

No TTW/065/64

23 February 2021

Subject Explanation of the 2020 operating result as compared that of 2019

To The President
The Stock Exchange of Thailand

Performance analysis of year 2020 and 2019

Description	2020	2019	Changes	
			+ / (-)	%
Total revenue	6,192.9	6,151.4	41.5	0.7
Total expenses	2,372.5	2,297.0	75.5	3.3
Profit sharing from investment in associated company	101.1	280.3	(179.2)	(63.9)
Net profit for the year of TTW	2,951.5	3,127.9	(176.4)	(5.6)

The operating results of TTW Public Company Limited (“the Company”) and its subsidiaries for the year ended 31 December 2020 and 2019 are Baht 2,951.5 million and Baht 3,127.9 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 176.4 million or representing an decrease of 5.6%. The Company hereby clarified the significant changes as follows:

1) Revenues

Description	2020	2019	Changes	
			+ / (-)	%
Sales of treated water	6,059.4	5,993.4	66.0	1.1
Service income	120.2	119.5	0.7	0.6
Other income	13.3	38.5	(25.2)	(65.5)
Total revenues	6,192.9	6,151.4	41.5	0.7

Total revenues increased by Baht 41.5 million or representing an increase of 0.7% by the main reasons as follow:-

a) Sales of treated water increased by Baht 66.0 million or representing an increase of 1.1%.

Description	2020	2019	Changes	
			+ / (-)	%
Sales volume to PWA (million m ³)				
TTW	165.9	166.1	(0.2)	(0.1)
PTW	153.1	148.9	4.2	2.8
Sales of treated water to PWA				
TTW	3,887.5	3,875.9	11.6	0.3
PTW	1,969.2	1,897.4	71.8	3.8
Total sales of treated water to PWA	5,856.7	5,773.3	83.4	1.4
Sales of treated water to private sector agencies	202.7	220.1	(17.4)	(7.9)
Total sales of treated water	6,059.4	5,993.4	66.0	1.1

b) Other incomes decreased by Baht 25.2 million or representing a decrease of 65.5% because the return on cash balances is lower than return of last year.

2) Cost of sales of treated water and services

Description	2020	2019	Changes	
			+ / (-)	%
Depreciation and amortisation	971.0	925.9	45.1	4.9
Cost of production, distribution of tap water and other service costs	942.1	924.6	17.5	1.9
Total cost of goods sold and services	1,913.1	1,850.5	62.6	3.4

Cost of goods sold and services increased by Baht 62.6 million or representing an increase of 3.4% mainly due to depreciation expenses increased by Baht 45.1 million, the electricity expenses increased by Baht 19.6 million, the chemical expenses increased by Baht 2.4 million, while the maintenance expenses decreased by Baht 4.5 million.

3) Administrative expenses increased by Baht 12.3 million or representing an increase of 4.9% mainly due to the increase in CSR expenses.

4) Sharing of profit from investment in associated company decreased by Baht 179.2 million or representing a decrease of 63.9% mainly due to the decrease performance of CKP's subsidiaries from the drought situation.

5) Financial costs decreased by Baht 30.0 million or representing a decrease of 9.9% due to repayment of long-term loans and debenture redemption of Baht 500 million.

Description	2020	2019	Changes	
			(Dec.)	%
Loans	2,860.0	3,360.0	(500.0)	(14.9)
Debentures	5,400.0	5,900.0	(500.0)	(8.5)

6) The income tax decreases by Baht 11.6 million or representing a decrease of 1.7% because the Company has the lower profit as compared to the profit of the previous year.

Please be informed accordingly.

Yours Faithfully,

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