

No TTW/174/63

12 May 2020

Subject Explanation of the operating result of the 2020 first quarter as compared with 2019 first quarter

To The President
The Stock Exchange of Thailand

Performance analysis of the 2020 and 2019 first quarter

Description	Quarter 1 2020	Quarter 1 2019	Changes	
			+ / (-)	%
Total revenue	1,541.7	1,511.3	30.4	2.0
Total expenses	566.9	550.2	16.7	3.0
Profit (Loss) sharing from investment in associated company	(84.8)	35.3	(120.1)	(340.2)
Net profit for the year of TTW	637.9	737.9	(100.0)	(13.6)

The operating results of TTW Public Company Limited (“the Company”) and its subsidiaries for the 2020 and 2019 first quarter are Baht 637.9 million and Baht 737.9 million, respectively. As compared with the operating results for the same period of last year, the operating results of the Company and its subsidiaries decreased by Baht 100.0 million or representing a decrease of 13.6% mainly due to profit (loss) sharing from investment in associated company. The Company hereby clarified the significant changes as follows:

1) Revenues

Description	Quarter 1 2020	Quarter 1 2019	Changes	
			+ / (-)	%
Sales of treated water	1,504.6	1,468.4	36.2	2.5
Service income	29.8	29.4	0.4	1.4
Other income	7.3	13.5	(6.2)	(45.9)
Total revenues	1,541.7	1,511.3	30.4	2.0

Total revenues increased by Baht 30.4 million or representing an increase of 2.0% by the main reasons as follow:-

a) Sales of treated water increased by Baht 36.2 million or representing an increase of 2.5%.

Description	Quarter 1	Quarter 1	Changes	
	2020	2019	+ / (-)	%
Sales volume to PWA (million m ³)				
TTW	41.4	40.5	0.9	2.2
PTW	37.8	36.6	1.2	3.3
Sales of treated water to PWA				
TTW	968.3	949.8	18.5	2.0
PTW	485.7	466.6	19.1	4.1
Total sales of treated water to PWA	1,454.0	1,416.4	37.6	2.7
Sales of treated water to private sector agencies	50.6	52.0	(1.4)	(2.7)
Total sales of treated water	1,504.6	1,468.4	36.2	2.5

b) Other incomes decreased by Baht 6.2 million or representing a decrease of 45.9% mainly due to the return on cash balances is decrease return of last year.

2) Cost of sales of treated water and services

Description	Quarter 1	Quarter 1	Changes	
	2020	2019	+ / (-)	%
Depreciation and amortisation	238.5	225.1	13.4	6.0
Cost of production, distribution of tap water and other service costs	210.3	217.9	(7.6)	(3.5)
Total cost of sales of treated water and services	448.8	443.0	5.8	1.3

Cost of sales of treated water and services increased by Baht 5.8 million or representing an increase of 1.3% mainly due to depreciation expenses increased by Baht 13.4 million, the employee expenses increased by Baht 3.2 million, the electricity expenses increased

by Baht 2.8 million, while the maintenance expenses decreased by Baht 9.3 million, the chemical expenses decreased by Baht 2.6 million and the other expenses decreased by Baht 1.7 million.

3) Administrative expenses increased by Baht 10.2 million or representing an increase of 17.2% mainly due to CSR expenses increased by Baht 8.9 million and legal expenses increased by Baht 2.0 million.

4) Sharing of profit (loss) from investment in associated company decreased by Baht 120.1 million or representing a decrease of 340.2% mainly due to the decreased performance of CKP's subsidiaries

5) Financial costs decreased by Baht 8.5 million or representing a decrease of 10.3% due to repayment of long-term loans and debenture redemption of Baht 500 million.

Description	Quarter 1	Quarter 1	Changes	
	2020	2019	+ / (-)	%
Loans	3,285	3,360	(75)	(2.2)
Debentures	5,400	5,900	(500)	(8.5)

Please be informed accordingly.

Yours Faithfully,

(Mr. Somkiat Pattamamongkolchai)

Assistant Managing Director Administration Group