

Ref. SCG-SET-22-018

August 10, 2022

Subject: Management Discussion and Analysis for the Quarter 2 of Year 2022

To: President,  
The Stock Exchange of Thailand

In the first second quarter of 2022, the Company and its subsidiaries contributed the consolidated net loss of THB 34.70 million decreased by THB 68.62 million or 202% 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 35.13 million, decreased by THB 67.70 million or 208% in comparing with the same period of Year 2021. The major impact to the operating result was caused by the increment of natural gas price in comparing with the same period of Y2021 (approximately 775) due to the global energy price crisis which fluctuated and extremely increased. This impacted the electricity sales to Industrial Users (contributing 30% 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 1,283.26 million, increased by THB 256.64 million or 25%, mainly from the Company
  - Electricity sales revenue to EGAT was increased by THB 227.38 million due to higher natural-gas-indexed selling price
  - Electricity sales revenue to Industrial Users was decrease by THB 40.89 million due to decreased electricity demand. This caused by some Industrial Users slowed down their production due to higher production costs.
  - Steam sales revenue to Industrial Users was increased by THB 53.50 million due to higher steam fuel-oil-indexed selling price.
2. Cost of sales was THB 1,270.53 million, increased by THB 331.98 million or 35%, mainly from the increase in the cost of sales of the Company by THB 330.93 million due to natural gas price which approximately increased 77%.
3. Administrative expenses were THB 39.32 million, increased by THB 4.52 million or 13%, mainly from the adjustment of exchange rates at the end of the period.
4. Share of profit from investment in associate was THB 1.16 million, increased by THB 1.41 million or 565%
5. Financial expenses were THB 22.93 million, decreased by THB 5.38 million or 19% according to repayment of long-term loans.
6. Corporate income tax benefit was THB 11.47 million, increased by THB 9.50 million or 483% according to the operating result.

Please be informed accordingly

Yours sincerely,

*Udompong Chuntharumporn*

( Mr. Udompong Chuntharumporn )

Managing Director