



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 Quarter 1 Ended March 31, 2022

EXECUTIVE SUMMARY

SIGNIFICANT EVENTS

Success in cooperate with a big energy company from Japan to generated net profit increasing more than 10 times in Q1/2022.

The company was successfully in cooperate with a partnership "Shizuoka Gas Company Limited (SZG)", a company listed in Tokyo Stock Exchange, 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.

SCN completed the transaction under the Share Purchase Agreement which sold 49% of TJN's share, a subsidiary of SCN to SZG with a total project value of THB 639.0 million, registered capital of THB 412.0 million, it will jointly operate natural gas business which aims to expand the business internationally.

New partnership to expand the business of largest indoor hemp cultivation in Thailand.

Most attractive from new investor in earned of investment in Pharmaceutical Plants Co., Ltd. , a subsidiary of SCN which already has joint venture partnership to develop and create value of Pharmaceutical Plants Co., Ltd. (register to rename from Scan MediHerb Co., Ltd. on 9 March 2022) estimated company value of Pharmaceutical Plants Co., Ltd. of THB 240.0 million, already increasing of investor shares 20% with value THB 48.0 million. The resulting to SCN holds 41% of total shares from total investment THB 2.5 million.

Moreover, the project already received the indoor cultivation license that the one of largest indoor hemp cultivation in Thailand. Current under process of plant renovation to operate the cultivation of hemp for medical grade.

SCN has recorded net profit from both significant event in Q1/2022, resulting to improvement in the debt-service coverage ratio (DSCR ratio) from 1.1 to 1.3 times comparing to previous year which the potential in strong financial health after success in its partner jointly with SZG to be a leader in natural gas business to expand the business in Thailand and international.

KEY FINANCIAL HIGHLIGHT

Unit : Million Baht

	Q4'2021	Q1'2022	% QoQ	Q1'2021	Q1'2022	% YoY
Revenue from sales and services	493.9	329.5	-33.3%	377.3	329.5	-12.7%
EBITDA	92.8	334.1	260.0%	76.8	334.1	334.8%
Net Profit	26.7	268.5	905.7%	23.2	268.5	1059.6%
EBITDA Margin (%)	18.8%	101.4%	82.6%	20.4%	101.4%	81.0%
Net Profit Margin (%)	5.4%	81.5%	76.1%	6.1%	81.5%	75.3%

**Revenue**

Revenue from sales and services in Q1/2022 decreased by 12.7% from the previous year to THB 330 million, the main reasons of revenue decreased were due to changed revenue recognition caused from portion of holds shares in iCNG and iLNG business which changed to profit from investment in Share of gain from associates instead of consolidated. In term of others business are continuing to improve (1) revenue from automotive spare parts (2) NGV service station maintenance (3) increases in transport volumes from the increasing demand for gas including the company won bidding for PTT natural gas transport, all of these affected the significant in revenue and service.

EBITDA

- **EBITDA in Q1/2022 increased by 334.8% from the previous year to THB 331.4 million**, the main reasons were due to recognition in gain on sold investment amount of THB 120.7 million and changed of status in investment amount of THB 200.7 million. Moreover, others business included natural gas-related business was significant to increase from demand for gas, efficiency in NGV service station maintenance and revenue from automotive spare parts are continuing to improve.

Net Profit

- **Net Profit in Q1/2022 increased by 1,059.6% from the previous year to THB 268.5 million**, on the back of profit increasing from recognition in gain on sold investment and changed of status in investment which sold 49% of TJN's share to SZG.

Moreover, net profit was included in recognition gain on changed of status in investment of Pharmaceutical Plants Co., Ltd. and Scan ICT Co., Ltd. and share profit contribution from the investment in Solar Power Plant - Minbu District, Myanmar, and Solar Rooftop projects through Scan Advance Co., Ltd. in amount of THB 14.0 million.

However, if deducting the impact from impairment loss (IFRS 9) of inventory in amount of THB 31.3 million and allowance of debt in amount of THB 2.5 million, the adjusted Net Profit is THB 302.3 million.

FINANCE PERFORMANCE**REVENUE STRUCTURE**

Unit : Million Baht

	Q4'2021	Q1'2022	% QoQ	Q1'2021	Q1'2022	% YoY
Natural Gas-related	286.0	211.8	-25.9%	257	211.8	-17.6%
Automotive	35.8	40.3	12.6%	31	40.3	30.0%
Renewable Energy	64.7	16.9	-73.9%	22.2	16.9	-23.9%
Logistic & Others	107.4	60.5	-43.7%	67.1	60.5	-9.8%
Revenue from Sales and Services	493.9	329.5	-33.3%	377.3	329.5	-12.7%

Natural Gas-related

- **Revenue from Natural gas-related business in Q1/2022 decreased by 17.6% from the previous year to THB 211.8 million**, the main reasons were due to changed revenue recognition caused from portion of holds shares in iCNG and iLNG business which changed to profit from investment in Share of gain from associates instead of consolidated. However, resulted from the increase in oil prices and the customers in industrial groups that are able to adapt to the business operation resulting to

increase in demand of natural gas especially industrial compressed natural gas (iCNG). 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 Q1/2022 increased by 30.0% from the previous year to THB 40.3 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 2021 that affect the significant increase in Automotive revenue.

Renewable Energy

- **Revenue from Renewable Energy in Q1/2022 decreased by 23.9% from the previous year to THB 16.9 million,** mainly due to the decrease in sales volume of solar spare parts.

Logistics and Others

- **Revenue from Logistics and Others in Q1/2022 decreased by 9.8% from the previous year to THB 60.5 million,** mainly from decrease in EPC business which delay plan, however forecast to complete within Q2/2022.

GROSS PROFIT STRUCTURE

Unit : Million Baht

	Q4'2021	Q1'2022	% QoQ	Q1'2021	Q1'2022	% YoY
Natural Gas-related	43.5	9.9	-77.2%	41.5	9.9	-76.1%
Automotive	4.8	5.4	12.5%	4.5	5.4	20.0%
Renewable Energy	18.6	13.0	-30.1%	12.2	13.0	6.6%
Logistic & Others	3.1	-19.9	741.9%	-5.0	-19.9	-298.0%
Total Gross Profit	70.0	8.4	-88.0%	53.2	8.4	-84.2%
Selling, General and Administrative	49.5	64.2	29.7%	37.4	64.2	71.7%
Depreciation & Amortization	46.2	32.7	-29.2%	42.6	32.7	-23.3%

Natural Gas-related

- **Gross Profit in Q1/2022 decreased by 76.1% from the previous year to THB 9.9 million,** the main reasons of revenue decreased were due to changed revenue recognition caused from portion of holds shares in iCNG and iLNG business which changed to profit from investment in Share of gain from associates instead of consolidated and the impact from impairment loss (TFRS 9) of inventory in amount of THB 18.9 million. However, improved resulting to increase in demand of natural gas especially industrial compressed natural gas (iCNG) and improved in efficiency in cost management of NGV service station maintenance business.

selling automotive spare parts. 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 Q1/2022 increased by 6.6% from the previous year to THB 13.0 million,** overall renewable business not significant changed that continue in gross profit in Q1/2022.

Logistic & Others

- **Gross Profit in Q1/2022 decreased by 298.0% from the previous year to THB -19.9 million,** mainly due to the impact from impairment loss (TFRS 9) of inventory in amount of THB 10.8 million the resulting to gross profit of business has decrease.

Automotive

- **Gross Profit in Q1/2022 increased by 20.0% from the previous year to THB 5.4 million,** mainly due to the additional gross profit from



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Other income

Unit : Million Baht

	Q4'2021	Q1'2022	% QoQ	Q1'2021	Q1'2022	% YoY
Other income	20.3	21.1	3.9%	14.2	21.1	48.6%
Share of gain from associates	17.3	14.2	-17.9%	17.5	14.2	-18.9%

Other income

- **Other income in Q1/2022 increased by 48.6% from the previous year to THB 21.1 million**, mainly due to the recognition of interest income from company affiliates.

Share of gain from associates

- **Share of gain from associates decreased by 18.9% from the previous year to THB 14.2 million**, mainly from the recognition of profit from investment in Solar Power Plant - Minbu district, Myanmar in amount of THB 12.5 million (decreased by 10.6% YoY) and Scan Advance Power Co., Ltd. (SAP) in amount of THB 1.7 million (decreased by 26.7% YoY, due to postponed 4 project of COD). However, all of project are on the target plan within 2022.

FINANCE COST AND GAIN (LOSS) ON EXCHANGE RATES

Unit : Million Baht

	Q4'2021	Q1'2022	% QoQ	Q1'2021	Q1'2022	% YoY
Finance costs	19.8	17.8	-10.1%	19.7	17.8	-9.6%
Gain (loss) on exchange rates	0.1	0.0	-100.0%	0.1	0.0	-100.0%

Finance costs

- **Finance costs in Q1/2022 decreased by 9.6% from the previous year to THB 17.8 million**, mainly from repayment both short-term and long-term loan which earn in cash THB 313.1 million from sold TJN's share to SZG.



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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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