

Ref. SCG-SET-22-014

May 13, 2022

Subject: Management Discussion and Analysis for the Quarter 1 of Year 2022

To: President,  
The Stock Exchange of Thailand

In the first quarter of Year 2022, the Company and its subsidiaries contributed the consolidated net loss of THB 52.52 million decreased by THB 121.63 million or 176.63% in comparing with the same period of Year 2021. As deducted the profit attributable to non-controlling interests of its subsidiaries, the loss attributable to the owners of the Company was THB 54.85 million, decreased by THB 120.60 million or 183.43% in comparing with the same period of Year 2022. The major impact to the operating result was caused by the double increment of natural gas price in comparing with the same period of Y2021 due to the global energy price crisis which fluctuated and extremely increased. This impacted the electricity sales to Industrial Users (contributing 28.2% of total revenue) which the selling electricity price adjusted by the Fuel Adjustment (Ft) was not increased in line with the increment of natural gas price.

The key variances are summarized as follows;

1. Total revenue from sales was THB 1,305.14 million, increased by THB 326.98 million or 33.43%, mainly from the Company
  - Electricity sales revenue to EGAT was increased by THB 264.18 million due to higher natural-gas-indexed selling price
  - Electricity sales revenue to Industrial Users was increased by THB 12.08 million due to higher electricity demand
  - Steam sales revenue to Industrial Users was increased by THB 49.84 million due to higher steam fuel-oil-indexed selling price.
2. Cost of sales was THB 1,310.87 million, increased by THB 460.94 million or 54.23%, mainly from the increase in the cost of sales of the Company by THB 463.36 million due to natural gas price increased 100.6%.
3. Administrative expenses were THB 38.57 million, increased by THB 7.87 million or 25.62% which increased from buildings' write-off for construction of SPP Replacement Project of the Company and recognized impairment loss of biological assets of the subsidiary.
4. Share of profit from investment in associate was THB 0.28 million, increased by THB 0.53 million or 208.20%
5. Financial expenses were THB 22.96 million, decreased by THB 5.79 million or 20.13% according to repayment of long-term loans.
6. Corporate income tax benefit was THB 11.55 million, increased by THB 13.21 million or 797.22% according to the operating result.

Please be informed accordingly

Yours sincerely,

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( Mr. Udompong Chuntharumporn )

Managing Director