

No. WHAUP-CFR-A-22003

13 May 2022

Attention: Managing Director – Stock Exchange of Thailand
 Subject: Report of Financial Results for the first quarter of 2022

1. Executive Summary

WHA Utilities and Power Public Company Limited (“WHAUP” or “the Company”) announced the Q1/2022 results, with Normalized Net Profit of THB 69.4 million and Net Profit of THB 78.3 million, down 63.4% and 40.1% from Q1/2021.

(Unit: Million Baht)

Consolidated Financial Statements	Quarter 1	Quarter 1	% Change
	2022	2021	YoY
Total Revenue	564.4	603.8	-6.5%
Gross Profit	187.7	206.5	-9.1%
Normalized Share of Profit and Dividend Income from Investments in Associates	32.6	171.1	-80.9%
Net Profit attributable to Owners of the Parent	78.3	130.7	-40.1%
Normalized Net Profit ¹	69.4	189.5	-63.4%

¹ Normalized Net Profit is Net Profit attributable to Owners of the Parent excluding Foreign Exchange Gain/Loss and related tax

In Q1/2022, the Company had a THB 69.4 million Normalized net profit, a 63.4% decrease from Q1/2021. Contributing factors leading to the decrease were mainly from : (1) decreasing performance of SPP corresponding with mismatch between increasing gas price and unadjusted Ft. However, Ft is yet to be adjusted to fully reflect growing fuel cost and currently impacted the margin as well as contribution from electricity sold to industrial customers; and (2) Gheco-One’s maintenance and higher fuel cost. Despite these, domestic utilities and renewable energy performances showed impressive growth. Domestic utilities performance recorded 6.6% year-on-year growth. It was supported by increasing water sales and management volume from existing customers. Sales revenue from Raw water and Value-added products grew continuously.

For renewable energy business, the Company recorded THB 59.4 million total Revenue and Normalized Share of Profit, decreasing by 57.0% year-on-year. Considering Private PPA business, the Company realized total Revenue and Normalized Share of Profit of THB 54.5 million, or a 20.2% increase which was mainly due to revenue recognition additional from solar power projects that started commercial operation. For international utility business, the Company reported Share of loss from the SDWTP at THB 34.1 million, 3.2% lower year-on-year. The slight decrease caused by weakening THB currency against VND currency; whereas SDWTP recorded growing water sales volume.

Significant Events in Q1/2022

- In January, the Company issued No. 1/2022 debentures worth THB 1,000 million with 1-year tenor and 1.48% interest rate p.a.
- The Company and partners have jointly launched the platform 'Renewable Energy Exchange (RENEX)' or the solar electricity trading platform that has been developed using Blockchain technology, to help enhancing solar energy management as well as creating opportunity where sellers and buyers can trade their solar energy safely at an agreed price. In February, WHAUP just underwent Pre-Trade session with over 20 participants and is now under preparation to be commercialized.
- In Q1/2022, additional solar rooftop projects achieved commercial operation date (COD) with capacity around 3 MW, bring total solar capacity which already COD to 60 MW and total installed capacity in proportion to equity to around 610 equity MW.
- As of Q1/2022, the Company signed additional Solar Power Purchase Agreements with approximately 13 MW, bringing the total contractual capacity to 105 MW.

2. Operating Results

(Unit: Million Baht)

Consolidated Financial Statements	Quarter 1	Quarter 1	% Change
	2022	2021	YoY
Total Revenue	564.4	603.8	-6.5%
● Utilities Business	512.5	480.6	6.6%
○ Operating Revenue ¹	510.8	474.5	7.6%
○ Other Revenue from Utilities Business ²	1.7	6.1	-71.9%
● Power Business	51.9	123.2	-57.8%
Costs of Sales and Services	(376.7)	(397.3)	5.2%
Gross Profit	187.7	206.5	-9.1%
Gross Profit from Operation ³	186.0	200.4	-7.2%
Other Income ⁴	36.0	47.2	-23.8%
Expected credit Loss/ (Gain) on Financial Assets	10.0	(0.1)	N/A
Loss from Revalue Investment ⁵	(14.4)	(32.1)	-55.0%
Administrative Expenses	(56.3)	(47.3)	19.1%
Gain / (Loss) from Exchange Rate ⁶	(8.7)	119.9	-107.3%
Share of Profit from Investments in Associates and Joint Ventures	25.3	(46.6)	154.3%
Finance Costs	(96.5)	(110.8)	-12.9%
Income Tax (Expense) Income	(4.8)	(6.1)	-20.6%
Profit attributable to Owners of the Parent	78.3	130.7	-40.1%
Foreign Exchange Loss / (Gain) ⁷	(8.9)	57.8	-115.5%
Income Tax Related to FX gain ⁸	0.0	1.0	-100.0%
Normalized Net Profit ⁹	69.4	189.5	-63.4%
Gross Profit Margin	33.3%	34.2%	
Net Profit Margin ¹⁰	12.5%	18.0%	

¹ Operating Revenue consists of Raw Water Sales, Industrial Water Sales and Wastewater Treatment Services.

² Other Utilities Revenue consists of Excessive Charge and Service Fees for Wastewater Management

³ Gross Profit from Operation excludes Other Revenue from Utilities Business.

⁴ Interest Income, Dividend Income from GIPP is an example of Other Income

⁵ Loss from Revalue Investment is derived from investment in GIIPP from applicable of TFRS9 accounting standard

⁶ Foreign Exchange Gain / (Loss) consists of unrealized and realized Gain / (Loss) on exchange rate from USD Loan from Subsidiaries

⁷ Foreign Exchange (Gain) / Loss consists of unrealized and realized (Gain) / Loss on exchange rate from USD Loan from Subsidiaries and Associates

⁸ Income Tax Related to FX Gain is derived from Gain on exchange rate from USD Loan to related parties at WUPIN

⁹ Normalized Net profit is adjusted from Net Profit by excluding 1) Foreign Exchange impact and 2) Income Tax Related to FX gain

¹⁰ Net Profit Margin is Net Profit attributable to Owners of the parents divided by Total Revenue, Share of Profit and Other Income

Total Revenue

In Q1/2022, Total Revenue was THB 564.4 million, decreasing by 6.5% from THB 603.8 million in Q1/2021, mainly due to

- Revenue from Solar business decreased by THB 71.2 million, mostly from a lower contribution from EPC revenue despite growing revenue from PPA under commercial operation (COD). Most of EPC revenue from a project was realized towards 2021, this resulted in a THB 87.9 million decrease in EPC revenue year-on-year.
- In spite of increased revenue from utilities business, grew by THB 31.9 million year-on-year thanks to growing water demand.

Gross Profit and Gross Profit from Operation

In Q1/2022, Gross Profit was THB 187.7 million, down 9.1% from THB 206.5 million in Q1/2021. Gross Profit from Operation was THB 186.0 million, decreasing by 7.2% from THB 200.4 million. The key contributors that marked a year-on-year drop were lower revenue from excessive charge, increasing water production cost and solar business's depreciation.

Share of Profit and Dividend Income from Investments in Associates and Joint Ventures ("Share of Profit and Dividend Income from Investments")

(Unit: Million Baht)

Share of Profit and Dividend Income from Investments	Quarter 1 2022	Quarter 1 2021	% Change YoY
Share of Profit and Dividend Income from Investments :	50.3	(6.6)	861.7%
• Utilities Business	(35.9)	(39.0)	8.1%
• Power Business	86.2	32.4	165.9%
Adjustment Item(s) :			
- Foreign Exchange Loss / (Gain) related to Share of Profit	(17.7)	177.7	-110.0%
Normalized Share of Profit and Dividend Income from Investment ¹ :	32.6	171.1	-80.9%
• Utilities Business	(35.9)	(39.0)	8.1%
• Power Business	68.5	210.1	-67.4%

¹ Normalized Share of Profit and Dividend Income from Investment is adjusted from Share of Profit by excluding Foreign Exchange Loss/(Gain)

In Q1/2022, Normalized Share of Profit and Dividend Income from Investments was THB 32.6 million, down 80.9% from THB 171.1 million year-on-year. This was mainly due to (1) a lower contribution of SPPs, particularly impacted by rising gas cost that surged before Ft which yet to fully reflect such growing cost outlook. The mismatch caused lower margin from electricity dispatch sold to IU customers and (2) Gheco-One's 18-day maintenance and higher fuel cost.

Net Profit attributable to Owners of the Parent

In Q1/2022, Profit attributable to Owners of the Parent was THB 78.3 million, decreasing by 40.1% from THB 130.7 million in Q1/2021. The decrease was mainly from

- An increase in Unrealized Loss on Foreign Exchange rate of THB 128.6 million from USD loans of Associates.
- A decrease in Gross Profit of THB 18.7 million was lower revenue from excessive charge, increased cost of sales from utilities business and depreciation in solar business.

Despite following positive factors, causing Net Profit to increase

- Share of Profit from Investments increased by THB 71.9 million which mainly due to
 - Unrealized Gain on Foreign Exchange rate, up by THB 195.4 million from the same period last year.
 - Excluding foreign exchange impact, Normalized Share of profit down by THB 123.5 million year-on-year.
- A decrease in Finance cost of THB 14.3 million, due to bond issuances with lower coupon rates.

Normalized Net Profit

The Normalized Net Profit attributable to Owners of the Parent is Net Profit attributable to Owners of the Parent adjusted by Foreign Exchange Gain/ (Loss) and Income Tax related to Foreign Exchange Gain on USD Loan.

In Q1/2022, there was Foreign Exchange Gain amounted THB 8.9 million due to USD loan of Associates. Foreign Exchange impact being excluded, the Q1/2022 Normalized Net Profit attributable to Owners of the Parent was THB 69.4 million, down 63.4% compared to Q1/2021.

3. Performance by Business

3.1 Utilities Business

Details of Total Revenue and Share of Profit are as follow.

(Unit: Million Baht)			
Utilities Business	Quarter 1	Quarter 1	% Change
	2022	2021	YoY
Total Revenue from Utilities Business	512.5	480.6	6.6%
- Raw Water Sales	111.2	77.8	42.9%
- Industrial Water Sales	318.0	316.9	0.4%
- Value Added Water Sales	41.2	37.7	9.1%
- Wastewater Treatment Services	40.3	42.1	-4.2%
- Other Incomes from Utilities Business ¹	1.7	6.1	-71.9%
Share of Profit from Utilities Business²	(35.9)	(39.0)	8.1%
Total Revenue & Share of Profit from Utilities Business	476.6	441.6	7.9%

¹ Other Utilities Revenue consists of Excessive Charge, Service Fees for Wastewater Management

² Share of Profit from Utilities Business consists of Share of Profit from domestic investment in WHAUP AIE and in Vietnam Utilities Companies namely Cua Lo and SDWTP

In Q1/2022, Total Revenue and Share of Profit of Utilities Business was THB 476.6 million, a 7.9% increase year-on-year. The growth was mainly due to :

- Total Revenue from Utilities Business increased by THB 31.9 million year-on-year from 480.6 THB million, mainly due to growing sales and management volume from customers such as from Power and Petro-chemical sectors.
- Lower Share of Loss of THB 3.2 million, mainly due to an improved profit contribution from Cua Lo and SDWTP projects that reported share of loss lower by THB 2.0 million and THB 1.1 million respectively.

Details of Total Domestic Utilities Sales Volume in Thailand are as follow.

(Unit: Million Cubic Meters)

Domestic Utilities Sales Volume	Quarter 1	Quarter 1	% Change
	2022	2021	YoY
Raw Water Sales Volume	6.2	4.7	32.6%
Industrial Water Sales Volume ¹	12.9	12.9	0.5%
Value Added Water Sales Volume ²	1.2	1.1	11.1%
Wastewater Treatment Services Volume	9.5	8.8	7.9%
Total Domestic Utilities Sales Volume	29.9	27.5	8.8%

¹ Industrial Water consists of Process Water and Clarified Water

² Value Added Water consists of Demineralized Water and Premium Clarified Water

3.2 Power Business

Q1/2022, Total Revenue, Share of Profit and Dividend Income from Investments in Power Business was THB 138.1 million, decreased by 11.2% year-on-year from THB 155.6 million. By excluding foreign exchange impacts, the Company reported Total Revenue, Normalized Share of Profit and Dividend Income from Investments in Power Business of THB 120.4 million, 63.9% decrease year-on-year.

(Unit: Million Baht)

Power Business	Quarter 1	Quarter 1	% Change
	2022	2021	YoY
Revenue from Power Business	51.9	123.2	-57.8%
Share of Profit from Power Business	61.2	(7.6)	906.0%
Dividend Income	25.0	40.0	-38%
Total Revenue, Share of Profit and Dividend Income from Investments in Power Business	138.1	155.6	-11.2%
Normalized Total Revenue, Share of Profit and Dividend Income from Investments in Power Business¹	120.4	333.3	-63.9%
- IPP	(50.3)	6.2	-910.8%
- SPP	113.1	187.7	-39.7%
- Renewable Energy ²	59.4	138.1	-57.0%
- Others ³	(1.8)	1.3	-235.0%

¹ Normalized Share of Profit is excluding Foreign Exchange (Gain)/Loss

² Renewable Energy consists of Solar rooftop projects and Chonburi Clean Energy project (CCE)

³ WHA Natural Gas Distribution Projects (WHA NDGPs) is a collaboration among WHAUP, GULF and MITG

By types of power plant, details of Total Revenue from Power Business and Share of Profit and Dividend Income from Investments are as follow.

3.2.1 Independent Power Producer (IPP)

- 3 IPPs generated THB 50.3 million of Normalized Share of profit and Dividend Income from Investments, 910.8% decrease from Q1/2021. The lower contribution is mainly due to GHECO-One’s performance affected by 18-day maintenance and rising energy cost.

3.2.2 Small Power Producer (SPP)

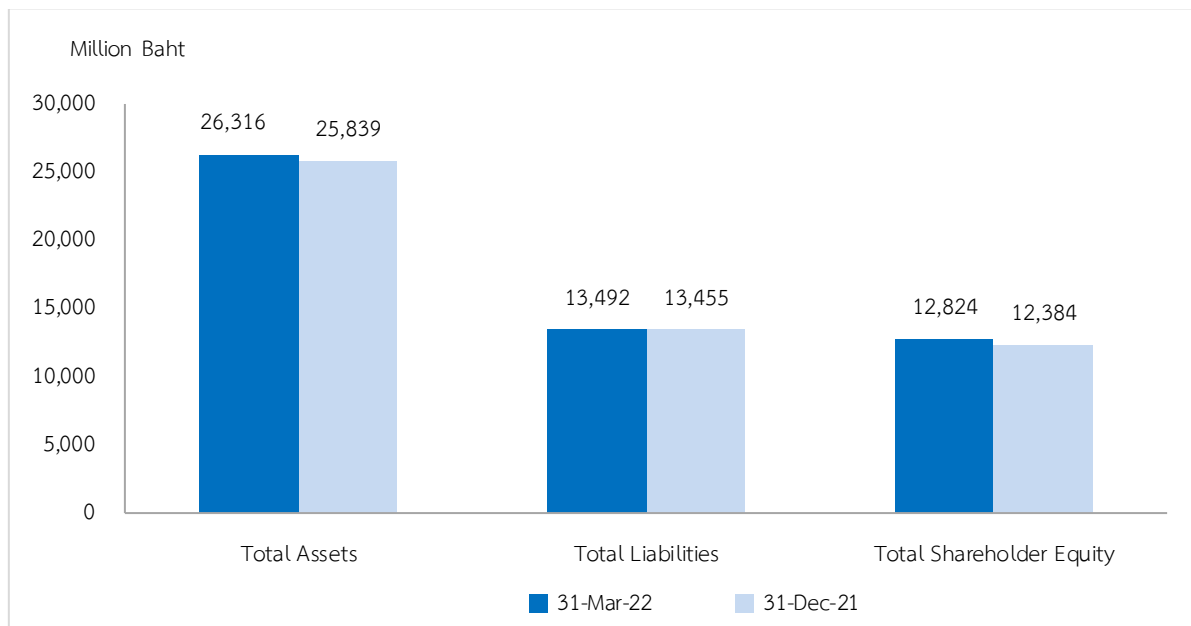
- 8 SPPs generated THB 113.1 million of Normalized Share of profit and Dividend Income from Investments, a 39.7% decrease from Q1/2021 mainly due to higher gas cost resulting lower margin and revenue contribution.

3.2.3 Renewable Energy

- Total Revenue and Normalized Share of Profit from Renewable Energy in Q1/2022 was THB 59.4 million, decreased by 57% from Q1/2021 mainly due to revenue from EPC services (THB 92.7 million in Q1/2021 vs THB 4.8 million in Q1/2022).

4. Financial Position

The Consolidated Balance Sheet as of 31 March 2022 is summarized as follows.



Assets

As of 31 March 2022, the Company's total Assets was THB 26,136 million, increased by THB 477 million from THB 25,839 million at year-end 2021 which mainly due to

- 1) An increase in assets of THB 273 million which mainly caused by an increase in : Right of Use of THB 121 million ; net Trade and other Receivables of THB 84 million ; and net Property Plant and Equipment of THB 83 million.

Despite;

- 1) A decrease of THB 149 million in Cash and Cash Equivalents. The details as follow
 - Net cash receipts from operating activities : THB +83 million
 - Net cash payments from investing activities : THB -227 million. The major account was cash paid for purchases of Lands as well as Property, Plant and Equipment totalling THB 226 million.
 - Net cash payment for financing activities : THB -5 million. The major account was Lease repayment of THB 3 million. The Company had borrowings repayment of THB 1,000 million and a cash receipt from borrowings of THB 1,000 million.
- 2) A decrease of THB 329 million in Investment in Associates which mainly resulted from impact of Foreign Exchange and fair value of financial instrument .

The key elements of Assets in the Company's Consolidated Financial Statements consisted of (1) Investment in Associates amounted THB 14,041 million (2) Net Property Plant and Equipment amounted THB 5,264 million (3) Goodwill amounted THB 2,773 million (4) Intangible Assets amounted THB 1,935 million and (5) Cash and Cash Equivalents amounted THB 756 million.

Liabilities

As of 31 March 2022, the Company's total Liabilities was THB 13,492 million, increased by THB 37 million from THB 13,455 million at year-end 2021 which mainly due to an increase of THB 124 million in Lease Liabilities.

As of 31 March 2022, the Company's Interest-bearing Debt was THB 12,101 million, same as year-end 2021.

The key elements of Total Liabilities in the Company's Consolidated Financial Statements consisted of (1) Debentures amounted THB 9,102 million and (2) Loans from financial institutions amounted THB 2,999 million.

Shareholders' Equity

As of 31 March 2022, the Company's Total Shareholders' Equity was 12,824 million, increased by THB 440 million from THB 12,384 million at year-end 2021 which mainly due to

- 1) An increase of THB 362 million in Other Components of Equity which mainly due to TFRS 9 accounting adjustment and currency translation difference from joint venture and associates
- 2) An increase of THB 78 million in Retained Earning

5. Key Financial Ratios

	Quarter 1/2022	FY2021
Return on Equity (%)	5.35%	6.62%
Debt/Equity Ratio (times)	1.05x	1.09x
Net Interest-bearing Debt/Equity Ratio (times)	0.88x	0.90x

As of 31 March 2022, the Company's Debt-to-Equity ratio was at 1.05x decreased from 1.09x at year-end 2021. The Net Interest-bearing Debt-to-Equity ratio stood at 0.88x, slightly decreased from 0.90x at year-end 2021.

6. Projects under construction

Power Business

- In Q1/2022, Solar Rooftop had 45 MW under construction and scheduled to achieve COD in Q2/2022 to Q1/2023.

Power plant	Type of power	Category of producer	Equity holding (%)	Installed Capacity (MW)	Equity Capacity (MWeq)	Commercial Operation Date
Solar Rooftop	Solar Power	Private PPA	100	45	45	Q2/2022 - Q1/2023
Total				45	45	

Please be informed accordingly.

Sincerely

(Mr. Prapon Chinudomsub)

Chief Financial Officer