



บริษัท สแกน อินเตอร์ จำกัด (มหาชน)

SCAN INTER PUBLIC COMPANY LIMITED

355 ถนนบอนด์สตรีท ตำบลบางพูด อำเภอปากเกร็ด จังหวัดนนทบุรี 11120

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Management Discussion & Analysis For the Financial Result of the Fiscal Year Ended December 31, 2021

EXECUTIVE SUMMARY

SIGNIFICANT EVENTS

Cooperate with a big energy company from Japan to jointly operate natural gas business which aims to expand the business internationally. The company completed the transaction under the Share Purchase Agreement in subsidiary of the Company "Thai-Japan Gas Network Co., Ltd." with a total project value of THB 639.0 million.

According to the significant growth in iCNG business and also the potential to be a leader in natural gas business of the Company which attracts the attention and interest from the big company from Japan, "Shizuoka Gas Company Limited (SZG)", a company listed in Tokyo Stock Exchange. On 5 August 2021, SZG has entering into Share Sale and Purchase Agreement to acquire company shares of Thai-Japan Gas Co., Ltd. (TJN), a subsidiary of SCN that operates iCNG and iLNG business. SZG will acquire 49% of the total issued shares in TJN. With a total project value of THB 639.0 million, registered capital of THB 412.0 million, After joining the investment, it will enlarge the customer base of iCNG and iLNG users which is expected to increase the sales volume of iCNG from 5,000 MMBTU per day to be 10,000 MMBTU per day.

On 7 January 2022 SCN completed the transaction under the Share Purchase Agreement which sold 49% of TJN's share to SZG and SCN earn THB 313.1 million in cash. However, the company doesn't record the revenue this year.

Scan Inter Plc. won NGV service station maintenance contracts of PTT, it worth more than THB 195 million

SCN won two maintenance contracts that owned by PTT, which is a maintenance and repair contract for PTT NGV service station covering Bangkok Metropolis and Vicinity area, totaled 150 stations. The period of the contract is 2 years, and it is worth approximately THB 195 million. The company will start operations and revenue recognition on 1 January 2021.

SCN won two bidding of PTT transport project, it worth more than THB 179 million

The Company won two third-party logistics contracts to become the transporter of natural gas for vehicles (NGV) from PTT Lad Lum Kaew (Mother Station) and PTT Sam Kok to the Daughter Station covering Bangkok Metropolis and Vicinity area. The period of the contract is 2 years, and it is worth THB 179 million. The company will start the operations and revenue recognition from this contract in July 2021 and December 2021, respectively.

Official Commercial Operation Date (COD) for 7Solar Rooftop projects (Private PPA) with a total capacity 10 MW

In 2021, the Solar Rooftop projects, Private PPA (P-PPA), have achieved additional COD for 7 projects with a total capacity of 10 Megawatt. At the end of 2021, SAP has Private PPA totaled 19 Megawatt. In addition, SCN received SAP's share of profit in the amount of THB 13 million.

Scan ICT Co.,Ltd was founded for investing in information technology

On 18 January 2021, Scan Inter Plc., and its partner jointly established SCN ICT Co., Ltd. or "Scan ICT" with SCN holding 51% of the shares. The objective is to support the expansion of information technology systems relating to computers, information technology equipment, internet, and televisions which are constantly evolving and expanding in all business sectors. The company has recorded SCAN ICT revenue of THB 31.4 million in 2021.



KEY FINANCIAL HIGHLIGHT

Unit : Million Baht

| | Q4'2563 | Q4'2564 | % YoY | 2563 | 2564 | % YoY |
|---------------------------------|---------|---------|--------|---------|---------|-------|
| Revenue from sales and services | 382.0 | 493.9 | 29.3% | 1,495.7 | 1,685.9 | 12.7% |
| EBITDA | 57.2 | 92.8 | 62.2% | 303.9 | 314.2 | 3.4% |
| Net Profit | -3.4 | 26.7 | 885.3% | 43.4 | 69.0 | 59.0% |
| EBITDA Margin (%) | 15.0% | 18.8% | 3.8% | 20.3% | 18.6% | -1.7% |
| Net Profit Margin (%) | -0.9% | 5.4% | 6.3% | 2.9% | 4.1% | 1.2% |

Revenue

- Revenue from sales and services in 2021 increased by 12.7% from the previous year to THB 1,685.9 million, the main reasons were due to (1) increase in oil price resulting to increase in demand for iCNG (2) increase in NGV service station maintenance revenue was from new NGV service station maintenance contract that the company won bidding from PTT (3) increase in transport volumes from the increasing demand for gas, including the company won bidding for PTT natural gas transport. (4) begin recognition of revenue from automotive spare parts selling since Q1'2021 (5) increase in revenue from Solar Rooftop spare parts selling, and (6) begin recognition of revenue from SCAN ICT since Q2'2021, all of these affected the significant increase in revenue and service

EBITDA

- EBITDA in 2021 increased by 3.4% from the previous year to THB 314.2 million, consistent with the significantly higher revenue from sales and services, including increased profitability in gas-related and logistic business as a result of increasing demand for natural gas and also effective cost management in the natural gas business more than the previous year as well as increased profitability from starter operation in automotive spare parts selling and ICT business through SCAN ICT. Moreover, SCN got flourish amount of shared profit contribution from GEP and SAP which affected the EBITDA rose THB 10.3 million from with previous year.

Net Profit

- Net Profit in 2021 increased by 59.0% from the previous year to THB 69.0 million, on the back of profit increasing from all businesses especially profitability in natural gas-related and Logistics business and also a huge amount of share profit contribution from the investment in Solar Power Plant - Minbu District, Myanmar, and Solar Rooftop projects through Scan Advance Co., Ltd. Moreover, SCN has started a new business, automotive spare parts selling and SCAN ICT. As a result, the Net Profit Margin increased to 4.1%

However, the overdue balance of the client due to the impact of COVID-19 situation affected the Company to record impairment loss determined in accordance with the accounting standard, TFRS 9 amount of THB 37.8 million in 2021. Also if the client has made payment, the Company is able to record revenue afterward and the company has one-time special expense THB 11.0 million from assets transfer transaction which transfer iCNG business to Thai-Japan Gas Co., Ltd. (TJN) in order to sell 49% of TJN's share to Well-known energy company from Japan "Shizuoka Gas Company Limited (SZG). Hence, if deducting the impact from impairment loss (TFRS 9) and special expense from assets transfer (TJN), the adjusted Net Profit is THB 117.8 million (increased by 171.4% YoY).



FINANCE PERFORMANCE

REVENUE STRUCTURE

Unit : Million Baht

| | Q4'2563 | Q4'2564 | % YoY | 2563 | 2564 | % YoY |
|--|--------------|--------------|--------------|----------------|----------------|--------------|
| Natural Gas-related | 225.2 | 286.0 | 27.0% | 981.2 | 1,065.8 | 8.6% |
| Automotive | 19.1 | 35.8 | 87.4% | 76.3 | 140.0 | 83.5% |
| Renewable Energy | 42.8 | 64.7 | 51.2% | 113.2 | 145.5 | 28.5% |
| Logistic & Others | 94.9 | 107.4 | 13.2% | 325.0 | 334.6 | 3.0% |
| Revenue from Sales and Services | 382.0 | 493.9 | 29.3% | 1,495.7 | 1,685.9 | 12.7% |

Natural Gas-related

- **Revenue from Natural gas-related business in 2021 increased by 8.6% from the previous year to THB 1,065.8 million**, mainly resulted from the increase in oil prices and the customers in industrial groups that are able to adapt to the business operation during the COVID-19 situation better than the first wave in 2020 resulting to increase in demand of natural gas especially industrial compressed natural gas (iCNG) that increased by 57.3% YoY. In addition, the revenue from the maintenance of NGV service station increased lead to the increase in revenue from natural gas-related business.

Automotive

- **Revenue from Automotive in 2021 increased by 83.5% from the previous year to THB 140.0 million.** In addition to the Company's revenue received from maintenance contract for 489 NGV buses which are able to operate well. The Company was also able to recognize the revenue from sales of automotive spare parts which have started since Q2/2564 that affect the significant increase in Automotive revenue.

Renewable Energy

- **Revenue from Renewable Energy in 2021 increased by 28.5% from the previous year to THB 145.5 million**, mainly due to the increase in electricity sales of 1.27 MW solar power plant in Kalasin and increase in sales volume of solar spare parts.

Logistics and Others

- **Revenue from Logistics and Others in 2021 increased by 3.0% from the previous year to THB 334.6 million**, mainly from the Logistics revenue which greater than the previous year of 19.1%. Also, starting to recognize revenue from SCAN ICT that provides comprehensive information technology service that began to recognize revenue since Q2/21 in the amount of THB 31.4 million.

Unit : Million Baht



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GROSS PROFIT STRUCTURE

| | Q4'2563 | Q4'2564 | % YoY | 2563 | 2564 | % YoY |
|-------------------------------------|-------------|-------------|--------------|--------------|--------------|--------------|
| Natural Gas-related | 34.2 | 43.5 | 27.2% | 121.3 | 156.0 | 28.6% |
| Automotive | 3.2 | 4.8 | 50.0% | 12.2 | 18.9 | 54.9% |
| Renewable Energy | 10.9 | 18.6 | 70.6% | 48.4 | 51.2 | 5.8% |
| Logistic & Others | -2.2 | 3.1 | 240.9% | -21.8 | -4.2 | 80.7% |
| Total Gross Profit | 46.1 | 70.0 | 51.8% | 160.1 | 221.9 | 38.6% |
| Selling, General and Administrative | 49.9 | 49.5 | -0.8% | 173.0 | 177.2 | 2.4% |
| Depreciation & Amortization | 41.3 | 46.2 | 11.9% | 176.6 | 173.1 | -2.0% |

Natural Gas-related

- **Gross Profit in 2021 increased by 28.6% from the previous year to THB 156.0 million**, mainly from the significant increase in revenue of Natural gas-related business due to the increase in demand of natural gas and also effective cost management in industrial compressed natural gas (iCNG) business and higher gross profit in NGV service station maintenance business lead to the increase in gross profit of natural gas-related business.

Automotive

- **Gross Profit in 2021 increased by 54.9% from the previous year to THB 18.9 million**, mainly due to the additional gross profit from selling automotive spare parts amount of THB 6.1 million. Also, the service operation under the maintenance contract for 489 NGV buses affected the Company to realize an increase in gross profit for the automotive business.

Renewable Energy

- **Gross Profit in 2021 increased by 5.8% from the previous year to THB 51.2 million**, mainly from an increase in gross profit of 1.27 MW solar power plant in Kalasin resulting to the higher gross profit of renewable energy business.

Logistic & Others

- **Gross Profit in 2021 increased by 80.7% from the previous year to THB -4.2 million**, mainly due to the gross profit of logistic business has increased more than 100% YoY and recognize the gross profit from the business under SCAN ICT which provide comprehensive information technology services since Q2/2021.



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Other income

Unit : Million Baht

| | Q4'2563 | Q4'2564 | % YoY | 2563 | 2564 | % YoY |
|-------------------------------|---------|---------|--------|------|------|-------|
| Other income | 9.9 | 20.3 | 105.1% | 66.7 | 63.4 | -4.9% |
| Share of gain from associates | 9.7 | 17.3 | 78.4% | 75.8 | 72.0 | -5.0% |

Other income

- **Other income in 2021 decreased by 4.9% from the previous year to THB 63.9 million**, mainly due to the recognition of special income from land expropriation in Q1'2020, in the amount of THB 23 million.

Share of gain from associates

- **Share of gain from associates decreased by 5.0% from the previous year to THB 72.0 million**, mainly from the recognition of profit from investment in Solar Power Plant - Minbu district, Myanmar amount of THB 59 million (decreased by 14.0% YoY due to the special expense from the preparedness of raising fund in the stock market). However, SCN has a higher amount of share profit from the solar rooftop projects through Scan Advance Power Co., Ltd. (SAP) amount of THB 13 million (increased by 83.1% YoY due to an additional 4.9 MW to 10 MW COD capacity in 2021).

FINANCE COST AND GAIN (LOSS) ON EXCHANGE RATES

Unit : Million Baht

| | Q4'2563 | Q4'2564 | % YoY | 2563 | 2564 | % YoY |
|-------------------------------|---------|---------|--------|------|------|---------|
| Finance costs | 19.3 | 19.8 | 2.6% | 73.7 | 78.9 | 7.1% |
| Gain (loss) on exchange rates | -0.9 | 0.1 | 111.1% | 1.1 | -0.9 | -181.8% |

Finance costs

- **Finance costs increased by 7.1% from the previous year to THB 78.9 million**, mainly from investment in new projects that generated higher revenue as well as investment in solar power plant project in Minbu, Myanmar in late 2020 in order to complete within the target plan and ready to COD phase 2, capacity 50 MW within 2021, phase 3 and phase 4, capacity 50 MW and 70 MW respectively within 2022.



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ABBREVIATION

| | |
|-------|--|
| COD | Commercial Operation Date |
| COVID | Corona Virus Disease |
| GEP | Green Earth Power (Thailand) Company Limited |
| iCNG | Industrial Compressed Natural Gas |
| NGV | Natural Gas Vehicle |
| MW | Megawatt |
| PMS | Private Mother Station |
| P-PPA | Private Power Purchase Agreement |
| SCN | Scan Inter Public Company Limited |
| SZG | Shizuoka Gas Company Limited |
| TJN | Thai-Japan Gas Company Limited |
| TFRS | Thai Financial Reporting Standards |
| THB | Thai Baht |

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