

Business Overview

PSG Corporation Public Company Limited ("PSGC") operates construction services for projects on a Lump Sum Turnkey (LSTK) basis. The Company has extensive experience in construction works for large-scale projects, including roads, infrastructure, buildings, superstructure installations, and other mechanical and electrical engineering (M&E) works. At the end of 2021, The Company underwent a restructuring, resulting in a change of major shareholders and executives. As a result, the Company emerged recapitalized and in a stronger financial position to support its business growth. Currently, the Company has expanded its business internationally and has been generating continuous revenue from this expansion since Q2-2022.

Financial Statement

	9M23	9M22	2022	2021
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Income Statement (MB)

	9M23	9M22	2022	2021
Revenues	1,099.91	897.67	1,050.30	44.58
Expenses	472.01	351.32	459.60	104.65
Net Profit (Loss)	558.91	489.02	540.46	-63.13

Balance Sheet (MB)

	9M23	9M22	2022	2021
Assets	2,534.67	2,054.79	1,947.88	1,291.55
Liabilities	227.56	360.75	209.72	91.21
Shareholders' Equity	2,307.11	1,694.04	1,738.16	1,200.34

Cash Flow (MB)

	9M23	9M22	2022	2021
Operating	554.98	-518.06	-407.45	-48.44
Investing	-28.07	-1.10	-27.60	11.50
Financing	-25.83	-10.17	-14.80	1,078.96

Financial Ratio

	9M23	9M22	2022	2021
EPS (Baht)	0.01	0.01	0.01	0.00
GP Margin (%)	73.42	70.96	67.31	-8.32
NP Margin (%)	50.81	54.48	51.46	-141.60
D/E Ratio (x)	0.10	0.21	0.12	0.08
ROE (%)	30.51	52.49	36.78	-9.26
ROA (%)	30.32	48.50	34.76	-7.61

Business Plan

Construction contracting business

At present, construction contracting is the Company's primary business. The Company plans to expand its operations both domestically and internationally (especially to neighboring countries), with a particular focus on becoming an Engineering Procurement and Construction (EPC) contractor. Currently, the Company has a backlog valued at over 10,000 MB, originating stemming from two projects: the XPPL Expansion Phase 1 project worth USD 181 million and a resettlement work project valued at 4,942 MB. For the domestic market, the Company continues to participate in project bidding, carefully considering the project's value and its potential returns

New businesses

The Company is exploring new business opportunities to diversify its revenue sources and stimulate growth. We anticipate that significant developments in the Company's new ventures will become more evident within the next 1-3 years.

Sustainable Development Plan

The Company has been committed to operating its business in accordance with good corporate governance principles, aiming to create shared value with all stakeholders while emphasizing social and environmental responsibilities across three dimensions: Governance/Economic, Social, and Environmental. The Company has assessed its operational potential and capabilities, along with those of its subsidiaries, to jointly support the United Nations' SDGs, focusing on 7 out of the 17 goals. For more details, please refer to the [One Report 2022](#)

Business Highlight

- Recent economic situation in Laos, particularly the fluctuations in the exchange rate of the Lao Kip, has not significantly impacted the business operations of the company. This is because the two ongoing projects are owned by large private sector entities that are stable, and the company has received income based on construction contracts in U.S. dollars and Thai Baht.

- Two ongoing construction projects valued at 13,541 MB

- A construction project involves the construction and enhancement of facilities, structures, and logistical routes. The project's value is USD 239 million, equivalent to approximately 8,541 MB, and it has generated revenue since Q2/2022. The overall construction work for this contract has progressed well and is on schedule.
- In May 2023, a newly awarded construction contract was signed for a project to build communities and infrastructure (resettlement works) in Chomphet City, Lao PDR. The project is valued at 5,000 MB, it has generated revenue since Q2/2023.

- Persistent heavy rains during the third quarter impacted the logistics of material handling and the road construction of XPPL project. Resettlement works were only slightly delayed due to ongoing survey and negotiations with the local population for land access and clearance, however the progress of construction works is still manageable and the Company anticipates that the overall project will remain on schedule.

Performance and Analysis

Business Performance Summary

Summary of the Company's operating performance (Consolidated financial statements) for 9M-2023 ending September 30, 2023.

- 1) Total Revenues of 1,175.8 MB, comprised revenue from international construction projects of 1,092.6 MB, other income of 7.3 MB, and foreign exchange gains of 75.9 MB.
- 2) Total Expenses of 472.0 MB, consisted of two main components:
 - 2.1 Cost of construction amounted to 290.4 MB, representing 61.5% of total expenses, which is in line with the increased construction revenue.
 - 2.2 Administrative expenses of 181.6 MB, representing 38.5% of total expenses.
- 3) Net Profit: The Company and its subsidiary generated a net profit of 558.9 MB for the first 9M, representing a 14% increase compared to the same period last year.

Key Milestones

- In April 2022, the Company began recognizing revenue from the XPPL project, valued at USD 239.9 million. Revenue recognition will continue until 2025 according to the project's completion schedule.
- In June 2022, the Company signed an MOU with the Government of Lao PDR to conduct a feasibility study for developing pumped storage hydropower plants (PSH) across 214 potential sites in 8 watersheds across Lao PDR. The Company will assess both technical and commercial aspects for further project development.
- In August 2022, the SET removed the "C" (Caution) sign from the Company's securities following the successful implementation of corrective action plans, resulting in shareholders' equity exceeding 50% of registered and paid-up capital.
- In October 2022, the Company and Keppel Energy Pte Ltd signed an MOU to conduct a feasibility study for exporting electricity generated from renewable sources in Lao PDR to Singapore.
- In June 2023, the Company began recognizing revenue from the resettlement works in Chomphet City, Lao PDR valued at 5,000 MB. The income will be gradually recognized until project completion in 2027 according to the plan.

Risk Management Policy

The Company obtained certification through the Risk Management and Internal Control Development training program organized by TLCA. For additional details, please refer to the [One Report 2022](#)

Revenue Structure

Revenue from construction	92.9%
Foreign exchange gains	6.5%
Other income	0.6%

Stock Information

mai / PROPCON



	PSG	PROPCON	mai
as of 29/09/23			
P/E (X)	70.84	-	109.70
P/BV (X)	23.81	3.22	2.40
Dividend yield (%)	-	0.50	1.47
	29/09/23	30/12/22	30/12/21
Market Cap (MB)	51,993.95	84,490.17	37,695.61
Price (B/Share)	0.80	1.30	0.58
P/E (X)	70.84	176.61	-
P/BV (X)	23.81	49.87	293.07

CG Report:

Company Rating:

Major Shareholders

as of 20/03/2023

- MRS. PANICHA DAU (80.00%)
- THAI NVDR COMPANY LIMITED (3.38%)
- MR. ADISORN J.JITCHAROENCHAI (1.62%)
- MISS CHANIDA SAE-TANG (1.20%)
- MR. PORNPROM PROMVANICH (1.02%)
- Others (12.78%)

Company Information and Contact

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