



WP
ENERGY

บริษัท ดับบลิวพี เอ็นเนอร์ยี่ จำกัด (มหาชน) WP ENERGY PUBLIC COMPANY LIMITED

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Subject: Management Discussion and Analysis (MD&A) of the Company for the second quarter of the year 2022

To: President
The Stock Exchange of Thailand

WP Energy Public Company Limited (hereinafter refer to as “the Company”) and its subsidiaries (hereinafter refer to as “the Group”) would like to report change in operating result of the company for the second quarter of the year 2022 as follows;

For the second quarter of the year 2022, net profit of the Group was Baht 42.80 million, increasing Baht 18.39 million or 75.36% from Baht 24.41 million in the second quarter of the year 2021.

Please see further details in the “Management Discussion and Analysis of the Operating Performance for the second quarter of the year 2022” as attached herewith.

Please be informed accordingly

Yours sincerely,

- Noppavong Omathikul -

Deputy Chief Executive Officer in Finance and Corporate Support



Management Discussion and Analysis (MD&A) of the Operating Performance for the second quarter of the year 2022

The Group reported the performance for the second quarter of the year 2022 ended 30 June 2022, the Group's net profit was at Baht 42.80 million, increasing Baht 18.39 million or 75.36% compared with the second quarter of the year 2021. The total revenue was at Baht 3,530.78 million, increasing Baht 770.56 million or 27.92% compared with the same period last year. In addition, The Group reported EBITDA of Baht 162.87 million, increasing Bath 25.74 million or 18.77%. The key summaries are as follows;

Table of key financial results

(Unit: Million Baht)	Quarter 2	Quarter 2	Increase (Decrease)	
	2022	2021	Amount	%
Total Revenue	3,530.78	2,760.22	770.56 ↑	27.92% ↑
Revenue from Sales and Services	3,482.48	2,709.18	773.30 ↑	28.54% ↑
Net Profit	42.80	24.41	18.39 ↑	75.36% ↑
Net Profit Margin (%)	1.21%	0.88%	0.33% pp	
EBITDA	162.87	137.13	25.74	18.77% ↑

1) Revenue from Sales and Services

In the second quarter of the year 2022, the Group's revenue from Sales and Services was Baht 3,482.48 million, increasing Baht 773.30 million or 28.54% from Baht 2,709.18 million when compared to the same period last year. The increasing in revenue from Sales and Service was due to LPG Sale Volume was increased from 167,393 tons to 190,198 tons, increasing 22,805 tons or 13.62% which are 183,533 tons for domestic sales and 6,664 tons for exports.



When compared to the same period last year, domestic sales of auto gas increased by 35%. This is because rising oil costs have made LPG once again more in demand, followed by the commercial and industrial sectors, which had growth of 21% and 14% respectively. Moreover, since the government's price rise was announced in April, the selling price has gone up of average 0.93 baht per kilogram every month. Additionally, the Group started to recognize revenue from the sale of electricity from the Solar Rooftop project in the second quarter of 2022. In the first half of the year 2022, "World Gas" Brand was ranked No. 2 in industry or market share of 18.92%.

2) Selling expenses

The Group's selling expenses were Bath 81.71 million in the second quarter of 2022, accounting for 2.35% of revenue from sales and services. This represents an increase of Baht 23.95 million or 41.47% from the same period last year as a result of an increase in sales volume that raised selling costs, particularly as a result of rising gas prices, which raised transportation costs. The Group did, though, keep a close eye on costs.

(Unit: Million Baht)	Quarter 2 2022	Quarter 2 2021	Increase (Decrease) Amount	Increase (Decrease) %
Selling Expense	81.71	57.75	23.95	41.47%

3) Administrative Expenses

In the second quarter of year 2022, the Group's administrative expenses was Baht 101.75 million, accounting for 2.92% of Revenue from Sales and Services which increased Baht 15.02 million or 17.32% mainly from personal expenses. Furthermore, administrative expenses went raised when the Group invested 100% in Thai Gas Cylinder in the last quarter of 2021.



(Unit: Million Baht)	Quarter 2 2022	Quarter 2 2021	Increase (Decrease) Amount	Increase (Decrease) %
Administrative Expense	101.75	86.73	15.02 ↑	17.32% ↑

4) Profits

In the second quarter of year 2022, the Group reported gross profit of Baht 195.42 million or gross profit margin 5.61% and net profit of Baht 42.80 million or net profit margin 1.21%. The Group's gross profit and net profit increased by Baht 62.24 million or 46.73% and Baht 18.39 million or 75.36% from the second quarter of year 2021 respectively. In addition, the Group's EBITDA was Baht 162.87 million, increasing by 18.77%.

The company's profitability is rising as a result of rising LPG sales volume including domestic and export, average selling price.

(Unit: Million Baht)	Quarter 2 2022	Quarter 2 2021	Increase (Decrease) Amount	Increase (Decrease) %
Gross Profit (Exclude Other Income)	195.42	133.18	62.24 ↑	46.73% ↑
Gross Profit Margin (Exclude O	5.61%	4.92%	0.70%	
Net Profit	42.80	24.41	18.39 ↑	75.36% ↑
Net Profit Margin (%)	1.21%	0.88%	0.33%	

5) Financial Status

As of 30 June 2022, The Group's total assets increased by 4.12% from Baht 6,425.56 million at the end of year 2021 to Baht 6,689.99 million at the end of the second quarter of year 2022. The Group's total liabilities slightly increased by 5.47% from Baht 5,098.27 million at the end of last year to Baht 5,377.36 million at the end of the second quarter of year 2022 and the Group's total equity lightly decreased by 1.10% from Baht 1,327.29 million at the end of last year to Baht 1,312.63 million at the end of the second quarter of year 2022. During the second quarter of year



2021, the Company paid dividend on performance result year 2021 in May 2022 at a rate of 0.15 baht / share, resulting in a decrease in shareholder's equity in second quarter of year 2022.

For The group's financial status in the second quarter of year 2022, the Group's Debt to Equity ratio (D/E) was at 4.10 times increasing from 3.84 times at the end of last year and Interest Bearing Debt to Equity ratio (IBD/E) was at 0.44 times increasing from 0.37 times at the end of last year, due to drawdown L/T for CAPEX investment according to the company's strategy.

(Unit: Million Baht)	30-Jun-22	31-Dec-21	Increase (Decrease)	
			Amount	%
Total Assets	6,689.99	6,425.56	264.43 ↑	4.12% ↑
Total Liabilities	5,377.36	5,098.27	279.10 ↑	5.47% ↑
Interest Bearing Debt	574.29	491.27	83.01 ↑	16.90% ↑
Shareholder's Equity	1,312.63	1,327.29	14.66 ↓	-1.10% ↓
D/E ratio (x)	4.10	3.84	0.26 ↑	
IBD/E ratio (x)	0.44	0.37	0.07 ↑	

6) Cash Flow

As of 30 June 2022, the Group had cash and cash equivalents of Baht 888.18 million and short-term investments in money market and bond market of Baht 90.87 million which mainly from operating activities. Each year, the Group had an average EBITDA of approximately Baht 500-600 million which was sufficient for operations and expanding in the future.