



**WP
ENERGY**

บริษัท ดับบลิวพี เอ็นเนอร์ยี จำกัด (มหาชน) WP ENERGY PUBLIC COMPANY LIMITED

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11 August 2021

Subject: Management Discussion and Analysis (MD&A) of the Company for the second quarter of the year 2021

To : President
The Stock Exchange of Thailand

WP Energy Public Company Limited (hereinafter refer to as “the Company”) and its subsidiaries (hereinafter refer to as “the Group”) would like to report change in operating result of the company for the second quarter of the year 2021 as follows;

For the second quarter of the year 2021, net profit of the Group was Baht 24.41 million, increasing Baht 7.44 million or 43.86% from Baht 16.97 million in the second quarter of the year 2020.

Please see further details in the “Management Discussion and Analysis of the Operating Performance for the second quarter of the year 2021” as attached herewith.

Please be informed accordingly

Yours sincerely,

- Noppavong Omathikul -

Deputy Chief Executive Officer in Finance and Corporate Support



Management Discussion and Analysis (MD&A) of the Operating Performance for the second quarter of the year 2021

The Group reported the performance for the second quarter of the year 2021 ended 30 June 2021, the Group's net profit was at Baht 24.41 million, increasing Baht 7.44 million or 43.86% compared with the second quarter of the year 2020. The total revenue was at Baht 2,760.22 million, increasing Baht 216.26 million or 8.50% compared with the same period last year. In addition, The Group reported EBITDA of Baht 137.13 million, increasing Bath 29.33 million or 27.20%. The key summaries are as follows;

Table of key financial results

(Unit: Million Baht)	Quarter 2	Quarter 2	Increase (Decrease)	Increase (Decrease)
	2021	2020	Amount	%
Total Revenue	2,760.22	2,543.95	216.26 ↑	8.50% ↑
Revenue from Sales and Services	2,702.27	2,505.66	196.61 ↑	7.85% ↑
Net Profit	24.41	16.97	7.44 ↑	43.86% ↑
Net Profit Margin (%)	0.88%	0.67%	0.22 pp ↑	
EBITDA	137.13	107.80	29.33 ↑	27.20% ↑

1) Revenue from Sales and Services

In the second quarter of the year 2021, the Group's revenue from Sales and Services was Baht 2,702.27 million, increasing Baht 196.61 million or 7.85% from Baht 2,505.66 million when compared to the same period last year. The increasing in revenue from Sales and Service was due to LPG Sale Volume was increased from 159,918 tons to 167,393 tons, increasing 7,475 tons or 4.67% and the average selling price was increasing 11% approximately resulting from an increasing sale volume in Commercial sector which the Company provided add-on service which resulted in an increasing in gross profit margin while sales in low margin sectors was reduced such as Gas Stations. This is in line with the company's strategy. In the first half of the year 2021, "World Gas" Brand was ranked No. 2 in industry or market share of 18%.

2) Selling expenses

In the second quarter of the year 2021, the Group's selling expenses was Bath 57.75 million, Accounting for 2.14% of Revenue from Sales and Services, increased Baht 9.29 million or 19.16% from the same period last year due to the increasing in sales volume resulting in an increasing of selling expenses, especially the transportation cost. However, the Group still maintained a tight control over expenses.

(Unit: Million Baht)	Quarter 2	Quarter 2	Increase (Decrease)	Increase (Decrease)
	2021	2020	Amount	%
Selling Expense	57.75	48.47	9.29 ↑	19.16% ↑

3) Administrative Expenses

In the second quarter of year 2021, the Group's administrative expenses was Baht 86.73 million, accounting for 3.21% of Revenue from Sales and Services which increased Baht 5.13 million or 6.29% from the same period last year due to the increasing in Depreciation of the company's new distribution centers.

(Unit: Million Baht)	Quarter 2	Quarter 2	Increase (Decrease)	Increase (Decrease)
	2021	2020	Amount	%
Administrative Expense	86.73	81.60	5.13 ↑	6.29% ↑

4) Profits

In the second quarter of year 2021, the Group reported gross profit of Baht 126.27 million or gross profit margin 4.67% and net profit of Baht 24.41 million or net profit margin 0.88%. The Group's gross profit and net profit increased by Baht 8.24 million or 6.98% and Baht 7.44 million or 43.86% from the second quarter of year 2020 respectively. In addition, the Group's EBITDA was Baht 137.13 million, increasing by 27.20%.

The increasing in net profit due to the increase in LPG sales and average selling price. In addition, the company controlled the expenditure and cut down on unnecessary expenses.

In addition, the Company was able to maintain its profitability due to flexible management by continually expanding to new market and new customers. This allowed the Company to be able to make good profits despite the severe outbreak of the COVID-19 situation compared to the same period of the previous year that was also affected by the outbreak of the COVID-19 situation.

(Unit: Million Baht)	Quarter 2	Quarter 2	Increase (Decrease)		Increase (Decrease)	
	2021	2020	Amount		%	
Gross Profit (Exclude Other Income)	126.27	118.03	8.24	↑	6.98%	↑
Gross Profit Margin (Exclude Other Income) (%)	4.67%	4.71%	-0.04	pp		↓
Net Profit	24.41	16.97	7.44	↑	43.86%	↑
Net Profit Margin(%)	0.88%	0.67%	0.22	pp		↑

5) Financial Status

As of 30 June 2021, The Group's total assets decreased by 0.07% from Baht 6,271.33 million at the end of year 2020 to Baht 6,267.23 million at the end of the second quarter of year 2021. The Group's total liabilities decreased by 0.08% from Baht 4,977.48 million at the end of last year to Baht 4,973.63 million at the end of the second quarter of year 2021 and the Group's total equity decreased by 0.02% from Baht 1,293.85 million at the end of last year to Baht 1,293.61 million at the end of the second quarter of year 2021. During the second quarter of year 2021, the Company paid dividend on performance result year 2020 in May 2021 at a rate of 0.20 baht / share, resulting in a decrease in retained earnings in Q2 2021.

For The group's financial status in the second quarter of year 2021, the Group's Debt to Equity ratio (D/E) was at 3.84 times decreasing from 3.85 times at the end of last year and Interest Bearing Debt to Equity ratio (IBD/E) was at 0.42 times decreasing from 0.44 times at the end of last year.



(Unit: Million Baht)	As of 30 June	As of 31 December	Increase (Decrease)	
	2021	2020	Amount	%
Total Assets	6,267.23	6,271.33	-4.10 ↓	-0.07% ↓
Total Liabilities	4,973.63	4,977.48	-3.85 ↓	-0.08% ↓
Interest Bearing Debt	539.29	575.73	-36.44 ↓	-6.33% ↓
Shareholder's Equity	1,293.61	1,293.85	-0.24 ↓	-0.02% ↓
D/E ratio (x)	3.84	3.85	0.00 ↓	
IBD/E ratio (x)	0.42	0.44	-0.03 ↓	

6) Cash Flow

As of 30 June 2021, the Group had cash and cash equivalents of Baht 549.01 million and short-term investments in money market and bond market of Baht 390.06 million which mainly from operating activities. Each year, the Group had an average EBITDA of approximately Baht 500-600 million which was sufficient for operations and expanding in the future.