

BCPG Public Company Limited
Management Discussion and Analysis
For 2Q/2022 Operating Results

9th August 2022

A photograph of four wind turbines on a grassy hill under a cloudy sky. The turbines are white with three blades each. The foreground is a lush green field. The sky is blue with scattered white and grey clouds.

Empowering
Green Lifestyle

Executive Summary

Financial Highlight

Unit: THB million	2Q21	2Q22	Δ %	1Q22	Δ %	1H21	1H22	Δ %
Revenue from sales and rendering of service	1,088.2	1,436.5	32.0%	1,158.5	24.0%	2,134.9	2,594.9	21.6%
Share of profit of investment in associates*	157.0	(8.7)	(105.5%)	141.7	(106.1%)	297.5	133.0	(55.3%)
EBITDA*	992.1	1,169.7	17.9%	1,057.1	10.7%	1,939.9	2,226.8	14.8%
Net profit	565.1	330.2	(41.6%)	1,363.0	(75.8%)	1,088.4	1,693.3	55.6%
Recurring profit*	503.9	549.0	8.9%	516.7	6.2%	992.8	1,065.7	7.3%

*Excluding gain/(loss) on FX and one-time items

Q2/2022: BCPG or the Group of Companies recorded recurring net profit of THB 549.0 million, grew by 8.9% YoY and 6.2% QoQ. These were resulted from the following factors.

+8.9% YoY

(+) Higher revenue contribution from the COD of new solar power plant projects in Japan totaling 65 MW, which include the Chiba 1 project (20 MW), Komagane project (25 MW), and Yabuki project (20 MW).

(+) Higher revenue contribution from solar projects in Thailand, which resulted from the efficiency improvement program, the COD of a solar rooftop project at Chiang Mai University (CMU Project), and the increased Ft rate.

(+) Higher revenue contribution from hydro power projects in Lao PDR named "Nam San 3A" and "Nam San 3B" thanks to the appreciation of USD currency against THB currency.

+6.2% QoQ

(+) Higher revenue contribution from solar projects in Japan, owing to i) the full quarter contribution of the Komagane project (25 MW) and ii) the COD of the Yabuki project (20 MW).

(+) Higher revenue contribution from hydro power projects in Lao PDR, "Nam San 3A" and "Nam San 3B" thanks to the seasonal factor of normal hydro power plants.

(+) Higher revenue contribution from solar power plants in Thailand as a result of better irradiation and a higher Ft rate.

For 1H/2022, the Group of Companies recorded recurring net profit of THB 1,065.7 million, increased by 7.3% YoY. This was resulted from the following factors.

(+) Higher revenue contribution from the solar power plants in Japan from the COD of Chiba 1 project, Komagane project, and Yabuki project as mentioned.

(+) Higher revenue contribution from Hydro power projects in Lao PDR named "Nam San 3A" and "Nam San 3B" owing to higher rainfall.

(+) Higher revenue contribution from solar power plants in Thailand thanks to the COD of a solar rooftop project at Chiang Mai University (CMU Project) and the higher Ft rate.

In addition, the Group of Companies reported net profit for 6-month period at THB 1,693.3 million, grew by 55.6% YoY. The growth was driven by the rise of core profit and the record of gain from divestment of SEGHP in Q1/2022.

Key developments during Q2/2021 until now

Achieved the COD of CMU phase 2 project at Chiang Mai University

On 1 April 2022, the solar rooftop project at Chiang Mai University under CMU Smart City started the COD of phase 2 with an installed capacity of 1.3 MW. The second phase is located in Suan Dok area, Chiang Mai province, which is being operated by Thai Digital Energy ("TDED"), a subsidiary of the Group of Companies with a 75 % stake. The recent COD of the phase 2 project increases the operating contracted capacity to 9.8 MW.

Dividend payment from the operating results for the second half of the year 2021

On 7 April 2022, the Annual General Meeting of Shareholders for year 2021 approved the dividend payment from the operating results for the second half of the year 2021 at THB 0.17 per share. The total dividend payment for year 2021 is THB 0.33 per share, approximately THB 926.02 million. This included the dividend payment from the operating results for the first half of year 2021 at THB 0.16 per share.

Achieved the COD of Yabuki project in Japan as planned

On 15 April 2022, the Group of Companies successfully achieved the commercial operation a solar power plant project in Japan, Yabuki. Yabuki project is in Fukushima province and has a PPA of 20.0 MW at the FIT rate of JPY 36.0 per kWh with Tohoku Electricity Power Company for 20 years.

With the most recent commercial operation of the Yabuki project, the Group of Companies' total operating capacity in Japan is 79.7 MW, with a developing capacity of 10 MW.







Assigned credit rating of A- by TRIS Rating with a stable outlook

In April 2022, TRIS Rating assigned the company rating and the ratings on the company's outstanding senior unsecured debentures at A- with a "stable" outlook. The rating reflects BCPG's revenue reliability from power-generating assets and its well-diversified power portfolio. This credit will also provide the opportunity to access new sources of funding for supporting the investment readiness in further.

The Group of Companies' Contracted Capacity

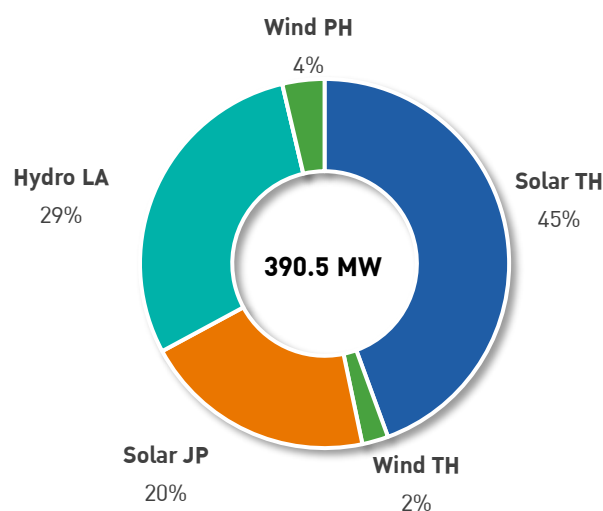
Contracted capacity breakdown by countries and types of energy at the end of Q2/2022.

Unit: Equity MW

Country	2Q21	2Q22	Δ %	1Q22	Δ %
Thai					
	165.8	173.5	4.6	172.5	0.6
	9.0	9.0	0.0	9.0	0.0
Japan					
	14.7	79.7	442.2	59.7	33.5
Laos					
	114.0	114.0	0.0	114.0	0.0
Indonesia*					
	157.5	0.0	-100.0	0.0	NA
The Philippines					
	14.4	14.4	0.0	14.4	0.0
Total	475.4	390.5	-17.8	369.6	5.7

*Remark: In 1Q/2022 the Group of Companies disposed 33.3% shares of Star Energy Group Holdings Pte Ltd. (SEGHPL) to Springhead Holdings Pte Ltd. and the transaction has been completed on 3 March 2022

Contracted capacity breakdown by power types



At the end of Q2/2022, total contracted capacity was 390.5 MW, decreased by 17.8% YoY, mainly from the disposal of 33.3% Star Energy Group Holdings Pte Ltd. shares to Springhead Holdings Pte Ltd. in March 2022. However, in Q2/2022, the Group of Companies' contracted capacity increased from the following factors:

- (1) The commercial operation of 3 new solar power plants in Japan with the total capacity of 65.0 MW. The 3 new projects include Chiba 1 project (COD in November 2021), Komagane project (COD in March 2022), and Yabuki project (COD in April 2022).
- (2) The commercial operation of new solar rooftop

While compared to Q1/2022, total contracted capacity increased by 5.7% QoQ from the commercial operation of Yabuki project, a solar power plant in Japan with the contracted capacity of 20.0 MW, in April 2022 and the commercial operation of new solar rooftop.

Financial Performance

Financial Performance for Q2/2022

Unit: THB million	2Q21	2Q22	Δ (%)	1Q22	Δ (%)	1H21	1H22	Δ (%)
Revenue from sales and rendering of service	1,088.2	1,436.5	32.0%	1,158.5	24.0%	2,134.9	2,594.9	21.6%
Cost of sales and rendering of services	(396.1)	(503.5)	27.1%	(420.6)	19.7%	(789.7)	(924.1)	17.0%
Gross profit	692.2	933.0	34.8%	737.8	26.5%	1,345.1	1,670.8	24.2%
Administrative expenses*	(148.9)	(144.5)	(2.9%)	(147.2)	(1.8%)	(286.3)	(291.7)	1.9%
Operating profit	543.3	788.5	45.1%	590.7	33.5%	1,058.8	1,379.2	30.3%
Share of profit of investment in associates (excluding one-time item)	157.0	(8.7)	(105.5%)	141.7	(106.1%)	297.5	133.0	(55.3%)
EBITDA*	992.1	1,169.7	17.9%	1,057.1	10.7%	1,939.9	2,226.8	14.8%
Other income/(expense)	15.3	31.0	103.4%	17.0	82.2%	40.1	48.0	19.8%
FX gain/(loss)	80.3	(113.5)	NA	(153.6)	NA	103.0	(267.0)	NA
Other one-time item	(19.2)	(105.3)	NA	999.9	NA	(7.3)	894.6	NA
EBIT	776.7	592.1	(23.8%)	1,595.7	(62.9%)	1,492.0	2,187.8	46.6%
Finance costs*	(192.8)	(212.5)	10.2%	(206.0)	3.2%	(378.3)	(418.5)	10.6%
EBT	583.9	379.5	(35.0%)	1,389.7	(72.7%)	1,113.8	1,769.3	58.9%
Income tax (expense) benefit*	(19.1)	(48.7)	NA	(26.2)	NA	(25.7)	(75.0)	NA
Minority interest	0.2	(0.5)	NA	(0.5)	NA	0.3	(1.0)	NA
Net profit	565.1	330.2	(41.6%)	1,363.0	(75.8%)	1,088.4	1,693.3	55.6%
Recurring profit*	503.9	549.0	8.9%	516.7	6.2%	992.8	1,065.7	7.3%
Basic Earnings per Share (THB)	0.21	0.11	(47.6%)	0.47	(76.6%)	0.41	0.59	43.9%

Remark:

*Excluding gain/(loss) on FX and one-time items

	2Q21	2Q22	1Q22	1H21	1H22
Total one-time items:	61.1	(218.8)	846.3	95.6	627.6
FX gain/(loss)	80.3	(113.5)	(153.6)	103.0	(267.0)
Tax related to FX gain/(loss)	(4.8)	(9.2)	13.3	0.2	4.2
Other one-time item	(14.4)	(96.2)	986.6	(7.5)	890.4
Net gain from sales of investment in associates	-	-	1,644.6	-	1,644.6
Loss from disposal and impairment of assets	-	-	(628.7)	(2.2)	(628.7)
Net withholding tax and special business tax	-	(70.6)	-	-	(70.6)
Other one-time item	(14.4)	(25.6)	(29.3)	(5.3)	(54.9)

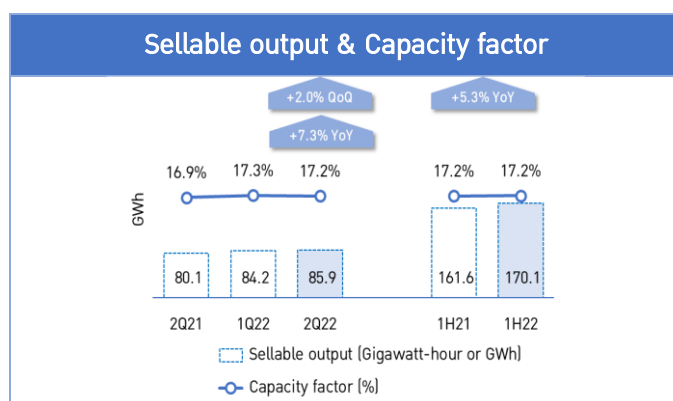
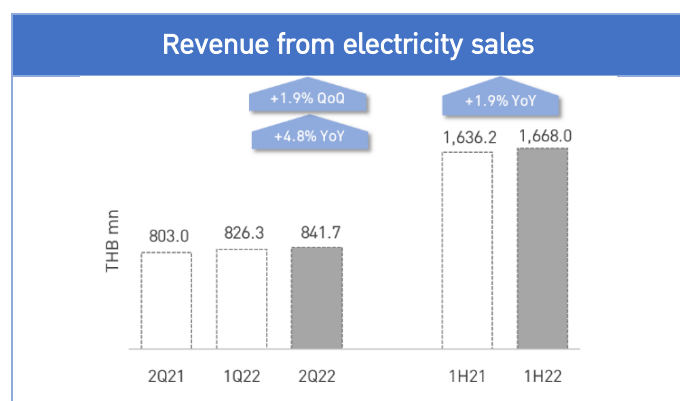
Revenue from sales and rendering of services

The Group of Companies has revenue structures classified by country as follows:

Unit: THB mn	2Q21	2Q22	Δ %	1Q22	Δ %	1H21	1H22	Δ %
Thai	818.0	854.0	4.4%	846.9	0.8%	1,674.3	1,701.0	1.6%
Laos	213.1	229.2	7.6%	167.6	36.7%	350.5	396.8	13.2%
Japan	48.3	342.9	609.5%	134.4	155.1%	92.2	477.3	417.8%
Other operating income	8.8	10.4	18.4%	9.6	9.3%	17.9	20.0	11.1%
Total	1,088.2	1,436.5	32.0%	1,158.5	24.0%	2,134.9	2,594.9	21.6%

The company and subsidiaries: Thailand

Solar



In Q2/2022, the Group of Companies recorded operating revenue from solar power plants in Thailand of THB 841.7 million, increased by 4.8% YoY and 1.9% QoQ. These were resulted from the following factors.

YoY

(+) Electricity generation grew by 7.3% YoY, thanks to the efficiency improvement program and the commercial operation of the solar rooftop (CMU project) during last year.

(+) In addition, the increased Ft rate alleviated the impact from an adder expiration of a solar power plant (8 MW) in August 2021.

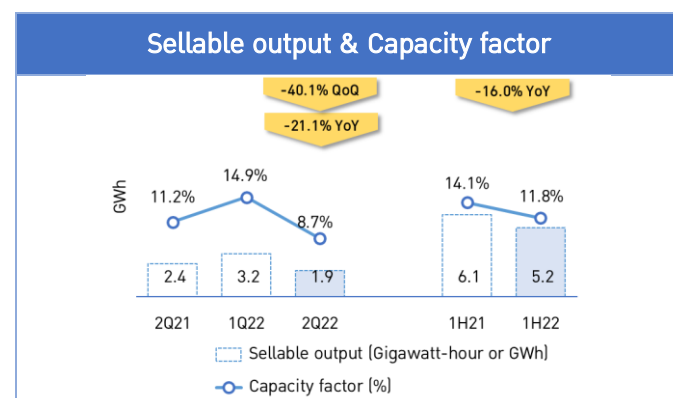
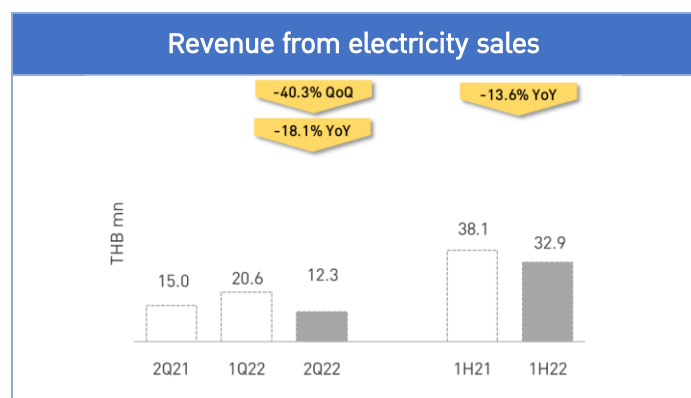
QoQ

(+) Electricity generation improved by 2.0% QoQ, owing to the better irradiation and the additional COD of solar rooftop project (CMU) in Q2/2022.

(+) The higher Ft rate

For 1H/2022, the Group of Companies recorded operating revenue from solar power plants in Thailand of THB 1,668.0 million, rose by 1.9% YoY in line with higher electricity generation growth thanks to the COD of CMU project as well as the increased Ft rate.

Wind



In Q2/2022, the Group of Companies recorded operating revenue from a wind power plant in Thailand of THB 12.3 million, decreased by 18.1% YoY and 40.3% QoQ. These were resulted from the following factors.

YoY

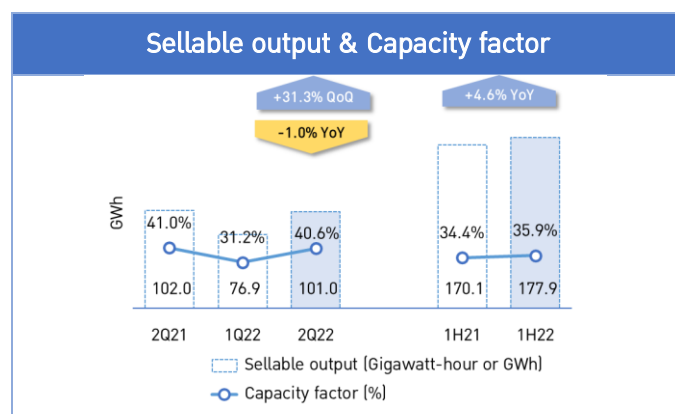
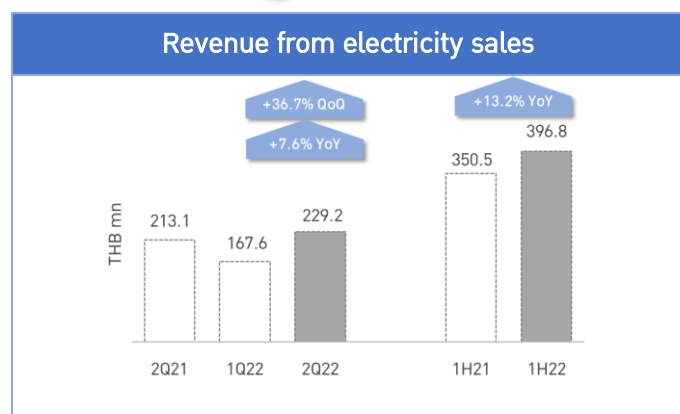
(-) Electricity generation dropped by 21.1% YoY to 1.9 GWh. Capacity factor fell to 8.7% from 11.2% in Q2/2021, mainly resulted from the lower wind speed at the project.

QoQ

(-) Electricity generation decreased 40.1% QoQ, which mainly due to seasonal factor as the second quarter is normally low season for wind power projects.

For 1H/2022, the Group of Companies recorded operating revenue from a wind power plant in Thailand of THB 32.9 million, fell by 13.6% YoY. This mainly came from the lower wind speed at the project, which led to the drop in capacity factor to 11.8% in 1H/2022 from 14.1% in 1H2021.

Subsidiaries: Laos 



In Q2/2022, the Group of Companies recorded operating revenue from hydro power plants in Laos of THB 229.2 million, grew by 7.6% YoY and 36.7% QoQ. These were resulted from the following factors.


YoY

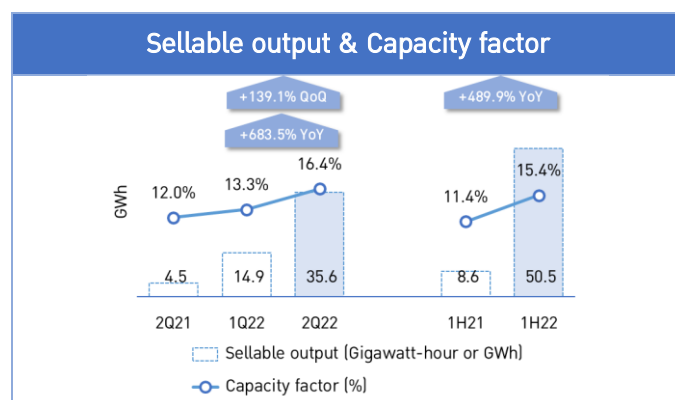
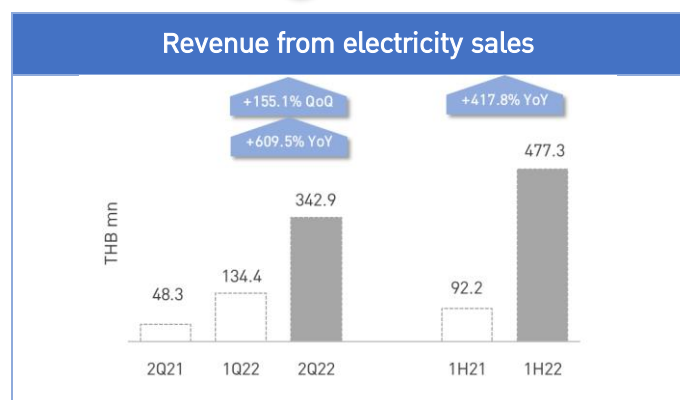
(+) Higher revenue from the appreciation of USD currency against THB currency, even though the electricity generation slightly decreased by 1.0% YoY to 101.0 GWh. The capacity factor of “Nam San 3A” and “Nam San 3B” dropped to 40.6% from 41.0% in Q2/2021 due to lower rainfall.

QoQ

(+) Electricity generation rose by 31.3%, owing to seasonal factor of hydro power plants, which gradually enter into high season in the second quarter.

For 1H/2022, the Group of Companies recorded operating revenue from hydro power plants in Laos of THB 396.8 million, increased by 13.2% YoY. This mainly resulted by the higher capacity factor of “Nam San 3A” and “Nam San 3B” at 35.9% from the higher rainfall and the appreciation of USD currency against THB currency.

Subsidiaries: Japan 



In Q2/2022, the operating revenue from solar power plants in Japan was reported at THB 342.9 million, which grew by 609.5% YoY and 155.1% QoQ. These were resulted from the following factors.

YoY

(+) Electricity generation grew significantly by 683.5% YoY, due to the commercial operations of 3 new solar power plants, including Chiba 1 Project (Nov 21), Komagane Project (Mar 22), and Yabuki Project (Apr 22).

QoQ

(+) Electricity generation improved by 139.1% QoQ, thanks to the full-quarter contribution of Komagane Project and the commercial operation of Yabuki Project.

For 1H/2022, the operating revenue from solar power plants in Japan was reported at THB 477.3 million, up by 417.8% YoY from the commercial operations of 3 new projects as mentioned.

Total Revenue from sales and rendering of services

In Q2/2022, total revenue was at THB 1,436.5 million, increased by 32.0% YoY and 24.0 QoQ. These were resulted from the following factors.

YoY

(+) Higher revenue from an increase in electricity generation of solar power projects in Japan and solar power plant projects in Thailand as mentioned.
(+) Higher revenue from hydropower projects in Lao PDR as a result of the appreciation of USD currency against THB currency as mentioned.

QoQ

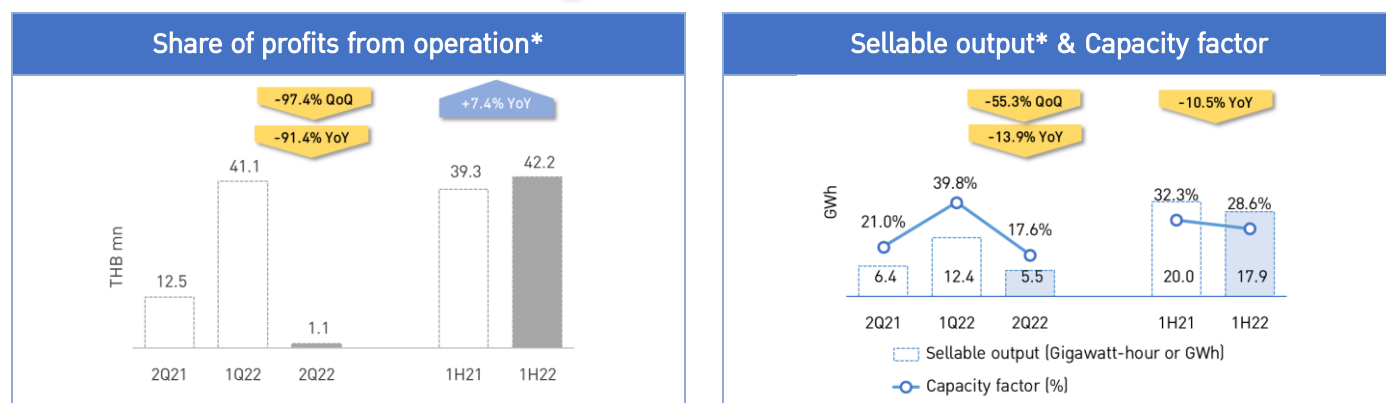
(+) Higher revenue from an increase in electricity generation of solar power projects in Japan, hydropower projects in Lao PDR, and solar power projects in Thailand as mentioned.

For 1H/2022, total revenue was at THB 2,594.9 million, grew by 21.6% YoY thanks to higher electricity generation from solar power projects in Japan, hydropower projects, “Nam San 3A” and “Nam San 3B”, in Lao PDR and solar power projects in Thailand as mentioned.

Share of profit of investment in associates

The Group of Companies has share of profit of investment in associate's structure classified by country as follows:

Investment in associates: the Philippines



*Share of profits from operation excludes amortization and one-time items.

*Sellable output calculation according to holding stake

Unit: THB million	2Q21	2Q22	Δ YoY (%)	1Q22	Δ QoQ (%)	1H21	1H22	Δ YoY (%)
Share profits from operation	12.5	1.1	(91.4%)	41.1	(97.4%)	39.3	42.2	7.4%
(-) Amortization	(8.1)	(7.9)	2.3%	(7.6)	(3.7%)	(15.8)	(15.5)	1.9%
Share profits from operation (after amortization)	4.5	(6.8)	(251.8%)	33.5	(120.3%)	23.5	26.7	13.7%

In Q2/2022, the Group of Companies recorded share of losses from operation (after amortization) of THB 6.8 million, decreased by 251.8% YoY and 120.3% QoQ. These were resulted from the following factors.

YoY

(-) Electricity generation fell by 13.9% from the drop in capacity factor in Q2/2022 to 17.6% from 21.0% in Q2/2021. This was resulted from lower wind speed at the project compared to the same period last year.

(-) In Q2/2021, the project received tariff escalation, while there was no such transaction booked in Q2/2022.

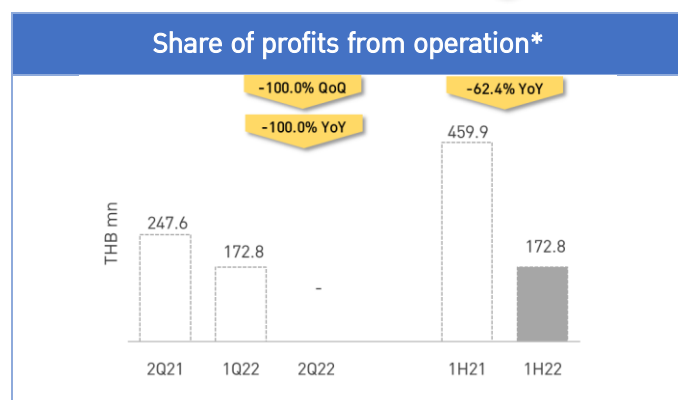
QoQ

(-) Electricity generation dropped by 55.3% following lower capacity factor compared to the previous quarter, which was due to the entering of low season.

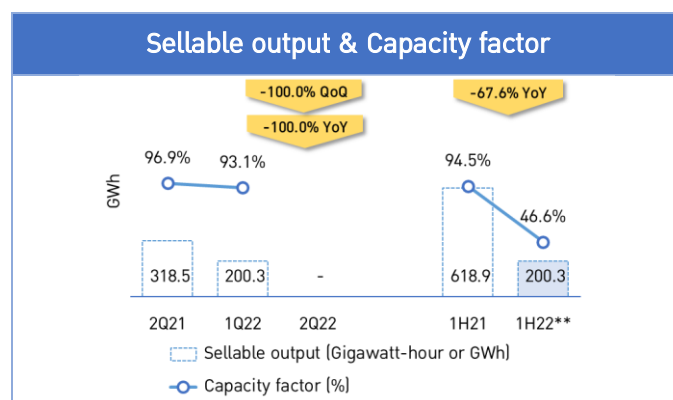
(-) In Q1/2022, the project realized retroactive revenue, while there was no such transaction booked in Q2/2022.

For 1H/2022, the Group of Companies recorded share of profits from operation (after amortization) of THB 26.7 million, grew by 13.7% YoY. This mainly resulted by the retroactive revenue.

Investment in associates: Indonesia



*Share of profits from operation excludes amortization and one-time items



*Sellable output calculation according to holding stake

**1H22 Capacity factor was calculated from an average of 1Q/2022 capacity factor at 93.1% and 2Q/2022 that has no operations after the divestment completion in March 2022.

Unit: THB million	2Q21	2Q22	Δ YoY (%)	1Q22	Δ QoQ (%)	1H21	1H22	Δ YoY (%)
Share profits from operation	247.6	-	(100.0%)	172.8	(100.0%)	459.9	172.8	(62.4%)
(-) Amortization	(95.1)	-	(100.0%)	(64.7)	(100.0%)	(185.9)	(64.7)	(65.2%)
Share profits from operation (after amortization)	152.6	-	(100.0%)	108.2	(100.0%)	274.0	108.2	(60.5%)

In Q2/2022, the Group of Companies did not record share of profits from operation (after amortization) of geothermal power plants in Indonesia as the Group of Companies completed the share disposal of Star Energy Group Holdings Pte Ltd. (SEGHPL) on 3 March 2022. As a result, the share of profits from the operation (after amortization) of geothermal power plants decreased by 100% both YoY and QoQ.

For 1H/2022, the Group of Companies reported share of profits from operation (after amortization) of geothermal power plants in Indonesia at THB 108.2 million, fell 60.5% YoY from the divestment of geothermal power plants in March 2022.

Share of profit of investment in associates (before one-time items)

Unit: THB million	2Q21	2Q22	Δ YoY (%)	1Q22	Δ QoQ (%)	1H21	1H22	Δ YoY (%)
Share profits from operation	260.2	1.1	(99.6%)	213.9	(99.5%)	499.2	215.0	(56.9%)
Others	-	(1.9)	NA	-	NA	-	(1.9)	NA
(-) Amortization	(103.1)	(7.9)	(92.4%)	(72.3)	(89.1%)	(201.7)	(80.1)	(60.3%)
Share profits from operation (after amortization)	157.0	(8.7)	(105.5%)	141.7	(106.1%)	297.5	133.0	(55.3%)

In Q2/2022, the Group of Companies recorded share of losses of investment in associates (after amortization and before one-time items) of THB 8.7 million, dropped 105.5% YoY and 106.1% QoQ. These were resulted from the following factors.

YoY	QoQ
(-) there was no share of profit contributed from geothermal power plants in Indonesia as well as the record of losses from wind power projects in the Philippines and other business losses.	(-) there was no share of profit contributed from geothermal power plants in Indonesia as well as the record of losses from wind power projects in the Philippines and other business losses.

For 1H/2022, the Group of Companies recorded a share of profit of investment in associates (after amortization and before one-time items) of THB 133.0 million, down by 55.3% YoY. This mainly came from the sales of geothermal power plants in Indonesia in March 2022, together with the record of losses from wind power projects in the Philippines and other business losses.

EBITDA from operation

In Q2/2022, EBITDA from the operation was at THB 1,169.7 million, increased by 17.9% YoY and 10.7% QoQ. These were resulted from the following factors.

YoY	QoQ
(+) Higher revenue from solar power projects in Japan, solar power plant projects in Thailand, and hydropower projects in Lao PDR as mentioned.	(+) Higher revenue from solar power projects in Japan, hydropower plants in Lao PDR, and solar power projects in Thailand as mentioned.

For 1H/2022, EBITDA from the operation was at THB 2,226.8 million, rose by 14.8% YoY from higher total revenue from solar power projects in Japan, hydropower projects in Lao PDR, and solar power projects in Thailand as mentioned.

Administrative expense

In Q2/2022, administrative expense (excluding one-time items) was at THB 144.5 million, remained close to Q2/2021 and Q1/2022 level.

For 1H/2022, administrative expense (excluding one-time items) was at THB 291.7 million, stayed at the similar level to 1H/2021.

SG&A to sales ratio in Q2/2022 was lower than Q2/2021 and Q1/2022. Also, SG&A to sale ratio in 1H/2022 was lower from 1H/2022.

Unit: %	2Q21	1Q22	2Q22	1H21	1H21
SG&A / Sales*	13.7	12.7	10.1	13.4	11.2

**Remark: administrative expenses are excluded from one-time items*

One-time items

In Q2/2022, the Group of Companies has one-time items as followed.

	2Q21	2Q22	1Q22	1H21	1H22
Total one-time items:	61.1	[218.8]	846.3	95.6	627.6
FX gain/(loss)	80.3	(113.5)	(153.6)	103.0	(267.0)
Tax related to FX gain/(loss)	(4.8)	(9.2)	13.3	0.2	4.2
Other one-time item	(14.4)	(96.2)	986.6	(7.5)	890.4
Net gain from sales of investment in associates	0.0	0.0	1,644.6	0.0	1,644.6
Loss from disposal and impairment of assets	0.0	0.0	(628.7)	(2.2)	(628.7)
Net withholding tax and special business tax	0.0	(70.6)	0.0	0.0	(70.6)
Other one-time item	(14.4)	(25.6)	(29.3)	(5.3)	(54.9)

Gain/(loss) from foreign exchange

In Q2/2022, the Group of Companies booked FX loss of THB 113.5 million. This came from the Group of the Company's assets, which use foreign currency as a functional currency have decreased in value following the depreciation of foreign currency against THB in Q2/2022. As a result, the gain from translation occurred.

YoY	QoQ
(-) FX gain of THB 80.3 million in Q2/2021 from the appreciation of foreign currency against THB.	(+) FX loss of THB 153.6 million in Q1/2022 from depreciation of foreign currency against THB.

For 1H/2022, the Group of Companies booked an FX loss of THB 267.0 million, decreased from the FX gain recorded in 1H/2021 of THB 103.0 million. The loss recorded in 1H/2022 came from the Group of the Company's assets, which use foreign currency as a functional currency, decreased in value following the depreciation of foreign currency against THB.

One-time expenses related to withholding tax and special business tax

In Q2/2022 the Group of Companies recorded expenses related to non-refundable withholding tax and special business tax (net tax) at THB 70.6 million. This one-time expense occurred from the settlement of shareholder loan's interest during the quarter.

Finance cost

In Q2/2022, the Group of Companies recorded finance cost (excluding one-time items) of THB 212.5 million, grew by 10.2% YoY and 3.2% QoQ. These were resulted from the increased market interest rate.

For 1H/2022, the Group of Companies recorded finance cost (excluding one-time items) of THB 418.5 million, rose by 10.6% YoY. This came from the increasing of market interest rate resulted in floating rate loan portion had higher finance cost as well as the higher amount of interest-bearing debt.

The average finance cost in Q2/2022 grew from Q2/2021 and Q1/2022. Meanwhile the average finance cost in 1H/2022 rose from 1H/2021.

Unit: %	2Q21	1Q22	2Q22	1H21	1H21
Average finance cost*	2.9	2.8	3.4	2.8	3.1

**Remark: administrative expenses are excluded from one-time items*

Recurring net profit

In Q2/2022, the Group of Companies recorded recurring net profit (excluding gain (loss) from FX and one-time items) of THB 549.0 million, grew by 8.9% YoY and 6.2% QoQ. These were resulted from the following factors.

YoY	QoQ
<p>(+) Higher revenue from solar power projects in Japan, solar power plant projects in Thailand, and hydropower projects in Lao PDR as mentioned.</p>	<p>(+) Higher total revenue from solar power projects in Japan, hydropower plants in Lao PDR, and solar power projects in Thailand as mentioned.</p>

For 1H/2022, the Group of Companies recorded recurring net profit (excluding gain (loss) from FX and one-time items) of THB 1,065.7 million, grew by 7.3% YoY. This came from the commercial operation of 3 solar power projects in Japan and higher revenue contribution from hydropower projects in Lao PDR as mentioned.

Net profit

In Q2/2022, the Group of Companies recorded net profit of THB 330.2 million, fell by 41.6 YoY and 75.8% QoQ. This was resulted by one-time items as followed.

YoY	QoQ
<p>(-) In Q2/2022, the total one-time loss of THB 218.8 million was recorded, compared to Q2/2021 that recorded the total one-time gain of THB 61.1 million.</p>	<p>(-) In Q2/2022, the total one-time loss of THB 218.8 million was recorded, compared to Q1/2022 that recorded the total one-time gain of THB 846.3 million.</p>

For 1H/2022, the Group of Companies recorded net profit of THB 1,693.3 million, up by 55.6% YoY, where the total one-time gain of THB 627.6 million was included. When compared to 1H/2021, there was FX gain of THB 95.6 million. As a result, net profit growth was lower than recurring net profit growth.

Financial Position

Financial position analysis as of 30 June 2022

Unit: THB million	2021	% of total assets	2022	% of total assets	Δ (%)
Cash and cash equivalents	11,227.7	19.1%	16,762.3	29.1%	49.3%
Current investments	0.0	0.0%	5,353.0	9.3%	n.a.
Trade accounts receivables	2,316.7	3.9%	2,433.4	4.2%	5.0%
Other current assets	388.6	0.7%	731.8	1.3%	88.3%
Total current assets	13,932.9	23.7%	25,280.4	43.9%	81.4%
Investments in associate & subsidiaries	13,485.8	23.0%	1,245.8	2.2%	(90.8%)
Property, plant and equipment	17,371.8	29.6%	17,008.9	29.5%	(2.1%)
Goodwill and Intangible assets	11,809.6	20.1%	11,722.1	20.3%	(0.7%)
Other non-current assets	2,121.1	3.6%	2,365.2	4.1%	11.5%
Total non-current assets	44,788.3	76.3%	32,342.0	56.1%	(27.8%)
Total Assets	58,721.2	100.0%	57,622.4	100.0%	(1.9%)
Short-term borrowings	0.0	0.0%	0.0	0.0%	n.a.
Current portions of long-term borrowings	3,575.4	6.1%	3,076.2	5.3%	(14.0%)
Long-term borrowings	13,995.5	23.8%	11,101.7	19.3%	(20.7%)
Debentures	11,984.6	20.4%	11,923.7	20.7%	(0.5%)
Other liabilities	1,937.6	3.3%	2,497.2	4.3%	28.9%
Total liabilities	31,493.1	53.6%	28,598.8	49.6%	(9.2%)
Equity attributable to owners of the Company	27,159.7	46.3%	28,954.1	50.2%	6.6%
Non-controlling interests	68.5	0.1%	69.5	0.1%	1.5%
Total liabilities and Equity	58,721.2	100.0%	57,622.4	100.0%	(1.9%)

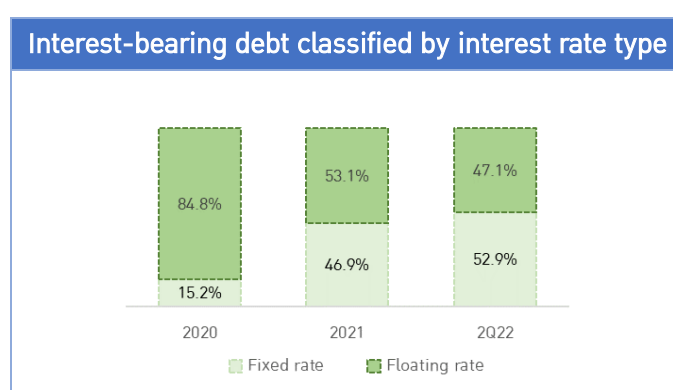
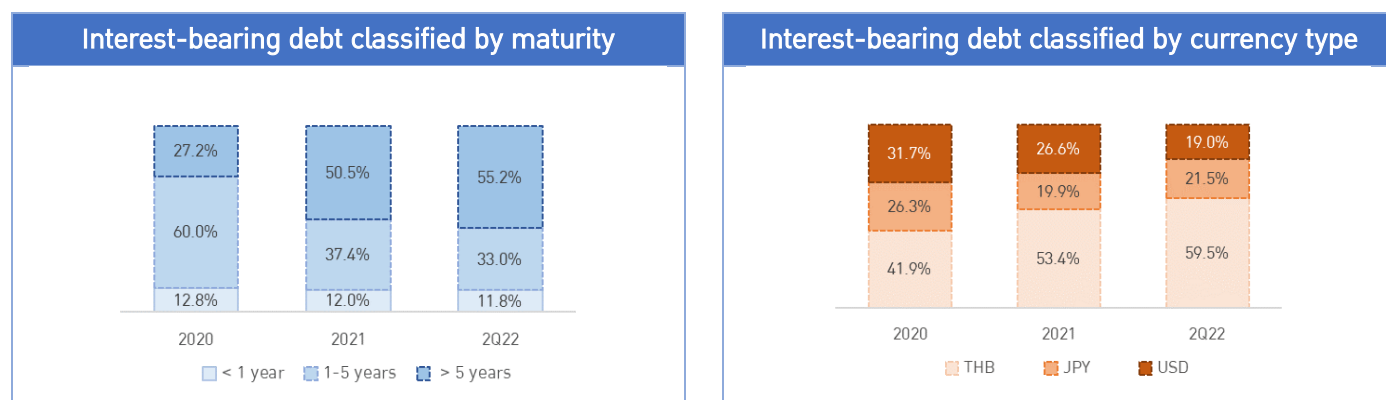
Asset

Total assets were at THB 57,622.4 million, declined by 1.9% from ending of 2021. This was resulted from the decrease in investments in associate & subsidiaries that the Group of Companies had sold the investment in Star Energy Group Holdings Pte. Ltd. ("SEGHPL") in March 2022.

Liability

Total liabilities were at THB 28,598.8 million, down by 9.2% from ending of 2021. This was mainly due to the partial loan repayments.

Interest-bearing debt classified by maturity, currency type and interest rates type are as follow.



In Q2/2022, the proportion of interest-bearing debts with a maturity of less than 1 year was relatively close to the end of 2021 at 11.8%. The proportion of interest-bearing debts with a maturity of between 1-5 years decreased to 33.0%, while the proportion of interest-bearing debts with a maturity of over 5 years increased and has the biggest majority at 55.2%.

Also, when considering interest-bearing debts classified by currency, the proportion of debts in THB currency increased due to the repayment of debts in USD currency in Q2/2022. The proportion of fixed-rate loan improved to 52.9%, while the proportion of floating rate interest-bearing debts reduced to 47.1%.

Equity

Equity attributable to owners of the group of companies worth THB 28,954.1 million, grew by 6.6% from ending 2021 following the growth of operating performance.

Cash Flow Statement

Cash flow statement analysis as of 30 June 2022

Unit: THB million	1H21	1H22	Δ
Net cash from (used in) operating activities	1,451.1	2,008.3	557.2
Net cash from (used in) investing activities	(4,026.0)	7,928.9	11,954.9
Net cash from (repay to) financing activities	(2,439.6)	(4,041.4)	(1,601.8)
Net increase in cash and cash equivalents	(5,014.4)	5,895.8	10,910.2
Cash and cash equivalents at 1 January	11,138.3	11,227.7	89.5
Effect of exchange rate changes on balances held in foreign currencies	173.8	(361.2)	(535.1)
Cash and cash equivalents at end period	6,297.6	16,762.3	10,464.6
Cash paid for investment activities	(966.1)	(6,522.5)	(5,556.4)

For 6-month period of 2022, net cash flow from operating activities was at THB 2,008.3 million. Meanwhile, net cash flow from investing activities was at THB 7,928.9 million, mainly came from the sales of investment in Star Energy Group Holdings Pte Ltd. (SEGHPL). Net cash flow repaid to financing activities was at THB 4,041.4 million, mainly came from the repayment of loan from financial institutions. As a result, cash and cash equivalents at end of Q2/2022 was at THB 16,762.3 million.

Key Financial Ratio

Key financial ratio analysis as of 30 June 2022

	2Q21	2Q22	Δ	1Q22	Δ
Profitability ratio					
Gross profit margin (%)	63.6	65.0	1.4	63.7	1.3
EBITDA margin (%)*	79.7	81.9	2.2	81.3	0.6
Net profit margin (%)	51.9	23.0	[28.9]	117.7	[94.7]
ROE (%) (Annualized)	9.7	5.1	[4.6]	19.9	[14.8]
ROA (%) (Annualized)	4.4	2.4	[2.0]	9.8	[7.4]
Liquidity ratio					
Current ratio (x)	3.7	5.4	1.7	5.5	[0.1]
Account receivable turnover (x)	4.0	2.4	[1.6]	2.8	[0.4]
Average collection period (days)	91.6	149.0	57.4	132.1	16.9
Leverage ratio					
Interest-bearing debt/equity (x)	1.1	0.9	[0.2]	1.0	[0.1]
Net interest-bearing debt/equity (x)	0.8	0.3	[0.5]	0.1	0.2
Total liability/equity (x)	1.1	1.0	[0.1]	1.1	[0.1]

*EBITDA margin (%) = EBITDA/(sales + share of profit before one-time items)

Profitability ratio

Gross profit margin in Q2/2022 was 65.0%, up from Q2/2021 from the efficiency improvement program of solar projects in Thailand, improved revenue contribution from 3 solar power projects in Japan, and higher revenue contribution from hydropower projects in Lao PDR. In addition, the gross profit margin grew from the previous quarter from the revenue contribution from solar projects in Japan. While EBITDA margin in Q2/2022 was at 81.9%, rose from Q2/2021 but remained at similar level to Q1/2022. Net profit margin in Q2/2022 was reported at 23.0%, dropped from Q2/2021 due to the absence of profit contributed from the geothermal power plants in Indonesia, and fell from the previous quarter as in Q1/2022 the gain from divestment was recorded as mentioned.

Liquidity ratio

The Group of Companies specifies credit term for trade receivables of no more than 60 days. As of ending Q2/2022, majority operating income of the Group of Companies come from the State Enterprise, namely EGAT and PEA. These state enterprises need to follow the payment condition in Power Purchase Agreement (PPA) or practice of individual state enterprises.

Average collection period as of Q2/2022 increased from Q2/2021 and Q1/2022, as electricity payment of hydro power plants, "Nam San 3A" and "Nam San 3B" in Lao PDR from EDL had a longer period. As a result, the average collection period was different from the past. However, the Group of Companies closely monitored EDL debt collection and continued to receive payment. In addition, the hydro power plants have Power Purchase Agreement (PPA) with EVN, which will begin to sell electricity within 2022. This would lessen average collection period by getting faster payment.

Leverage ratio

Interest-bearing debt to equity ratio in Q2/2022 slightly reduced to 1.0 times from 1.1 times in Q2/2021 and Q1/2022.

Other important information

Key factors which could affect to the Group of Companies performance

The group of companies estimates key factors which could affect its short-term operations as follow:

(+/-) Changes in the policy of the government and other related parties in conducting businesses in Thailand and Japan. The change might affect the group of companies's under-construction projects and the prospect of business in the future. However, our one of the main strategies is to focus an investment to the country that have clear renewable energy supporting policy in Power Development Plan. We also followed the change in a policy closely.

(+/-) The fluctuation of THB against JPY and USD will allow the group of companies to book gain/loss in FX translation due to net assets/liability balance sheet exposure in foreign currency. Nevertheless, the group of companies have plan to manage and follow net assets/liabilities to blend with both transaction and functional currency in each footprint to decrease impact from FX translation.

(+/-) A change in interest rate is expected to allow the financial cost of the group of companies to change slightly since approximate 47% of the group of companies's interest-bearing debt bears with floating rates. However, the group of companies believes that the financial cost will be well-managed under the prudent financial policy. The Group of the Companies is in the process of offering debentures in THB for repayment of debts, most of which are floating interest rate, and some are in foreign currency. Therefore, this could reduce the risk of interest rate and the exchange rate.

(+/-) Seasonality factors in each country have impact on electricity generation performance of the group of the group of companies from renewable energy including Solar conditions, Wind and Hydro. For example, in rainy season, electricity generation from solar will decrease while, on the other hand, electricity generation from hydropower will increase.

(-) At this moment, the Group of the Companies have various types of counterparties, including domestic counterparties and international counterparties both in developing country and under developing country. Moreover, there was counterparties in government sector and private sector. The difference types of counterparties have different levels of credit risk. However, the Group of the Companies has managed to diversify the counterparties risk in portfolio. In some circumstances, the counterparty's credit risk could be managed by switching counterparty to another counterparty with better credit risk profile.

Appendices

Sellable electricity output by each power plants

MWh	2Q21	2Q22	Δ (%)	1Q22	Δ (%)	1H21	1H22	Δ (%)
Total production	189,063	224,430	18.7%	179,264	25.2%	346,469	403,694	16.5%
Production - Thailand (Solar)	80,053	85,904	7.3%	84,234	2.0%	161,631	170,138	5.3%
Production - Adder	67,782	69,662	2.8%	68,789	1.3%	137,592	138,451	0.6%
Tariff (Incl. adder) (THB-kWh)	10.70	11.08	3.6%	11.04	0.4%	10.90	11.06	1.5%
Production - FIT 5.66	6,682	6,883	3.0%	6,920	(0.5%)	13,273	13,803	4.0%
Feed in Tariff (THB-kWh)	5.66	5.66	0.0%	5.66	0.0%	5.66	5.66	0.0%
Production - FIT 4.12	3,497	3,492	(0.1%)	3,488	0.1%	7,013	6,980	(0.5%)
Feed in Tariff (THB-kWh)	4.12	4.12	0.0%	4.12	0.0%	4.12	4.12	0.0%
Public solar	2,092	5,867	180.4%	5,036	16.5%	3,753	10,903	190.5%
Feed in Tariff (THB-kWh)	2.90	2.87	(1.0%)	2.86	0.3%	2.93	2.86	(2.4%)
Production - Thailand (Wind)	2,444	1,929	(21.1%)	3,223	(40.1%)	6,133	5,152	(16.0%)
Tariff (Incl. adder) (THB-kWh)	6.15	6.38	3.7%	6.40	(0.3%)	6.22	6.39	2.7%
Production - Japan (Solar)	4,546	35,619	683.5%	14,895	139.1%	8,564	50,515	489.9%
Feed in Tariff (JPY-kWh)	37.08	36.66	(1.1%)	36.00	1.8%	37.02	36.68	(0.9%)
Production - Laos (Hydro)	102,020	100,977	(1.0%)	76,912	31.3%	170,141	177,889	4.6%
Feed in Tariff (US cents-kWh)	6.66	6.59	(1.1%)	6.59	0.0%	6.66	6.59	(1.1%)

Revenue structure of each power plants

Unit: THB million	2Q21	2Q22	Δ (%)	1Q22	Δ (%)	1H21	1H22	Δ (%)
1. Revenue - Thailand (Solar)	803.0	841.7	4.8%	826.3	1.9%	1,636.2	1,668.0	1.9%
2. Revenue - Thailand (Wind)	15.0	12.3	(18.1%)	20.6	(40.3%)	38.1	32.9	(13.6%)
3. Revenue - Japan (Solar)	48.3	342.9	609.5%	134.4	155.1%	92.2	477.3	417.8%
4. Revenue - Laos PDR (Hydro)	213.1	229.2	7.6%	167.6	36.7%	350.5	396.8	13.2%
5. Other operating income	8.8	10.4	18.4%	9.6	9.3%	17.9	19.9	11.1%
Total revenue	1,088.2	1,436.5	32.0%	1,158.5	24.0%	2,134.9	2,594.9	21.6%

Net share profits from investment in associates

Unit: THB million	2Q21	2Q22	Δ YoY (%)	1Q22	Δ QoQ (%)	1H21	1H22	Δ YoY (%)
Share profits from operation	260.2	1.1	(99.6%)	213.9	(99.5%)	499.2	215.0	(56.9%)
Others	-	(1.9)	NA	-	NA	-	(1.9)	NA
(-) Amortization	(103.1)	(7.9)	(92.4%)	(72.3)	(89.1%)	(201.7)	(80.1)	(60.3%)
Share profits from operation (after amortization)	157.0	(8.7)	(105.5%)	141.7	(106.1%)	297.5	133.0	(55.3%)
(+/-) One-time item								
Amortization of deferred issuance cost from refinanc	-	-	NA	-	NA	-	-	NA
Tax provision	-	-	NA	-	NA	-	-	NA
Allowance for account receivable	-	-	NA	-	NA	-	-	NA
Net share profits	157.0	(8.7)	(105.5%)	141.7	(106.1%)	297.5	133.0	(55.3%)

Disclaimer

The information contained in this document is intended to provide and explain the Group of Companies' operation for shareholders and investors to follow and understand operations, financial position and operating factors that will affect the group of companies' operations better. The information and analysis contained herein have been done by the information as at the date of Financial Statement submission to the Stock Exchange of Thailand as well as relevant sources of information have been believed to be trustworthy. However, the analysis of such information may change in the future if certain factors which are subject to business economic and competitiveness are changed. The information contained herein does not take into consideration the investment objectives. The group of companies would ask shareholders and investors to use the information with best judgement with regards to the use of information from this presentation.