

No. WHAUP-CS020/2018

May 10, 2018

Attention: Managing Director – Stock Exchange of Thailand
 Subject: Report of Financial Results for the First Quarter of 2018

WHAUP finished our 1Q2018 with a Net Income of Baht 716.2 million, 162.8% increase from 1Q2017.

1. RESULTS OF OPERATION FOR 1Q2018

Consolidated Financial Statements	1Q2017	1Q2018	Increase/(Decrease)	
	Baht million	Baht million	Baht million	%
Revenue from Sales and Services	388.0	422.0	34.0	8.8
- Operating Revenue ¹	377.6	420.6	43.0	11.4
- Other Income from Utilities Business ²	10.4	1.4	(9.0)	(86.8)
Costs of Sales and Services	(258.4)	(273.0)	(14.6)	5.7
Gross Profit	129.6	149.0	19.4	15.0
Gross Profit from Operation³	119.3	147.6	28.4	23.8
Other Income ⁴	45.7	16.8	(28.8)	(63.1)
Administrative Expenses	(25.4)	(8.4)	17.0	(66.8)
Finance Costs	(146.0)	(93.7)	52.3	(35.9)
Share of Profit from Investments in Associates and Joint Ventures	250.8	659.2	408.5	162.9
Income Tax (Expense) Income	17.9	(6.8)	(24.7)	(138.0)
Non-Controlling Interests	(0.0)	(0.0)	0.0	(2.2)
Profit attributable to Owners of the Parent	272.5	716.2	443.7	162.8
Foreign Exchange Gain (Loss)	240.0	250.6	10.7	4.4
Normalized Profit attributable to Owners of the Parent	32.55	465.6	433.0	1,330.5

1 Operating Revenue consists of Raw Water Sales, Industrial Water Sales, and Wastewater Treatment Services.

2 Other Incomes from Utilities Business consists of Excessive Charge for additional Utilities demand and Service Fees for Wastewater Management.

3 Gross Profit from Operation excludes Other Income from Utilities Business.

4 Other Incomes mainly consists of Interest Income from Loans to GHECO-One and Dividends Received from Investments in Glow IPP.

1Q2018 KEY HIGHLIGHTS

- Utilities Business's Operating Revenue was Baht 420.6 million, a 11.4% increase YoY as planned reflected stable growth in volume
- Share of Profit (Power Business) increased 162.9% YoY from 1Q2017 to record at Baht 659.2 million with foreign exchange gain of Baht 250.6 million
 - GHECO-One, our largest power investment generated Baht 386.2 million share of profit to WHAUP increase 180.4% YoY mainly attributable to higher availability

in 1Q2018 due planned shutdown maintenance in 1Q2017 and higher energy payment which is from higher power dispatch to EGAT in 1Q2018. The increase is also from higher coal price.

- Five SPPs (Gulf VTP, Gulf TS1, Gulf TS2, Gulf TS3 and Gulf TS4) achieved their COD since 2Q2017 as per the planned schedule, increasing our Equity MW under Operation further to 509.6 MW.
- As of the end of 1Q2018, we had Baht 7,610.0 million of Net Interest-Bearing Debt. Our Net Interest-Bearing Debt to Equity ratio was at 0.57x.

PERFORMANCE BY BUSINESS

Utilities Business

Revenue from Sales and Services from Utilities Business in 1Q2018 of Baht 422.0 million has details as the table below.

Revenue	Consolidated financial statements for the period				
	1Q2017	1Q2018	Increase /(Decrease)		
	Baht million	Baht million	Baht million	%	
Industrial Water Sales	276.4	312.0	35.6	12.9	
Raw Water Sales	63.9	68.4	4.5	7.0	
Wastewater Treatment Services	37.3	40.3	2.9	7.8	
Other Incomes from Utilities Business ¹	10.4	1.4	(9.0)	(86.8)	
Total Revenue from Sales and Services	388.0	422.0	34.0	8.8	

¹ Other Incomes from Utilities Business consist of Excessive Charge for additional Utilities demand and Service Fees for Wastewater Management in ESIE and HLP1

The growth mainly came from:

- i) the Utilities sales volume;
 - a. Industrial Water sales volume increased by 12.2% YoY mainly from COD of 5 SPPs (Gulf VTP, Gulf TS1, Gulf TS2, Gulf TS3 and Gulf TS4) and increase in demand of existing customers.
 - b. Raw Water sales volume increased by 7.7% YoY mainly from increase demand of existing customers.
 - c. Wastewater sales volume increased by 7% YoY mainly from increase demand of raw water and industrial water.
- ii) Other income from Utilities Business which mainly represented one time Excessive Charge in 1Q2018 was Baht 1.4 million.

Our Gross Profit Margins excluding Other Income from Utilities Business improved from 31.6% in 1Q2017 to 35.1% in 1Q2018 mainly due to increased selling volume and ability to manage operating costs effectively. Our 1Q2018 Gross Profit was recorded at Baht 149.0 million, a 15.0% increased from 1Q2017.

Power Business

In 1Q2018, our Share of Profit from Investment in Associates and Joint Ventures (“Share of Profit from Investments”) and Dividend Income totalled at Baht 659.2 million, a 139.1% growth from 1Q2017. This include gain on Foreign Exchange of Baht 250.6 million.

The breakdown of the Company’s Share of Profit and Dividend Income by category of power plant were as follows:

By Category of Power Plant	1Q2017	1Q2018	Increase /(Decrease)	
	Baht million	Baht million	Baht million	%
IPP	167.0	390.3	223.3	133.7
SPP	73.5	261.2	187.7	255.5
Alternative Energy	1.3	1.1	-0.2	-18.7
Power Plants under Constuction	33.9	6.7	-27.2	-80.3
Share of Profit from Investments in Associates and Joint Ventures and Dividend Income	275.7	659.2	383.5	139.1
Foreign Exchange Gain (Loss)	240.0	250.6	10.7	4.4
Normalized Share of Profit from Investments in Associates and Joint Ventures and Dividend	35.8	408.6	372.9	1,043.0

WHAUP is a strategic co-developer of power business. We currently have 509.6 equity MW under operation, and another 33.2 equity MW under construction. We partner with a number of key Thai and international power developers, namely the Glow Group, the Gulf Group, the B.Grimm Power Group, SUEZ and the Gunkul Group. WHAUP recognized Power Business performance in a form of 1) Share of Profit and 2) Dividend Income. Share of Profit is a net profit in proportion of our equity stake (%). Such Share of Profit is net of all relevant costs in the Associates or Joint Ventures.

The growth mainly came from the COD of projects

Power plant	Type of power	Category of producer	Equity holding (%)	Contracted Capacity (MW)	Equity Capacity (MW)	COD
Gulf VTP	Gas-fired Cogeneration	SPP	25.01	130.0	32.5	May 2017
Gulf TS1	Gas-fired Cogeneration	SPP	25.01	130.0	32.5	Jul 2017
Gulf TS2	Gas-fired Cogeneration	SPP	25.01	130.0	32.5	Sep 2017
Gulf TS3	Gas-fired Cogeneration	SPP	25.01	125.0	31.3	Nov 2017
Gulf TS4	Gas-fired Cogeneration	SPP	25.01	125.0	31.3	Jan 2018
Total				640.0	160.1	

Foreign Exchange Gain (Loss) by Category of Power Plant as of 1Q'18

By Category of Power Plant	Total Share of Profit & Dividend Baht million	Foreign Exchange Gain (Loss) Baht million	Normalized Share of Profit Baht million
IPP	390.3	133.4	257.0
SPP	261.2	105.8	155.4
Alternative Energy	1.1	0.0	1.1
Power Plants under Constuction	6.7	11.5	-4.8
Total	659.2	250.6	408.6

Projects under Construction

- 1 SPPs, namely Gulf NLL2 are scheduled to achieve COD on 2019.
- VSPP, WHA KM.3 Solar with a total contracted capacity of 0.9 Equity MW, is scheduled to achieve COD in May'18.
- Another VSPP, Waste to Energy project under construction phase, namely Chonburi Clean Energy (CCE) with a total contracted capacity of 6.9 MW, representing 2.3 Equity MW, is scheduled to achieve COD in the 2019.
- For 1Q2018, Projects under Construction generated Baht 6.8 million of Share of Profit to WHAUP, consisting of a share of loss from operation of Baht 4.7 million and gain on foreign exchange translation of Baht 11.5 million.

Power plant	Type of power	Category of producer	Equity holding (%)	Contracted Capacity (MW)	Equity Capacity (MW)	COD
WHA KM.3 Solar	Solar	VSPP	100	0.9	0.9	May'2018
Gulf NLL2	Gas-fired Cogeneration	SPP	25.01	120.0	30.0	Jan 2019
CCE	Waste to Energy	VSPP	33.33	6.9	2.3	4Q2019
Total				127.8	33.2	

OVERALL PERFORMANCE

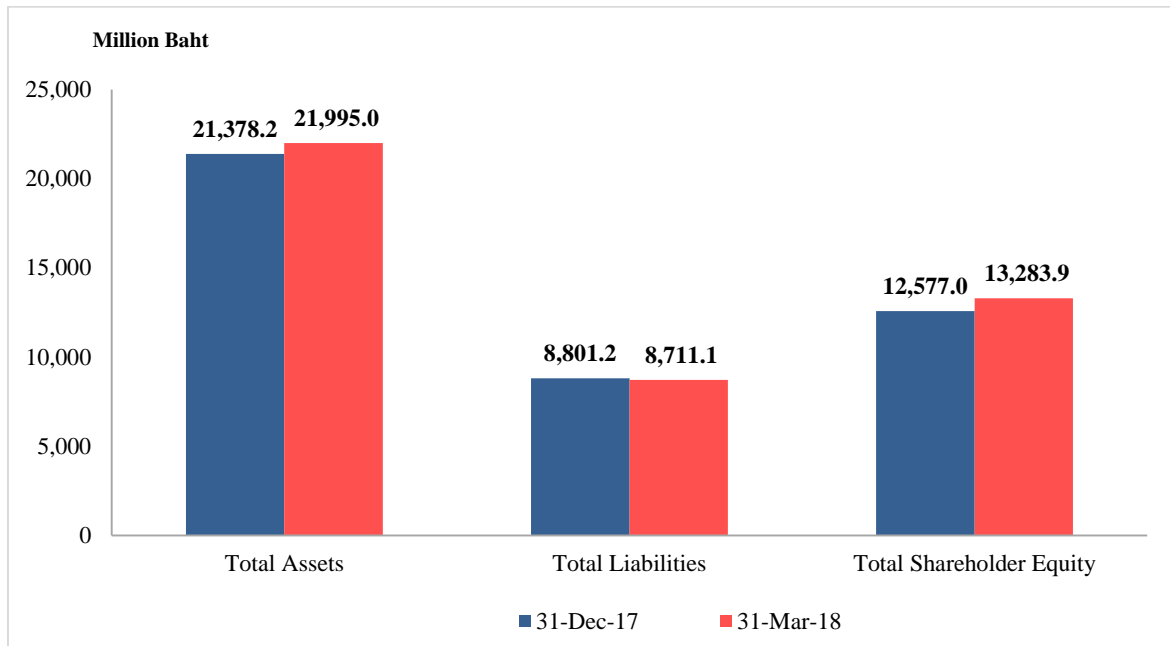
Operating Expense

- **Administrative Expenses** decreased from Baht 25.4 million in 1Q2017 to Baht 8.4 million in 1Q2018 mainly from accounting adjusted of doubtful debt amounted of Baht 22.5 million
- **Finance Cost** decreased from Baht 146.0 million in 1Q2017 to Baht 93.7 million in 1Q2018 due to loan repayment of Baht 2,500 million from the IPO proceed in 2Q'17 and Baht 4,000 million bond issuance to refinance the exsiting bank loan in August 2017.
- Net Interest-bearing Debt in 1Q2018 was Baht 7,610.0 million, increase from Baht 7,338.8 million in 2017 presenting the Net Interest-bearing Debt-to-Equity ratio of 0.57x.

As a result, our 1Q2018 EBITDA stood at Baht 816.6 million, compared to Baht 445.6 million in 1Q2017, or a 83.3% growth YoY. EBITDA Margin improved from 65.1% in 1Q2017 to 74.4% in 1Q2018.

Our Net Profit attributable to Owners of the Parent increased by 162.8% in 1Q2018, compared to 1Q2017 figures, to record at Baht 716.2 million. Net Profit Margin improved from 39.8% in 1Q2017 to 65.2% in 1Q2018. Normalized Net Profit attributable to Owners of the Parent at Baht 465.6 million, a 1,330.5% growth from 1Q2017.

2. FINANCIAL POSITION



The Consolidated Balance Sheet as of 31 March 2018 is summarized as follows.

Assets

As at 31 March 2018, the Company's total Assets amounted to Baht 21,995.0 million, increased by Baht 616.8 million from Baht 21,378.2 million at year-end 2017 mainly due to additional investment in 1 power project under construction.

The key elements of Assets in the Company's Consolidated Financial Statements consist of: (i) Investments in associates of Baht 11,394.7 million, (ii) Building and Equipment (net) of Baht 3,119.7 million (iii) Goodwill of Baht 2,772.9 million, (iv) Intangible assets of Baht 1,982.8 million and (v) Short-term loans to related parties of Baht 974.7 million.

Liabilities

As of 31 March 2018, Total Liabilities were Baht 8,711.1 million, decreased Baht 90.1 million from Baht 8,801.2 million at year-end 2017.

Total Liabilities mainly consisted of Loans from Financial Institutions of Baht 3,941.2 million, Long-term borrowings debentures of Baht 3,994.0 million and Provision for Liabilities from the water business of Baht 311.0 million.

Shareholders' Equity

As of 31 March 2018, Total Shareholders' Equity was Baht 13,283.9 million, an increase of Baht 706.9 million from Baht 12,577.0 million at the end of 2017, mainly driven by the increase in Retained earnings

As at 31 March 2018, the Company's Debt-to-Equity ratio was 0.66x, improved from 0.70x at the end of 2017, while the Net Interest-bearing Debt-to-Equity ratio was 0.57x at the end of 1Q2018, improved from 0.58x at the end of 2017.

3. KEY FINANCIAL RATIOS

	31 December 2017	31 March 2018
Gross Profit Margin	33.1%	35.3%
Net Profit Margin ¹	53.5%	65.2%
Return on Equity	19.8%	22.2%
Debt/Equity Ratio	0.70x	0.66x
Net Interest-bearing Debt/Equity Ratio	0.58x	0.57x

¹ Net profit margin is calculated by dividing the Net Profit attributable to Owners of the Parent by Revenue from Sales and Services and Share of Profit from Investments in Associates and Joint Ventures and other income

Please be informed accordingly.

Sincerely,

Mr. Wisate Chungwatana
Chief Executive Officer