



7UP020/65

May 12, 2022

Subject: Management Discussion and Analysis for quarter 1/2022 of Seven Utilities and Power Public Company Limited

To: The President

The Stock Exchange of Thailand

Seven Utilities and Power Public Company Limited (“the Company”) would like to report the operating results of the Company and its subsidiaries for quarter 1/2022, ended March 31, 2022 are as follows:

Statement of profit or loss

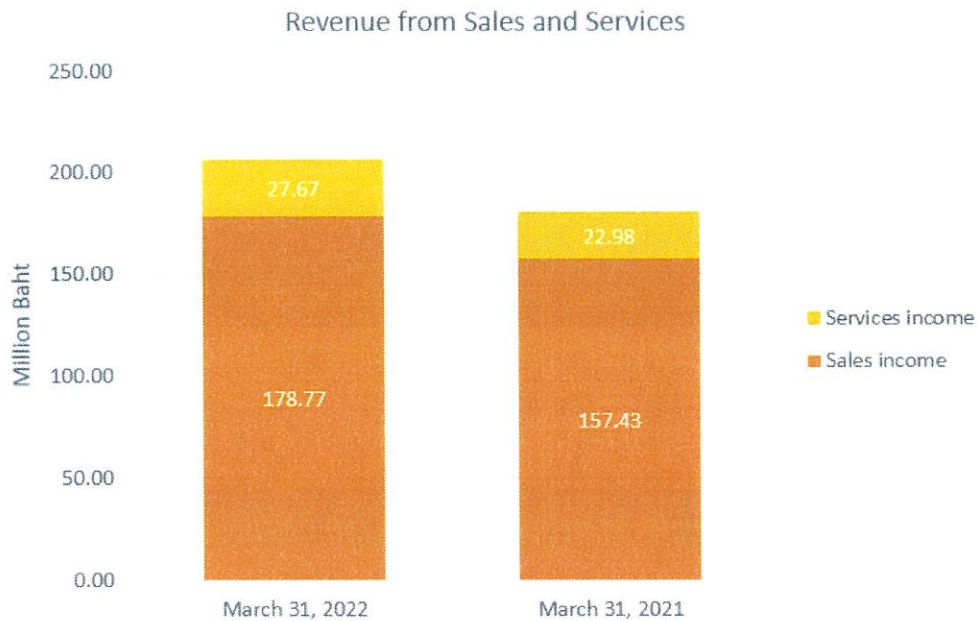
Statement of comprehensive income	Consolidated financial statements (Thousand Bath)					
	31 Mar 22	%	31 Mar 21	%	YOY	%YOY
Sales	178,770	83.87%	157,430	83.80%	21,340	13.56%
Service income	27,670	12.98%	22,977	12.23%	4,693	20.42%
Other income	6,718	3.15%	7,462	3.97%	(744)	9.97%
Total revenues	213,158	100.00%	187,869	100.00%	25,289	13.46%
Cost of sales	(163,106)	76.52%	(138,800)	73.88%	(24,306)	17.51%
Cost of services	(23,342)	10.95%	(15,167)	8.07%	(8,175)	53.90%
Selling expenses	(4,674)	2.19%	(5,659)	3.01%	985	17.41%
Administrative expenses	(41,119)	19.29%	(45,845)	24.40%	4,726	10.31%
Gain on sale of investment in associate	-	-	123,412	65.69%	(123,412)	100.00%
Finance cost	(7,594)	3.56%	(7,944)	4.23%	350	4.41%
Reversal of allowance for loans and interest	-	-	3,485	1.86%	(3,485)	100.00%
Share of profit from investment in associates	1,292	0.61%	2,963	1.58%	(1,671)	56.40%
Profit (loss) before income tax expenses	(25,385)	11.91%	104,314	55.52%	(129,699)	124.34%
Income tax expenses	(1,781)	0.84%	(714)	0.38%	(1,067)	149.44%
Profit (loss) for the periods	(27,166)	12.74%	103,600	55.14%	(130,766)	126.22%

Remark: Financial ratio is based on common-size analysis to total revenue

Overall business operation 3 months

For quarter 1/2022, Seven Utilities and Power Public Company Limited and its subsidiaries has net loss of Baht 27.17 million. Loss increased from quarter 1/2021 by Baht 130.77 million or 126.22%.

Revenue 3 months



For quarter 1/2022, the Company has sales and services income of Baht 206.44 million, which increased from quarter 1/2021 by Baht 26.03 million or 14.43%. Sales income of Baht 178.77 million, mostly consists of revenue from the sale of LPG and oil by Baht 173.31 million and revenue from the sale of electricity by Baht 5.46 million. Services income amounting to Baht 27.67 million, mostly consists of revenue from waste water management services and water production management by Baht 22.31 million and revenue from LPG and oil station management by Baht 5.36 million.

Sales and services income increased by Baht 26.03 million mostly came from revenue from LPG and oil station business was increased by Baht 19.04 million due to better situation of COVID-19 pandemic which cause both private and business to recover and the usage of LPG and oil are higher. Furthermore, increased by Baht 9.63 million from revenue of utilities business which was the company's subsidiary since 29 December 2021.

Non-recurring Incomes



For quarter 1/2022, the Company has other incomes and non-recurring incomes of Baht 8.01 million which decreased from quarter 1/2021 by Baht 129.31 million or 94.17%. Other incomes and non-recurring incomes of Baht 8.01 million, mostly came from the following;

- Other incomes of Baht 6.72 million, mostly consists of rental income and utilities of Baht 2.98 million, and dividend income of Baht 1.68 million.
- Share of profit from investment in associates of Baht 1.29 million.

Revenue, Cost and Operation by Segment

(Unit: Million Baht)

Gross Profit by Segment	March 31, 2022	March 31, 2021	Changes	
			YOY	%YOY
<u>LPG and oil station business</u>				
Revenues from sales and rendering of services	178.67	159.63	19.04	11.93%
Cost of sales and rendering of services	(162.23)	(141.11)	(21.12)	14.97%
Gross Profit by Segment	16.44	18.52	(2.08)	11.23%
Gross Profit Margin	9.20%	11.60%		
<u>Renewable energy business</u>				
Revenues from sales and rendering of services	5.46	7.10	(1.64)	23.10%
Cost of sales and rendering of services	(4.06)	(4.22)	0.16	3.79%
Gross Profit by Segment	1.40	2.88	(1.48)	51.39%
Gross Profit Margin	25.64%	40.56%		
<u>Trunked radio and Internet of Things (IoT)</u>				
Revenues from sales and rendering of services	-	1.00	(1.00)	100.00%
Cost of sales and rendering of services	-	(0.78)	0.78	100.00%
Gross Profit by Segment	-	0.22	(0.22)	100.00%
Gross Profit Margin	-	22.00%		
<u>Utilities business</u>				
Revenues from sales and rendering of services	22.31	12.68	9.63	75.95%
Cost of sales and rendering of services	(20.11)	(7.86)	(12.25)	155.85%
Gross Profit by Segment	2.20	4.82	(2.62)	54.36%
Gross Profit Margin	9.86%	38.01%		
Total Gross Profit before Eliminations	20.04	26.44	(6.40)	24.21%
<u>Less</u> Eliminate transactions	(0.05)	-	(0.05)	-
Total Gross Profit	19.99	26.44	(6.45)	24.39%
Gross Profit Margin	9.68%	14.66%		

Cost of sales and services 3 months

Cost of sales and services for quarter 1/2022 of Baht 186.45 million, which increased from quarter 1/2021 by Baht 32.48 million or 21.10%, which consists of increase in cost of sales and services of Baht 24.31 million and Baht 8.17 million, respectively. Consists of Cost of sales and services mostly came from the following;

- LPG and oil station business of Baht 162.23 million mainly from purchasing LPG and oil amounting to Baht 159.05 million and cost from sales management amounting to Baht 3.18 million.
- Utilities business of Baht 20.11 million which is cost of water distribution management amounting to Baht 12.85 million and waste water management services amounting to Baht 7.26 million.
- Renewable energy business of Baht 4.06 million which is cost of electricity production in whole amount.

Gross Profit 3 months

Gross profit for quarter 1/2022 and quarter 1/2021 were Baht 19.99 million and Baht 26.44 million, respectively. Gross profit decreased by Baht 6.45 million or 24.39%. Consists of Gross profit mostly came from the following;

- LPG and oil station business of Baht 16.44 million mainly from gross profit on sale of LPG and oil amounting to Baht 14.26 million and gross profit from sales management amounting to Baht 2.18 million.
- Renewable energy business of Baht 1.40 million which is gross profit from sale electricity in whole amount.
- Utilities business of Baht 2.20 million which is gross profit from waste water management services and water distribution management.

Selling and Administrative Expenses 3 months

Selling and administrative expenses for quarter 1/2022 is equal to Baht 45.79 million, which decreased from quarter 1/2021 by Baht 5.71 million, or 11.09%. Selling and administrative expenses for quarter 1/2022 are from selling expenses amounting to Baht 4.67 million, which is selling expenses from LPG and oil business and administrative expenses amounting to Baht 41.12 million, mainly due to management expenses, employee expenses, utilities audit fees, depreciations and amortizations.

Financial Cost 3 months

For quarter 1/2022, the Company's finance cost is Baht 7.59 million, which decreased from quarter 1/2021 by Baht 0.35 million, or 4.41%, which mostly resulted from borrowings from financial institutions.

Net Profit (Loss) for the Period 3 months

Results of operations for quarter 1/2022, the Company has a net loss of Baht 27.17 million, which the Company decreased in operation from quarter 1/2021 by Baht 130.77 million, or 126.22%.

Statement of Financial Position

(Unit: Thousand Baht)

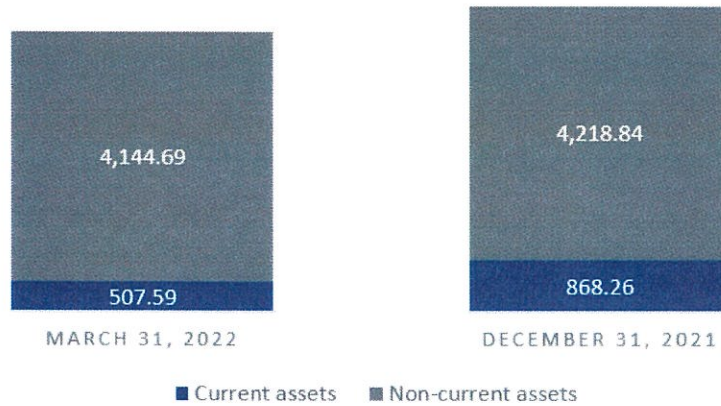
Statement of Financial Position	Consolidated Financial Statement as of		Changes	Changes %
	31 Mar 22	31 Dec 21		
Total Assets	4,652,282	5,087,095	(434,813)	8.55%
Total Liabilities	1,311,983	1,719,534	(407,551)	23.70%
Equity Attributable to Owners of the Company	2,613,649	2,633,225	(19,576)	0.74%
Non-Controlling Interests	726,650	734,336	(7,686)	1.05%
Total Shareholders' Equity	3,340,299	3,367,561	(27,262)	0.81%

Total assets of the Company as at March 31, 2022 amounting to Baht 4,652.28 million, as at December 31, 2021 of Baht 5,087.09 million, decreased by Baht 434.81 million or 8.55%. Total assets mostly consist of property, plant and equipment amounting to Baht 1,773.05 million, intangible assets amounting to Baht 1,522.73 million, investment in associated amounting to Baht 366.12 million, trade and other current receivables amounting to Baht 253.74 million, goodwill amounting to Baht 165.47 million, right-of-use assets amounting to Baht 149.21 million and cash and cash equivalents amounting to Baht 105.53 million

The total liabilities of the Company as at March 31, 2022 was Baht 1,311.98 million and as at December 31, 2021, was Baht 1,719.53 million, which decreased by Baht 407.55 million or 23.70%. Total liabilities mostly came from deferred tax liabilities amounting Baht 364.61 million, trade and other payables amounting Baht 330.32 million, borrowings from financial institutions amounting to Baht 285.47 million, liabilities under lease agreements amounting of Baht 164.11 million.

Shareholders' equity as at March 31, 2022 amounting to Baht 3,340.30 million, while balance as at December 31, 2021, amounting to Baht 3,367.56 million, decreased by Baht 27.26 million or 0.81%.

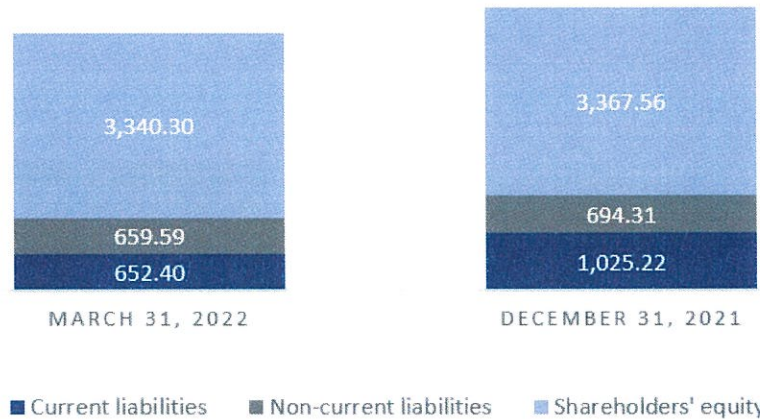
TOTAL ASSETS



As at March 31, 2022, the Company has total assets by Baht 4,652.28 million which decreased from December 31, 2021 by Baht 434.81 million, or 8.55% mostly came from

- Trade and other receivables decreased by Baht 306.09 million which mostly came from decrease in other receivables – non-related parties and prepaid expenses by Baht 270.00 million and Baht 32.30 million, respectively.
- Cash and cash equivalents decreased by Baht 60.25 million. while cash and cash equivalent at the beginning of the period by Baht 165.78 million, therefore, cash and cash equivalents at the period ended amounting to Baht 105.53 million. Decreasing in cash by Baht 60.25 million mainly came from cash outflow from non-related persons and related parties and long-term loan from financial institution by Baht 276.01 million and Baht 27.70 million, respectively and interest payment by Baht 19.75 million, however, there are cash inflow from sell an investment in associated amounting to Baht 270.00 million.

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY



As at March 31, 2022, the Company has total liabilities by Baht 1,311.98 million which decreased from December 31, 2021 by Baht 407.55 million, or 23.70%, mostly came from

- Short-term loan from non-related persons and related parties by Baht 276.01 million
- Trade and other payables decreased by Baht 73.31 million which mostly came from the decrease in trade and accrued interest on loan from non-related parties by Baht 45.94 million and Baht 12.17 million, respectively.
- Liabilities under financial lease decreased by Baht 20.87 million.

As at March 31, 2022, Shareholders' equity of the Company amounting to Baht 3,340.30 million, which decreased from December 31, 2021 by Baht 27.26 million or 0.81% due to net loss of the current period that cause a decrease in retain earning by Baht 19.48 million.

Company's liquidity

(Unit: Million Baht)

Details	Consolidate financial statement	
	For the period ended	For the period ended
	March 31, 2022	March 31, 2021
Net cash provided by (used in) operating activities	(2.39)	18.12
Net cash provided by (used in) investing activities	274.29	(171.18)
Net cash provided by (used in) financing activities	(332.15)	190.02
Net increase (decrease) in cash and cash equivalents	(60.25)	36.96
Cash and cash equivalents at the beginning of the period	165.78	116.47
Cash and cash equivalents at the end of the period	105.53	153.43

The Company's liquidity for the period ended March 31, 2022, the Company has net decreased in cash and cash equivalents by Baht 60.25 million, while cash and cash equivalent at the beginning of the period by Baht 165.78 million, therefore cash and cash equivalent balance at the period ended amounting to Baht 105.53 million, cash flow activities are as follows:

Net cash outflow used in operating activities amounting to Baht 2.39 million due to the Company has profit before income tax by Baht 25.39 million while add back by non-cash transactions by Baht 48.45 million, which is the consist of depreciation expense and amortization expense by Baht 28.42 million and 18.79 million, respectively. Moreover, cash outflow used in operating activities by Baht 25.17 million and the Company has cash outflow on payment for income tax by Baht 0.28 million.

Net cash inflow provided by investment activities amounting to Baht 274.29 million mostly came from cash inflow from sell an investment in associated amounting to Baht 270.00 million.

Net cash outflow used in financing activities amounting to Baht 332.15 million mostly came from cash repayment for short-term borrowing from non-related persons and non-related parties by Baht 276.01 million, long-term loan from financial institution and Baht 27.70 million and interest payment by Baht 19.75 million.



For financing activities to support current operations and future investment, The Group has a policy to provide source of investment funds from financial institutions and investors which have knowledge and capabilities in that business. In addition, the Group has a debt to equity ratio and interest coverage ratio are 0.39 times and 2.34 times, respectively, indicating that the Group has sufficient solvency and there was no default on repayment to financial institutions.

Please be informed accordingly.

Yours Sincerely,

(Ms.Poonchaya Patkotchakorn)

Chief Financial Officer