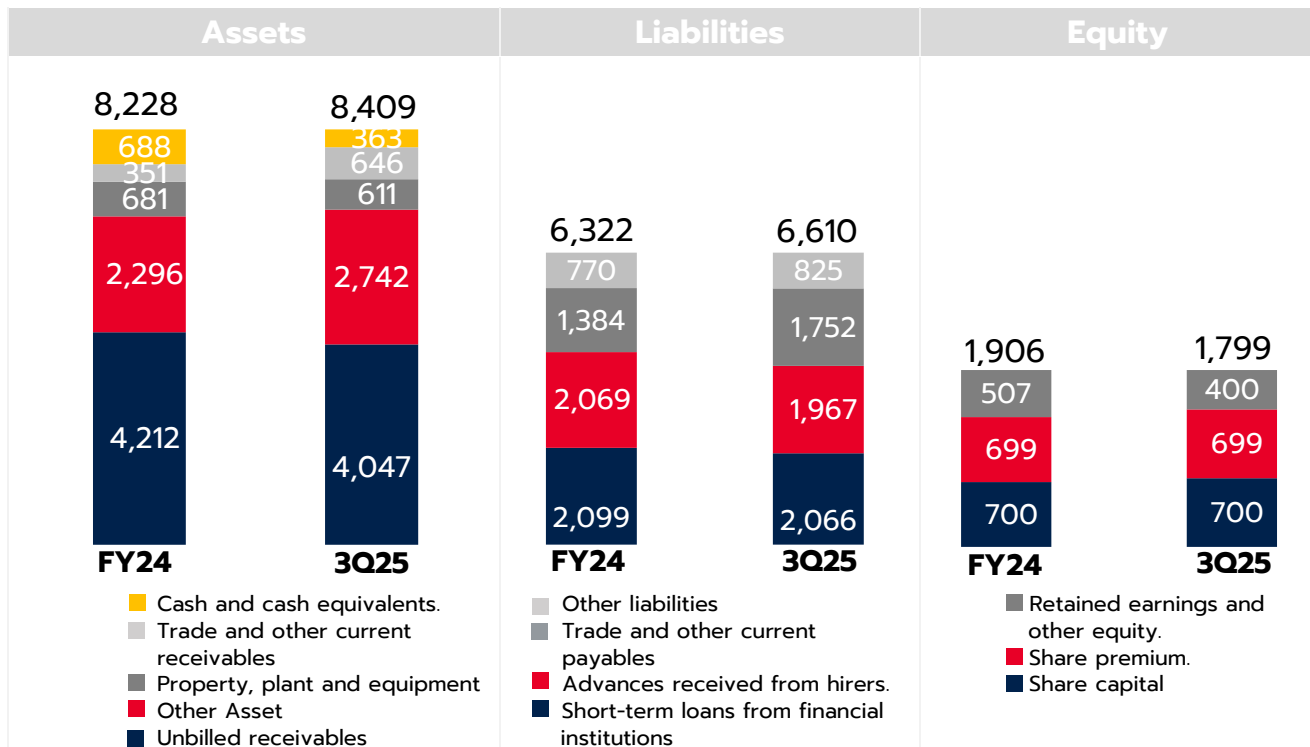
The net loss for 9M25 amounted to -91 million baht, decreasing by 179 million baht YoY. The main reasons were the budget adjustments for railway project groups whose construction periods were extended, delays in revenue recognition from several projects pending post-earthquake safety inspections, the delay in signing new contracts, and higher administrative expenses related to preparing the Segment's manufacturing facility for upcoming operations.

*(Note: Without the budget adjustments for the railway project group, the company would have recorded a net profit of approximately 54 million baht net profit margin 1.5%)*

## 4 Summary of Financial Position

### Statement of Financial Position

Unit: Million Baht



### Financial Information

#### ⚙️ Assets

The Company has total assets of 8,409 million baht, increasing by 181 million baht or +2% YoY. This "increase" is due to "Advance payment to contractors and deposit for purchases of goods" by 358 million baht, "Trade and other current receivables" by 295 million baht and "Retention receivables" by 119 million baht. The "decrease" is due to a reduction in "Cash and cash equivalents" by 325 million baht, "Unbilled receivables" by 165 million baht, "Property, plant and equipment" by 70 million baht and "Other current assets" by 37 million baht.

#### ⚙️ Liabilities

The Company has total liabilities of 6,610 million baht an increase of 288 million baht or +4.6% YoY. This "increase" is due to "Trade and other current payables" by 368 million baht, "Retention payables" by 64 million baht. The "decrease" is due to "Advances received from hirers" by 102 million baht, "Short-term loans from financial institutions" by 33 million baht, "Construction revenue received in advance" by 16 million baht and "Other current liabilities" by 9 million baht.

#### ⚙️ Equity

The Company's shareholders' equity is 1,799 million baht decreasing by 107 million baht or -5.6% YoY. From a net loss of 91 million baht for the 9-month period and net of dividend payments of 14 million baht.

#### ⚙️ Cash Flow

The company's net cash decreased by 325 million baht, primarily due to a decrease of 218 million baht from "Operating activities" mainly caused by "Advance payment to contractors and deposit for purchases of goods" by 359 million baht, "Trade and other current receivables" by 296 million baht, "Retention receivables" by 119 million baht, "Trade and other current payables" increased by 354 million baht, and "unbilled revenue" decreased by 163 million baht. There was also a decrease of 1 million baht from "Investing activities", mainly due to "Proceeds from sales of building, machinery and equipment" by 17 million baht and "Decrease in restricted bank deposits" by 14 million baht. In addition, there was a decrease of 108 million baht from "Financing activities", mainly due to "Payment of lease liabilities" by 53 million baht, "Short-term loans from financial institutions" by 33 million baht and Dividend paid by 14 million baht.

## 5 Factors that may impact future operations or growth

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

- 1. Change of Government** The change of government affects decision-making and public administration processes, particularly in the construction sector. Many large-scale projects require approval from the government or the responsible minister. When a new government takes office, policy-level officials may change, necessitating project reviews or reassessments. This can delay contract signings, budget approvals, or project commencement compared to the original plan. Delays may also arise from shifts in policies or project prioritization according to the new government's strategic direction.
- 2. Economic Conditions** The economy continues to experience a prolonged slowdown. Thailand's GDP growth is projected at 1.8% this year and 1.5% next year, with risks of growth falling below 1% from the second half of this year through the first half of next year. This inevitably impacts the construction industry.
- 3. Construction material costs** Prices of construction materials in Thailand are expected to slightly increase or remain stable, supported primarily by public sector investment and fluctuating raw material and energy costs. However, the sluggish private real estate sector and competition from Chinese steel supply may limit sharp price increases for certain materials. The company continues to closely monitor the situation.
- 4. Labor Shortage** The Thai–Cambodian border conflict has led to a significant number of Cambodian workers returning to their home country, resulting in a reduction of construction labor in Thailand. This has caused labor shortages, slowing project progress and forcing companies to seek replacement workers from other foreign labor sources.

## 6 Sustainability Development

### 1. Sustainability Projects

- ESG DNA Award: Recognized for promoting sustainability awareness among employees.
- Drug-Free Workplace – “Stronger Together” Initiative: Demonstrating the company's commitment to maintaining a drug-free workplace.
- “One Project, One Good Deed” Campaign: Creating shared value and giving back to society through charitable activities, including donating smiles and resources to Wat Sirisukaram School in Ayutthaya Province.
- “Ting To Trash” Program Recognition: Awarded for advancing corporate sustainability through responsible waste management initiatives.
- Enhance the company's code of ethics by developing the CIVIL's Blueprint Handbook: Values, Code of Ethics, and Guidelines for Moving Forward Together, to ensure all employees clearly understand and correctly adhere to the standards.
- Promote understanding and establish standards for respecting human rights in accordance with international principles by providing training for executives, managers, and project staff, conducted by speakers from the Building Social Impact Initiative (BSI).
- Develop plans and strategies to improve labor camps in targeted projects and implement improvements according to the plan.

- 2. Set ESG Rating Goal “A”** The company aims to achieve an “A” ESG rating. The board of directors supports and drives the business towards sustainability, while the executive committee defines policies for sustainable development in the areas of environment, society, and governance. The company has developed plans, work systems, and technologies to comply with the requirements set by the Stock Exchange of Thailand.



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