



WP
ENERGY

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

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10 November 2021

Subject: Management Discussion and Analysis (MD&A) of the Company for the Third 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 third quarter of the year 2021 as follows;

For the third quarter of the year 2021, net profit of the Group was Baht 11.69 million, decreasing Baht 51.18 Million or 81.40% from Baht 62.87 million in the third quarter of the year 2020.

Please see further details in the “Management Discussion and Analysis of the Operating Performance for the third 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 third quarter of the year 2021

The Group reported the performance for the third quarter of the year 2021 ended 30 September 2021, the Group's net profit was at Baht 11.69 million, decreasing Baht 51.18 million or 81.40% compared with the third quarter of the year 2020. The total revenue was at Baht 2,838.11 million, decreasing Baht 223.21 million or 7.29% compared with the same period last year. In addition, The Group reported EBITDA of Baht 122.61 million, decreasing Bath 43.37 million or 26.13%. The key summaries are as follows;

Table of key financial results

(Unit: Million Baht)	Quarter 3	Quarter 3	Increase (Decrease)	Increase (Decrease)
	Year 2021	Year 2020	Amount	%
Total Revenue	2,838.11	3,061.33	-223.21 ↓	-7.29% ↓
Revenue from Sales and Services	2,796.58	3,010.64	-214.07 ↓	-7.11% ↓
Net Profit	11.69	62.87	-51.18 ↓	-81.40% ↓
Net Profit Margin (%)	0.41%	2.05%	-1.64 pp ↓	
EBITDA	122.61	165.99	-43.37 ↓	-26.13% ↓

1) Revenue from Sales and Services

In the third quarter of the year 2021, the Group's revenue from Sales and Services was Baht 2,796.58 million, decreasing Baht 214.07 million or 7.11% from Baht 3,010.64 million when compared to the same period last year. The decreasing in revenue from Sales and Service was impacted by the announcement of a nationwide curfew throughout the third quarter of 2021, resulting in a decrease in the total sales of LPG from 191,860 tons to 166,158 tons, decreasing 25,702 or 13.40%. However, the Group has focused on high potential customer in line with the Group's strategies to increase the profitability. In the first nine months of the year 2021, "World Gas" Brand was ranked No. 2 in industry or market share of 18%.

2) Selling expenses

In the third quarter of the year 2021, the Group's selling expenses was Bath 74.28 million, accounting for 2.66% of Revenue from Sales and Services, increased Baht 11.19 million or 17.74% from the same period last year due to the increasing of fuel cost and freight cost resulting in higher transportation cost. In addition, the Company has continuously incurred marketing expenses to promote brand "World Gas" during that period. However, the Group still maintained a tight control over other expenses.

(Unit: Million Baht)	Quarter 3	Quarter 3	Increase (Decrease)	Increase (Decrease)
	Year 2021	Year 2020	Amount	%
Selling Expense	74.28	63.09	11.19 ↑	17.74% ↑

3) Administrative Expenses

In the third quarter of year 2021, the Group's administrative expenses was Baht 76.37 million, accounting for 2.73% of Revenue from Sales and Services which decreased Baht 8.80 million or 10.33% from the same period last year.

(Unit: Million Baht)	Quarter 3	Quarter 3	Increase (Decrease)	Increase (Decrease)
	Year 2021	Year 2020	Amount	%
Administrative Expense	76.37	85.17	-8.80 ↓	-10.33% ↓

4) Profits

In the third quarter of year 2021, the Group reported gross profit of Baht 132.40 million or gross profit margin 4.73% and net profit of Baht 11.69 million or net profit margin 0.41%. The Group's gross profit and net profit decreased by Baht 47.47 million or 26.39% and Baht 51.18 million or 81.40% from the third quarter of year 2020 respectively. The Group's EBITDA was Baht 122.61 million, decreasing by 26.13%.

During the outbreak of COVID 19 situation throughout the third quarter of year 2021, the Group under brand "World Gas" By WP Energy, cooperated with Plan B media and Thai Gas Shop,

have continued to build Brand Awareness to help households and restaurants that have received impact from COVID 19 by providing free gas distribution, and assisting to promote restaurants via Plan B screens throughout the Bangkok area for restaurants in Bangkok, Nonthaburi and Samut Prakan areas affected by the COVID 19. This scheme has divided into 2 phases during August-September. Although such campaigns resulted in an increasing in selling expenses, the Group believes that creating a well-known brand will benefit the Group in the future.

(Unit: Million Baht)	Quarter 3	Quarter 3	Increase (Decrease)		Increase (Decrease)	
	Year 2021	Year 2020	Amount		%	
Gross Profit (Exclude Other Income)	132.40	179.86	-47.47	↓	-26.39%	↓
Gross Profit Margin (Exclude Other Income) (%)	4.73%	5.97%	-1.24	pp		↓
Net Profit	11.69	62.87	-51.18	↓	-81.40%	↓
Net Profit Margin(%)	0.41%	2.05%	-1.64	pp		↓

5) Financial Status

As of 30 September 2021, The Group's total assets increased by 1.43% from Baht 6,271.33 million at the end of year 2020 to Baht 6,360.88 million at the end of the third quarter of year 2021. The Group's total liabilities increased by 1.57% from Baht 4,977.48 million at the end of last year to Baht 5,055.58 million at the end of the third quarter of year 2021 and the Group's total equity increased by 0.88% from Baht 1,293.85 million at the end of last year to Baht 1,305.30 million at the end of the third quarter of year 2021.

For The group's financial status in the third quarter of year 2021, the Group's Debt to Equity ratio (D/E) was at 3.87 times increasing from 3.85 times at the end of last year and Interest Bearing Debt to Equity ratio (IBD/E) was at 0.43 times decreasing from 0.44 times at the end of last year.



(Unit: Million Baht)	As of 30	As of 31	Increase (Decrease)	
	September 2021	December 2020	Amount	%
Total Assets	6,360.88	6,271.33	89.55 ↑	1.43% ↑
Total Liabilities	5,055.58	4,977.48	78.10 ↑	1.57% ↑
Interest Bearing Debt	564.89	575.73	-10.84 ↓	-1.88% ↓
Shareholder's Equity	1,305.30	1,293.85	11.45 ↑	0.88% ↑
D/E ratio (x)	3.87	3.85	0.03 ↑	
IBD/E ratio (x)	0.43	0.44	-0.01 ↓	

6) Cash Flow

As of 30 September 2021, the Group had cash and cash equivalents of Baht 535.86 million and short-term investments in money market and bond market of Baht 390.41 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.