



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 2 Ended June 30, 2022

### EXECUTIVE SUMMARY

#### SIGNIFICANT EVENTS

**The profit of the natural gas business group grew by 210.7%.**

The natural gas business returned to growth after the COVID-19 pandemic, with higher oil prices causing new industrial customers to be more interested in using natural gas because it was cleaner and cheaper. As a result, sales in the natural gas business grew, including the industrial compressed natural gas (iCNG) business, the main natural gas station, the NGV station, as well as the natural gas transportation business.

**Private Power Purchase Project (Private PPA) selling electricity to the commercial system (Commercial Operation Date: COD) added 3 more projects with a total capacity which already COD of 12 megawatts.**

Q2/2022 added 3 more COD solar roof projects, recently, there were 21 projects which COD already with a total capacity of 12 megawatts from the total production capacity of 19 megawatts. This made the recognized share profit from the projects in Q2/2022 total 10 million THB. Furthermore, the goal is to continuously expand production capacity under the PPA contract with private sector Provincial Electricity Authority (PEA)

#### KEY FINANCIAL HIGHLIGHT

Unit : Million Baht

	Q1'2565	Q2'2565	% QoQ	Q2'2564	Q2'2565	% YoY
Revenue from sales and services	329.5	341.3	3.6%	411.1	341.3	-17.0%
EBITDA	334.1	86.6	-74.1%	76.2	86.6	13.7%
Net Profit	265.5	34.6	-87.0%	16.3	34.6	112.2%
<b>EBITDA Margin (%)</b>	101.4%	25.4%	-76.0%	18.5%	25.4%	6.8%
<b>Net Profit Margin (%)</b>	80.6%	10.1%	-70.4%	4.0%	10.1%	6.2%

#### Revenue

**Revenue from sales and services in Q2/2022 increased by 3.6% (QoQ) from the previous quarter to 341.3 million THB**, mainly due to the recognition of increased revenue in the design, manufacture, installation, and construction of natural gas stations.

**Revenue in Q2/2022 decreased by 17.0% (YoY) from the previous year to 341.3 million THB** as a result of the changed revenue recognition caused by the portion of shareholding in iCNG and iLNG businesses, which the company recognized share profit from investment in associate (TJN) instead of consolidation. But, for the other businesses, the company still increased revenue continually, such as Automotive and Logistics businesses.

#### Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)

**EBITDA in Q2/2022 increased by 13.7% (YoY) from previous year to 86.6 million THB**, which corresponded with the revenue from sales and services increasing significantly and good management of SG&A effectively.

#### Net Profit

**Net profit in Q2/2022 increased by 112.2% (YoY) from the previous year to 34.6 million THB** due to profit increasing in Natural gas business, recognition of share profit from solar roof project of Scan Advance Power Co., Ltd., which COD in Q2/2022 3 projects, and share profit from solar power plant project at Minbu in Myanmar, which remained receiving electricity bill from Myanmar's government punctually.



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## FINANCE PERFORMANCE

### REVENUE STRUCTURE

Unit : Million Baht

	Q1'2565	Q2'2565	% QoQ	Q2'2564	Q2'2565	% YoY
Natural Gas-related	213.54	205.58	-3.7%	264.34	205.58	-22.2%
Automotive	38.56	42.06	9.1%	35.98	42.06	16.9%
Renewable Energy	16.93	15.15	-10.5%	33.97	15.15	-55.4%
Logistic & Others	60.5	78.49	29.7%	76.77	78.49	2.2%
<b>Revenue from Sales and Services</b>	<b>329.53</b>	<b>341.28</b>	<b>3.6%</b>	<b>411.1</b>	<b>341.28</b>	<b>-17.0%</b>

#### Natural gas-related business

Revenue from Natural gas-related business in Q2/2022 decreased by 22.2% (YoY) to 205.58 million THB, the main reasons were due to changed recognition of Natural gas's iCNG. This was recognized as a share of profit from investment in TJN associates. If excludes iCNG business, the company would has increased revenue as the oil price increasing and better COVID-19 situation affected the demand of oil and natural gas returned to rise. This made the revenue from Natural gas-related business increased accordingly.

#### Automotive

Revenue from Automotive in Q2 / 2022 increased by 16.9% (YoY) from the previous year to 42.06 million THB. Apart from the company gain from the NGV bus maintenance contract 489 buses which could operate appropriately. In addition, the company recognized revenue from automotive spare parts, which increased significantly.

#### Renewable Energy

Revenue from Renewable Energy in Q2/2022 decreased by 55.4% (YoY) from the previous year to 15.15 million THB, mainly due to the decreasing sales volume of solar spare parts.

#### Logistics and Others

Revenue from Logistics and Others in Q2/2022 increased 2.2% (YoY) from the previous year to 78.49 million THB, which was quite similar to the last year's revenue.



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### GROSS PROFIT STRUCTURE

Unit : Million Baht

	Q1'2565	Q2'2565	% QoQ	Q2'2564	Q2'2565	% YoY
Natural Gas-related	10.14	31.5	210.7%	40.0	31.5	-21.3%
Automotive	5.14	5.6	8.6%	5.0	5.6	12.0%
Renewable Energy	12.96	12.0	-7.6%	11.2	12.0	7.0%
Logistic & Others	-19.8	0.8	-99.7%	-1.7	0.8	-97.0%
<b>Total Gross Profit</b>	<b>8.44</b>	<b>49.9</b>	<b>491.2%</b>	<b>54.5</b>	<b>49.9</b>	<b>-8.4%</b>
Selling, General and Administrative	64.18	39.5	-38.5%	39.3	39.5	0.6%
Depreciation & Amortization	32.69	33.2	1.5%	42.3	33.2	-21.6%

#### Natural Gas-related

Gross profit in Q2/2022 increased by 210.7% (QoQ) from the previous quarter to 31.5 million THB. That was gross profit from the normal operation of natural gas-related business and there were no special adjustment items from recording impairment of inventories such as in the Q1/2022.

Gross profit in Q2/2022 decreased by 21.3% (YoY) from the previous year to 31.5 million THB due to the change in recognition of gross profit from iCNG natural gas. It was recognized as a share profit from the investment in associates (TJN). Excluding the iCNG business, other natural gas businesses still had gross profit similar to previous year.

#### Automotive

Gross profit in Q2/2022 increased by 12% (YoY) from the previous year to 5.6 million THB, due to selling automotive spare parts which increased significantly and operation of NGV bus maintenance contract 489 buses profit increased.

#### Renewable Energy

Gross profit in Q2/2022 increased by 7% from the previous year to 12.0 million THB, as the previous year's gross profit was adjusted to the subsidiary's accounting standard TFRS16 (VON), the gross profit of the renewable energy business increased in this quarter.

#### Logistics and Others

Gross Profit in Q2/2022 increased by 148.5% from the previous year to 0.8 million THB, mainly due to the increase in gross profit in design, manufacture, installation, construction of natural gas stations, and increased gross profit in the transportation business, which won the bidding for the procurement of natural gas transportation contractors for motor vehicles (NGV) from the main station, PTT Lad Lum Kaeo station in July 2021.

#### Selling and administrative expenses

Selling and administrative expenses for the Q2/2022 was 39.5 million baht, similar to the previous year.



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## OTHER INCOME

Unit : Million Baht

	Q1'2565	Q2'2565	% QoQ	Q2'2564	Q2'2565	% YoY
Other income	21.08	23.7	12.2%	13.9	23.7	70.7%
Share of gain from associates	14.15	18.7	31.9%	16.7	18.7	11.8%

### Other Income

**Other income in Q2/2022 increased by 70.7% (YoY) from the previous year to 23.7 million THB**, mainly due to the recognition of interest income from company affiliates.

### Share of gain from associates

**Share of gain from associates increased 31.9% (QoQ) from the previous quarter** as the recognition of profit from investment in Solar Power Plant which COD in Q2/2022 3 projects.

**Share of gain from associates in Q2/2022 decreased by 11.8% (YoY) from the previous year to 18.7 million THB**, mainly from the recognition of profit from investment in the Solar Power Plant by Scan Advance Power Co., Ltd (SAP) of 10 million THB and receiving share profit from the solar power plant project in Minbu, Myanmar that still received electricity bills from the Myanmar government as scheduled.

## FINANCE COST AND GAIN (LOSS) ON EXCHANGE RATES

Unit : Million Baht

	Q1'2565	Q2'2565	% QoQ	Q2'2564	Q2'2565	% YoY
Finance costs	17.77	18.0	1.5%	19.7	18.0	-8.5%
Gain (loss) on exchange rates	15.13	0.8	-94.8%	-1.6	0.8	-149.4%
Profit (loss) from exchange rates	-	-	N/A	(0.4)	0.0	N/A

### Finance costs

**Finance costs in Q2/2022 decreased by 8.5% (YoY) from the previous year to 18 million THB**, mainly from repayment of both short-term and long-term loans, which earned in cash 313.1 million THB from selling TJN's share.



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## ABBREVIATION

COD	Commercial Operation Date
COVID	Corona Virus Disease
iCNG	Industrial Compressed Natural Gas
NGV	Natural Gas Vehicle
PEA	Provincial Electricity Authority
P-PPA	Private Power Purchase Agreement
SCN	Scan Inter Public Company Limited
TJN	Thai-Japan Gas Network Company Limited
TFRS	Thai Financial Reporting Standards
THB	Thai Baht
VON	V.O.Net Biodiesel Asia Company Limited

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