



7UP024/65

August 11, 2022

Subject: Management Discussion and Analysis for quarter 2/2022 of Seven Utilities and Power Public Company Limited

To: The President

The Stock Exchange of Thailand

Seven Utilities and Power Public Company Limited (“the Company”) would like to report the operating results of the Company and its subsidiaries for quarter 2/2022, ended June 30, 2022 are as follows:

Statement of profit or loss

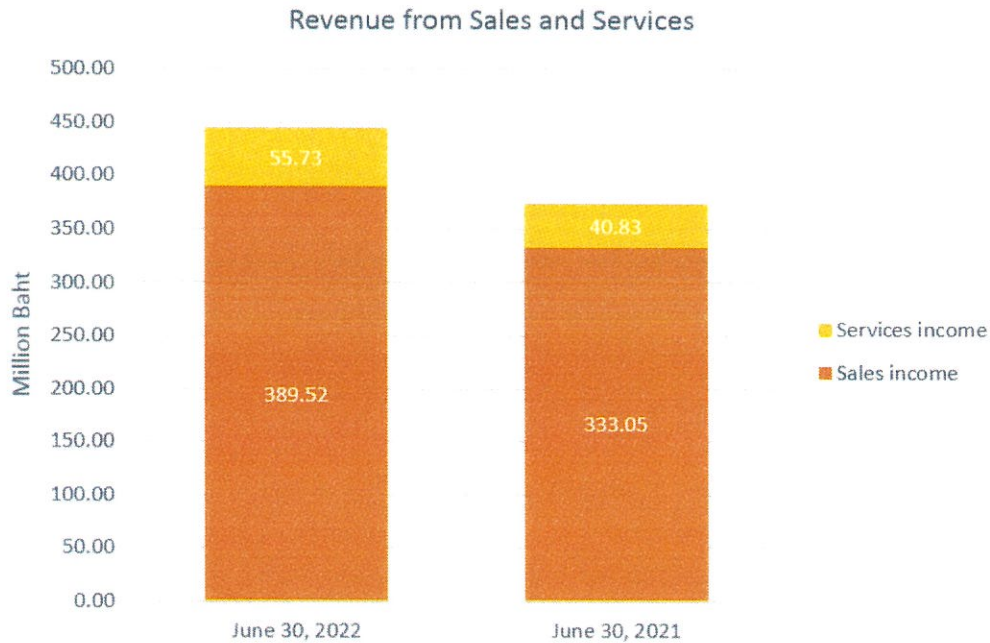
Statement of comprehensive income	Consolidated financial statements (Thousand Bath)					
	30 Jun 22	%	30 Jun 21	%	YOY	%YOY
Sales	389,525	84.15%	333,054	81.65%	56,471	16.96%
Service income	55,726	12.04%	40,831	10.01%	14,895	36.48%
Other income	17,639	3.81%	34,026	8.34%	(16,387)	48.16%
Total revenues	462,890	100.00%	407,911	100.00%	54,979	13.48%
Cost of sales	(355,248)	76.75%	(294,922)	72.30%	(60,326)	20.45%
Cost of services	(45,325)	9.79%	(27,346)	6.70%	(17,979)	65.75%
Selling expenses	(9,989)	2.16%	(11,271)	2.76%	1,282	11.37%
Administrative expenses	(118,312)	25.56%	(137,949)	33.82%	19,637	14.23%
Gain on sale of investment in subsidiaries	-	-	95,369	23.38%	(95,369)	100.00%
Gain on sale of investment in associate	-	-	123,412	30.25%	(123,412)	100.00%
Finance cost	(13,246)	2.86%	(16,065)	3.94%	2,819	17.55%
Reversal of allowance for loans and interest	-	-	14,098	3.46%	(14,098)	100.00%
Share of profit (loss) from investment in associates	(2,905)	0.63%	3,085	0.76%	(5,990)	194.17%
Profit (loss) before income tax (expense) income	(82,135)	17.74%	156,322	38.32%	(238,457)	152.54%
Income tax (expense) income	1,958	0.42%	(3,593)	0.88%	5,551	154.49%
Profit (loss) for the periods	(80,177)	17.32%	152,729	37.44%	(232,906)	152.50%

Remark: Financial ratio is based on common-size analysis to total revenue

Overall business operation 6 months

For quarter 2/2022, Seven Utilities and Power Public Company Limited and its subsidiaries has net loss of Baht 80.18 million. Loss increased from quarter 2/2021 by Baht 232.91 million, or 152.50%.

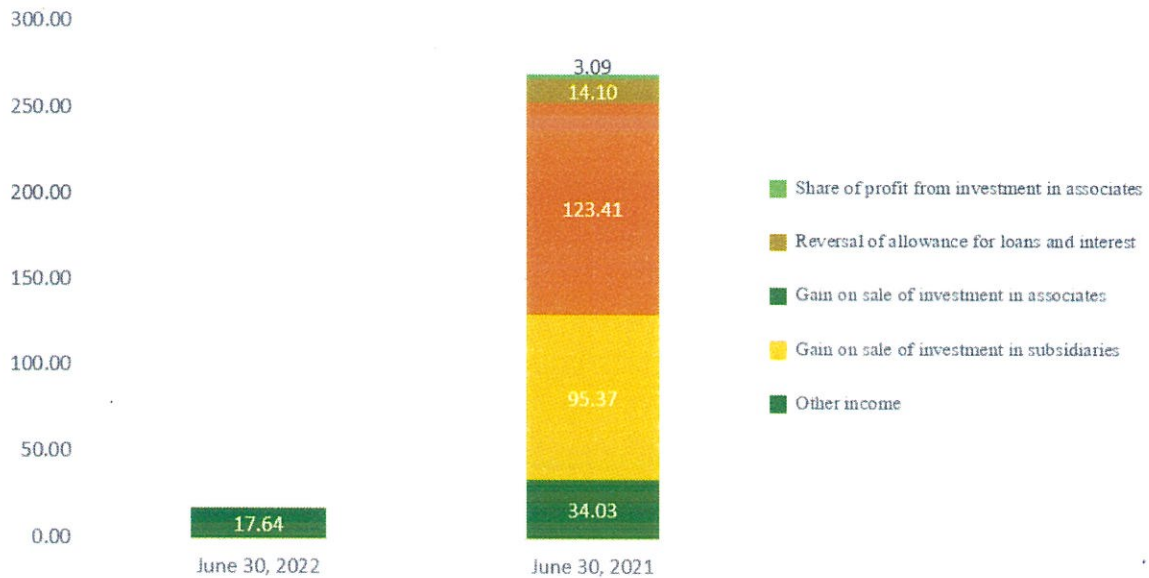
Revenue 6 months



For quarter 2/2022, the Company has sales and services income of Baht 445.25 million, which increased from quarter 2/2021 by Baht 71.37 million, or 19.09%. Sales income of Baht 389.52 million, mostly consists of revenue from the sale of LPG and oil by Baht 377.30 million and revenue from the sale of electricity by Baht 12.22 million. Services income amounting to Baht 55.73 million, mostly consists of revenue from waste water management services and water production management by Baht 45.14 million and revenue from LPG and oil station management by Baht 10.59 million.

Sales and services income increased by Baht 71.37 million mostly came from revenue from LPG and oil station business was increased by Baht 59.54 million, or 18.13% due to the COVID-19 pandemic was continuous better, the domestic tourism both private and business to recovered as a result increased in usage of LPG and oil. Furthermore, increased by Baht 21.72 million, or 92.74% from revenue of utilities business which was the company's subsidiary since 29 December 2021.

Non-recurring Incomes



For quarter 2/2022, the Company has non-recurring incomes of Baht 17.64 million which decreased from quarter 2/2021 by Baht 252.35 million, or 93.47%. Non-recurring incomes of Baht 17.64 million, mostly came from rental income and utilities of Baht 5.52 million, gain from sale of fixed-assets of Baht 3.76 million, revenue from relocation of waste water management system of Baht 3.71 million and dividend income of Baht 1.68 million.

Revenue, Cost and Operation by Segment

(Unit: Million Baht)

Gross Profit by Segment	June 30, 2022	June 30, 2021	Changes	
			YOY	%YOY
<u>LPG and oil station business</u>				
Revenues from sales and rendering of services	387.89	328.35	59.54	18.13%
Cost of sales and rendering of services	351.84	290.93	60.91	20.94%
Gross Profit by Segment	36.05	37.42	(1.37)	3.66%
Gross Profit Margin	9.29%	11.40%		
<u>Renewable energy business</u>				
Revenues from sales and rendering of services	12.22	12.54	(0.32)	2.55%
Cost of sales and rendering of services	8.55	8.41	0.14	1.66%
Gross Profit by Segment	3.67	4.13	(0.46)	11.14%
Gross Profit Margin	30.03%	32.93%		
<u>Trunked radio and Internet of Things (IoT)</u>				
Revenues from sales and rendering of services	-	9.57	(9.57)	100.00%
Cost of sales and rendering of services	-	7.60	(7.60)	100.00%
Gross Profit by Segment	-	1.97	(1.97)	100.00%
Gross Profit Margin	-	20.59%		
<u>Utilities business</u>				
Revenues from sales and rendering of services	45.14	23.42	21.72	92.74%
Cost of sales and rendering of services	40.11	15.33	24.78	161.64%
Gross Profit by Segment	5.03	8.09	(3.06)	37.82%
Gross Profit Margin	11.14%	34.54%		
Total Gross Profit before Eliminations	44.75	51.61	(6.86)	13.29%
<u>Less</u> Eliminate transactions	0.08	-	0.08	-
Total Gross Profit	44.67	51.61	(6.94)	13.45%
Gross Profit Margin	10.03%	13.80%		

Cost of sales and services 6 months

Cost of sales and services for quarter 2/2022 of Baht 400.58 million, which increased from quarter 2/2021 by Baht 78.31 million, or 24.30%, which consists of increase in cost of sales and cost of services of Baht 60.33 million and Baht 17.98 million, respectively. Consists of Cost of sales and services mostly came from the following;

- LPG and oil station business of Baht 351.84 million mainly from purchasing LPG and oil amounting to Baht 346.70 million and cost from sales management amounting to Baht 5.14 million.
- Utilities business of Baht 40.11 million which is cost of water distribution management amounting to Baht 25.06 million and waste water management services amounting to Baht 15.05 million.
- Renewable energy business of Baht 8.55 million which is cost of electricity production in whole amount.

Gross Profit 6 months

Gross profit for quarter 2/2022 and quarter 2/2021 were Baht 44.67 million and Baht 51.61 million, respectively. Gross profit decreased by Baht 6.94 million, or 13.45%. Consists of Gross profit mostly came from the following;

- LPG and oil station business of Baht 36.05 million mainly from gross profit on sale of LPG and oil amounting to Baht 30.60 million and gross profit from sales management amounting to Baht 5.45 million.
- Utilities business of Baht 5.03 million which is gross profit from waste water management services and water distribution management.
- Renewable energy business of Baht 3.67 million which is gross profit from sale electricity in whole amount.

Selling and Administrative Expenses 6 months

Selling and administrative expenses for quarter 2/2022 is equal to Baht 128.30 million, which decreased from quarter 2/2021 by Baht 20.92 million, or 14.02%. Selling and administrative expenses for quarter 2/2022 are from selling expenses amounting to Baht 9.99 million, which is selling expenses from LPG and oil business and administrative expenses amounting to Baht 118.31 million, mainly due to management expenses, employee expenses, utilities, audit fees, depreciations and amortizations.

Financial Cost 6 months

For quarter 2/2022, the Company's finance cost is Baht 13.25 million, which decreased from quarter 2/2021 by Baht 2.82 million, or 17.55%, which mostly resulted from borrowings from financial institutions.

Net Profit (Loss) for the Period 6 months

Results of operations for quarter 2/2022, the Company has net loss of Baht 80.18 million, which the Company decreased in operation from quarter 2/2021 by Baht 232.91 million, or 152.50%.

Statement of Financial Position

(Unit: Thousand Baht)

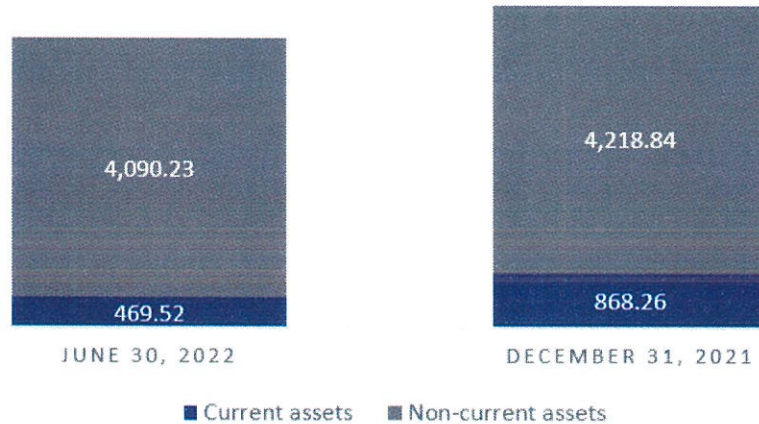
Statement of Financial Position	Consolidated Financial		Changes	Changes %
	Statement as at			
	30 Jun 22	31 Dec 21		
Total Assets	4,559,746	5,087,095	(527,349)	10.37%
Total Liabilities	1,272,915	1,719,534	(446,619)	25.97%
Equity Attributable to Owners of the Company	2,570,683	2,633,225	(62,542)	2.38%
Non-Controlling Interests	716,148	734,336	(18,188)	2.48%
Total Shareholders' Equity	3,286,831	3,367,561	(80,730)	2.40%

Total assets of the Company as at June 30, 2022 amounting to Baht 4,559.75 million, as at December 31, 2021 of Baht 5,087.10 million, decreased by Baht 527.35 million, or 10.37%. Total assets mostly consist of property, plant and equipment amounting to Baht 1,752.67 million, intangible assets amounting to Baht 1,503.73 million, investment in associated amounting to Baht 361.93 million, trade and other current receivables amounting to Baht 252.07 million, goodwill amounting to Baht 165.47 million and right-of-use assets amounting to Baht 142.89 million.

The total liabilities of the Company as at June 30, 2022 was Baht 1,272.92 million and as at December 31, 2021, was Baht 1,719.53 million, which decreased by Baht 446.61 million, or 25.97%. Total liabilities mostly came from deferred tax liabilities amounting Baht 360.19 million, trade and other payables amounting Baht 329.16 million, borrowings from financial institutions amounting to Baht 258.22 million and liabilities under lease agreements amounting of Baht 159.04 million.

Shareholders' equity as at June 30, 2022 amounting to Baht 3,286.83 million, while balance as at December 31, 2021, amounting to Baht 3,367.56 million, decreased by Baht 80.73 million, or 2.40%.

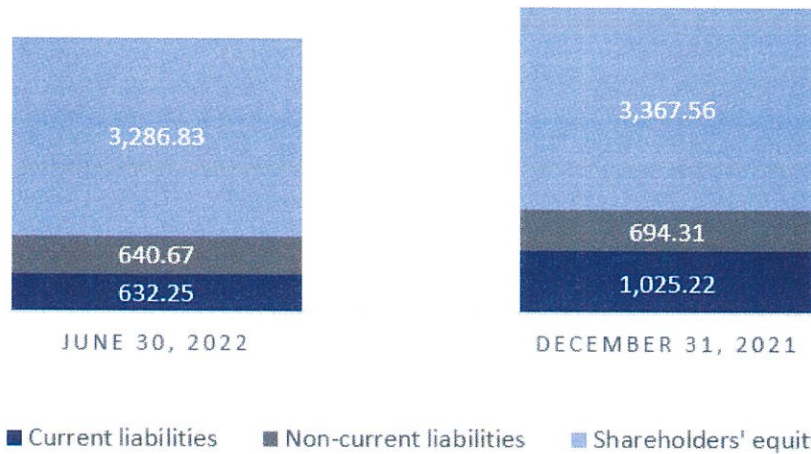
TOTAL ASSETS



As at June 30, 2022, the Company has total assets by Baht 4,559.75 million which decreased from December 31, 2021 by Baht 527.35 million, or 10.37% mostly came from

- Trade and other receivables decreased by Baht 307.75 million which mostly came from decrease in other receivables – non-related parties by Baht 272.58 million and decrease in prepaid expenses by Baht 28.49 million.
- Cash and cash equivalents decreased by Baht 100.14 million, while cash and cash equivalent at the beginning of the period by Baht 165.78 million, therefore, cash and cash equivalents at the period ended amounting to Baht 65.64 million. Decreasing in cash by Baht 100.14 million mainly came from cash outflow for non-related persons and parties by Baht 276.01 million, cash outflow for long-term borrowings from financial institutions by Baht 54.48 million and interest payment by Baht 22.98 million, however, there are cash inflow from sell an investment in associated amounting to Baht 270.00 million.

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY



As at June 30, 2022, the Company has total liabilities by Baht 1,272.92 million which decreased from December 31, 2021 by Baht 446.61 million, or 25.97%, mostly came from

- Short-term loan from non-related persons and parties by Baht 276.01 million
- Trade and other payables decreased by Baht 74.47 million which mostly came from the decrease in trade payables and accrued interest expenses from non-related parties by Baht 45.84 million and Baht 12.98 million, respectively.
- Borrowings from financial institutions decreased by Baht 54.48 million
- Liabilities under financial lease decreased by Baht 25.93 million.

As at June 30, 2022, Shareholders' equity of the Company amounting to Baht 3,286.83 million, which decreased from December 31, 2021 by Baht 80.73 million, or 2.40% due to net loss of the current period that cause a decrease in retain earning by Baht 61.99 million.

Company's liquidity

(Unit: Million Baht)

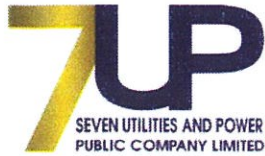
Details	Consolidate financial statement	
	For the period ended	For the period ended
	June 30, 2022	June 30, 2021
Net cash provided by (used in) operating activities	40.69	(36.54)
Net cash provided by (used in) investing activities	236.15	(178.73)
Net cash provided by (used in) financing activities	(376.98)	424.72
Net increase (decrease) in cash and cash equivalents	(100.14)	209.45
Cash and cash equivalents at the beginning of the period	165.78	116.47
Cash and cash equivalents at the end of the period	65.64	325.92

The Company's liquidity for the period ended June 30, 2022, the Company has net decreased in cash and cash equivalents by Baht 100.14 million, while cash and cash equivalent at the beginning of the period by Baht 165.78 million, therefore cash and cash equivalent balance at the period ended amounting to Baht 65.64 million, cash flow activities are as follows:

Net cash inflow provided by operating activities amounting to Baht 40.69 million due to the Company has loss before income tax by Baht 82.13 million while add back by non-cash transactions by Baht 119.51 million, such as depreciation expense by Baht 56.86 million, amortization expense by Baht 37.79 million and interest expense by Baht 13.25 million, etc. Moreover, cash inflow provided by operating activities by Baht 5.41 million and the Company has cash outflow on payment for income tax by Baht 2.10 million.

Net cash inflow provided by investment activities amounting to Baht 236.15 million mostly came from cash inflow from sell an investment in associated amounting to Baht 270.00 million and cash outflow for purchase of equipment and construction in progress by Baht 48.68 million.

Net cash outflow used in financing activities amounting to Baht 376.98 million mostly came from cash repayment for short-term borrowing from non-related persons and non-related parties by Baht 276.01 million, long-term borrowing from financial institutions and Baht 54.48 million and interest payment by Baht 22.98 million.



For financing activities to support current operations and future investment, The Group has a policy to provide source of investment funds from financial institutions and investors which have knowledge and capabilities in that business. In addition, the Group has a debt to equity ratio and interest coverage ratio are 0.39 times and 5.20 times, respectively, indicating that the Group has sufficient solvency and there was no default on repayment to financial institutions.

Please be informed accordingly.

Yours Sincerely,

(Ms.Poonchaya Patkotchakorn)

Chief Financial Officer