



**WP  
ENERGY**

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

เลขที่ 1 อาคารอีสท์ วอเตอร์ ชั้น 15 ซอยวิภาวดีรังสิต 5 ถนนวิภาวดีรังสิต แขวงจอบฟ้า เขตจตุจักร กรุงเทพฯ 10900  
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24 February 2022

Subject : Management Discussion and Analysis (MD&A) of the Company 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 operating result of the company year ended 2021 for more than 20% from the same period of last year as follows;

In 2021, net profit of the Group was Baht 88.47 million, decreasing Baht 78.27 million or 46.94% from Baht 166.74 million in 2020.

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

Please be informed accordingly

Your sincerely,

- Noppavong Omathikul -

Deputy Chief Executive Officer in Finance and Corporate Support

## Management Discussion and Analysis (MD&A) of the Operating Performance of the year 2021

The Group reported the performance of the year 2021 ended 31 December 2021, the Group's net profit was at Baht 88.47 million, decreasing Baht 78.27 million or 46.94% compared with 2020. The total revenue was at Baht 11,737.18 million, decreasing Baht 334.99 million or 2.77% compared with 2020. In addition, The Group reported EBITDA of Baht 540.14 million, decreasing Bath 26.19 million or 4.63%. The key summaries are as follows;

*Table of key financial results*

(Unit: Million Baht)	Year 2021	Year 2020	Increase (Decrease)	
			Amount	%
Total Revenue	11,737.18	12,072.17	-334.99 ↓	-2.77% ↓
Revenue from Sales and Services	11,540.36	11,877.81	-337.45 ↓	-2.84% ↓
Net Profit	88.47	166.74	-78.27 ↓	-46.94% ↓
Net Profit Margin (%)	0.75%	1.38%	-0.63 pp ↓	
EBITDA	540.14	566.34	-26.19 ↓	-4.63% ↓

### 1) Revenue from Sales and Services

In 2021, the Group's revenue from Sales and Services was Baht 11,540.36 million, decreasing Baht 337.45 million or 2.84% from Baht 11,877.81 million when compared with the year 2020 mainly due to COVID 19 throughout the year 2021 affecting the Group's revenue especially in Auto Gas sector due to the lower demand for LPG from the lockdown announcement which impacted on any activities. This was the main reason for the decrease in LPG sales of the Group from 724,825 tons to 696,157 tons. However, the Company's strategy in expanding distribution center throughout the country resulted the Company's sales in year 2021 was not severely affected comparing with year 2020. According to the Group's strategy to focus on high potential customers , the company has been successful in increasing sales in high potential customers in year 2021. The Sale volume in Industrial sector increased 20% YoY while there was 2% YoY increasing in Cooking sector which increased more than market. In addition, Year 2021, the company exported to other country, starting from exporting to Vietnam in total amount of 18,581 tons. The revenue from export supported the company's total Sale Volume.

In 2021, the Company was ranked No. 2 in industry or market share of 18%.

## 2) Selling expenses

In 2021, the Group's selling expenses was Baht 254.10 million, accounting for 2.2% of Revenue from Sales and Services, increasing Baht 3.45 million or 1.38 % from 2020 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.

(Unit: Million Baht)	Year 2021	Year 2020	Increase (Decrease)	Increase (Decrease)
			Amount	%
Selling Expense	254.10	250.65	3.45 ↑	1.38% ↑

## 3) Administrative Expenses

In 2021, the Group's administrative expenses was Baht 359.29 million, accounting for 3.11% of Revenue from Sales and Services which increased Baht 8.50 million or 2.42% from 2020 due to the increase in depreciation & Amortization from new distribution centers and the provision of investment in Subsidiaries Company.

(Unit: Million Baht)	Year 2021	Year 2020	Increase (Decrease)	Increase (Decrease)
			Amount	%
Administrative Expense	359.29	350.79	8.50 ↑	2.42% ↑

## 4) Profits

In 2021, the Group reported gross profit of Baht 561.20 million or gross profit margin 4.86% and net profit of Baht 88.47 million or net profit margin 0.75%. The Group's gross profit and net profit decreased by Baht 79.90 million or 12.46% and Baht 78.27 million or 46.94% from 2020 respectively. In addition, the Group's EBITDA was Baht 540.14 million, decreasing by 4.63%.

Overall, the main reasons of the decreasing in the group's profit were resulted from the decreasing in Sale revenue, the increasing in depreciation from Gas Terminal Bangpakong

Phase 3 approximately Baht 40 million and the provision of investment in Subsidiaries Company approximately in amount of Baht 18 million. Whereas, the Group's EBITDA slightly decreased from lower sales volume.

(Unit: Million Baht)	Year 2021	Year 2020	Increase (Decrease) Amount	Increase (Decrease) %
Gross Profit (Exclude Other Income)	561.20	641.10	-79.90 ↓	-12.46% ↓
Gross Profit Margin (Exclude Other Income) (%)	4.86%	5.40%	-0.53 pp ↓	
Net Profit	88.47	166.74	-78.27 ↓	-46.94% ↓
Net Profit Margin(%)	0.75%	1.38%	-0.63 pp ↓	

## 5) Financial Status

As of 31 December 2021, The Group's total assets increased by 2.46% from Baht 6,271.33 million at the end of year 2020 to Baht 6,425.56 million at the end of year 2021. The Group's total liabilities increased by 2.43% from Baht 4,977.48 million last year to Baht 5,098.27 million at the end of year 2021 and the Group's total equity increased by 2.58% from Baht 1,293.85 million last year to Baht 1,327.29 million at the end of year 2021 due to an increase in share premium received from the difference between the selling price and the cost of the treasury shares.

For the Group's financial status in 2021, the Group's Debt to Equity ratio (D/E) was at 3.84 times. Interest Bearing Debt to Equity ratio (IBD/E) was at 0.37 times decreasing from 0.44 times at the end of last year due to loan repayment.

(Unit: Million Baht)	As of 31 December 2021	As of 31 December 2020	Increase (Decrease) Amount	Increase (Decrease) %
Total Assets	6,425.56	6,271.33	154.23 ↑	2.46% ↑
Total Liabilities	5,098.27	4,977.48	120.79 ↑	2.43% ↑
Interest Bearing Debt	491.27	575.73	-84.46 ↓	-14.67% ↓
Shareholder's Equity	1,327.29	1,293.85	33.44 ↑	2.58% ↑
D/E ratio (x)	3.84	3.85	-0.01 ↓	
IBD/E ratio (x)	0.37	0.44	-0.07 ↓	



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## 6) Cash Flow

As of 31 December 2021, the Group had cash and cash equivalents of Baht 622.97 Million and short-term investments in money market and bond market of Baht 90.73 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.