



**WP
ENERGY**

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

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12 May 2022

Subject: Management Discussion and Analysis (MD&A) of the Company for the first quarter of the year 2022

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 first quarter of the year 2022 for more than 20% from the same period of last year as follows;

For the first quarter of the year 2022, net profit of the Group was Baht 18.54 million, decreasing Baht 11.83 million or 38.96% from Baht 30.38 million in the first quarter of the year 2021.

Please see further details in the “Management Discussion and Analysis of the Operating Performance for the first quarter of the year 2022” 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 for the first quarter of the year 2022

The Group reported the performance for the first quarter of the year 2022 ended 31 March 2022, the Group's net profit was at Baht 18.54 million, decreasing Baht 11.83 million or 38.96% compared with the first quarter of the year 2021. The total revenue was at Baht 3,331.89 million, increasing Baht 485.44 million or 17.05% compared with the same period last year. In addition, The Group reported EBITDA of Baht 135.20 million, decreasing Bath 6.15 million or 4.35%. The key summaries are as follows;

Table of key financial results

(Unit: Million Baht)	Quarter 1 2022	Quarter 1 2021	Increase (Decrease) Amount	Increase (Decrease) %
Total Revenue	3,331.89	2,846.45	485.44 ↑	17.05% ↑
Revenue from Sales and Services	3,283.01	2,801.84	481.16 ↑	17.17% ↑
Net Profit	18.54	30.38	-11.83 ↓	-38.96% ↓
Net Profit Margin (%)	0.56%	1.07%	-0.51 pp ↓	
EBITDA	135.20	141.35	-6.15 ↓	-4.35% ↓

1) Revenue from Sales and Services

In the first quarter of the year 2022, the Group's revenue from Sales and Services was Baht 3,283.01 million, increasing Baht 481.16 million or 17.17% from Baht 2,801.84 million when compared to the same period last year. The increasing in revenue from Sales and Service was due to the increasing in LPG domestic sales volume which increased from 176,080 tons to 182,236 tons or increasing 3.50%. In addition, in the first quarter of year 2022, the Group's export sale of 13,180 tons supported the increasing in Revenue from Sales and Services from the increasing in LPG Sale Volume.

For LPG's domestic sales, the increasing in sale volume was mainly driven from the Auto gas which increased by 14% from the same period last year due to the rising oil prices resulting in high LPG demand. The sale volume in Industry was also increased by 12%. In addition, the Group started to recognize revenue from electricity sales of the Solar Rooftop project amounted to Baht 1.54 million in the first quarter of 2022.



In the first quarter of the year 2022, “World Gas” was ranked No. 2 in industry or market share of 19%.

2) Selling expenses

In the first quarter of the year 2022, the Group’s selling expenses was Bath 66.32 million, accounting for 2.02% of Revenue from Sales and Services, increased Bath 8.64 million or 14.97% from the same period last year following the sale increasing. However, the Group still strictly controlled over any spending.

(Unit: Million Baht)	Quarter 1	Quarter 1	Increase (Decrease)	Increase (Decrease)
	2022	2021	Amount	%
Selling Expense	66.32	57.69	8.64 ↑	14.97% ↑

3) Administrative Expenses

In the first quarter of year 2022, the Group’s administrative expense was Baht 107.78 million, increased by Baht 21.74 million or 25.27% from the same period last year. The main reason of the increasing was a result of the Group’s subsidiary company disposed of its investment in company in this quarter causing the Group to recognize the loss from the disposal of investment and loans in subsidiary. The aforementioned transaction had been set aside as an impairment in the separated financial statements in year 2021. However, this transaction had an effect on the consolidated financial statements of the Group in the first quarter of 2022 in total amount of Baht 10.19 million, of which the aforementioned items were extraordinary expenses and considered as one-time expense. In addition, there was an increase in administrative expenses from the Group's 100% investment in Thai Gas Cylinder Co., Ltd. in Quarter 4 year 2021.

(Unit: Million Baht)	Quarter 1	Quarter 1	Increase (Decrease)	Increase (Decrease)
	2022	2021	Amount	%
Administrative Expense	107.78	86.03	21.74 ↑	25.27% ↑



4) Profits

In the first quarter of year 2022, the Group reported gross profit of Baht 159.02 million or gross profit margin 4.84% and net profit of Baht 18.54 million or net profit margin 0.56%. The Group's gross profit and net profit increased by Baht 14.45 million or 9.99% and decreased by Baht 11.83 million or 38.96% from the first quarter of year 2021 respectively. In addition, the Group's EBITDA was Baht 135.20 million, decreasing by 4.35%.

The main reason of decreasing in net profit in the first quarter of year 2022 was effected from the Group had recognized the loss from the disposal of investments and loans in the subsidiary invested.

(Unit: Million Baht)	Quarter 1	Quarter 1	Increase (Decrease)		Increase (Decrease)	
	2022	2021	Amount		%	
Gross Profit (Exclude Other Income)	159.02	144.57	14.45	↑	9.99%	↑
Gross Profit Margin (Exclude Other Income) (%)	4.84%	5.16%	-0.32	pp		↓
Net Profit	18.54	30.38	-11.83	↓	-38.96%	↓
Net Profit Margin(%)	0.56%	1.07%	-0.51	pp		↓

5) Financial Status

As of 31 March 2022, The Group's total assets increased by 2.03% from Baht 6,425.56 million at the end of year 2021 to Baht 6,556.29 million at the end of the first quarter of year 2022. The Group's total liabilities increased by 2.17% from Baht 5,098.27 million at the end of last year to Baht 5,208.69 million at the end of the first quarter of year 2022 and the Group's total equity increased by 1.53% from Baht 1,327.29 million at the end of last year to Baht 1,347.60 million at the end of the first quarter of year 2022.

For The group's financial status in the first quarter of year 2022, the Group's Debt to Equity ratio (D/E) was at 3.87 times slightly increased from 3.84 times at the end of last year while Interest Bearing Debt to Equity ratio (IBD/E) was at 0.35 times continually decreased from 0.37 times at the end of last year. Due to high liquidity, during the first quarter of 2022, the Group prepaid



long term credit line to save financial costs. As a result, the interest bearing debt-to-equity ratio decreased.

(Unit: Million Baht)	As of 31 March	As of 31 December	Increase (Decrease)	
	2022	2021	Amount	%
Total Assets	6,556.29	6,425.56	130.73 ↑	2.03% ↑
Total Liabilities	5,208.69	5,098.27	110.42 ↑	2.17% ↑
Interest Bearing Debt	474.66	491.27	-16.61 ↓	-3.38% ↓
Shareholder's Equity	1,347.60	1,327.29	20.31 ↑	1.53% ↑
D/E ratio (x)	3.87	3.84	0.02 ↑	
IBD/E ratio (x)	0.35	0.37	-0.02 ↓	

6) Cash Flow

As of 31 March 2022, the Group had cash and cash equivalents of Baht 855.87 million which increasing due to the Group's closing of long-term credit facilities as mentioned above and withdrawn the cash guarantee in order to utilized as working capital and for future investment. In addition, the Group had a short-term investments in money market and bond market of Baht 90.80 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.