

7UP029/65

November 14, 2022

Subject: Management Discussion and Analysis for quarter 3/2022 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 3/2022, ended September 30, 2022 are as follows:

**Statement of profit or loss**

(Unit: Thousand Bath)

Statement of comprehensive income	Consolidated financial statements					
	30 Sep 22	%	30 Sep 21	%	YOY	%YOY
Sales	588,879	85.16%	494,807	83.32%	94,072	19.01%
Service income	77,296	11.18%	56,759	9.56%	20,537	36.18%
Other income	25,287	3.66%	42,258	7.12%	(16,971)	40.16%
<b>Total revenues</b>	<b>691,462</b>	<b>100.00%</b>	<b>593,824</b>	<b>100.00%</b>	<b>97,638</b>	<b>16.44%</b>
Cost of sales	(541,360)	78.29%	(441,736)	74.39%	(99,624)	22.55%
Cost of services	(64,993)	9.40%	(37,513)	6.32%	(27,480)	73.25%
Selling expenses	(15,497)	2.24%	(16,298)	2.74%	801	4.91%
Administrative expenses	(174,513)	25.24%	(169,298)	28.51%	(5,215)	3.08%
Gain on sale of investment in subsidiaries	-	0.00%	95,369	16.06%	(95,369)	100.00%
Gain on sale of investment in associate	-	0.00%	123,412	20.78%	(123,412)	100.00%
Finance cost	(18,413)	2.66%	(23,441)	3.95%	5,028	21.45%
Reversal of allowance for loans and interest	5,595	0.81%	30,300	5.10%	(24,705)	81.53%
Share of profit (loss) from investment in associates	(3,090)	0.45%	3,333	0.56%	(6,423)	192.71%
<b>Profit (loss) before income tax (expense) income</b>	<b>(120,809)</b>	<b>17.47%</b>	<b>157,952</b>	<b>26.60%</b>	<b>(278,761)</b>	<b>176.48%</b>
Income tax (expense) income	6,080	0.88%	(3,099)	0.52%	9,179	296.19%
<b>Profit (loss) for the periods</b>	<b>(114,729)</b>	<b>16.59%</b>	<b>154,853</b>	<b>26.08%</b>	<b>(269,582)</b>	<b>174.09%</b>

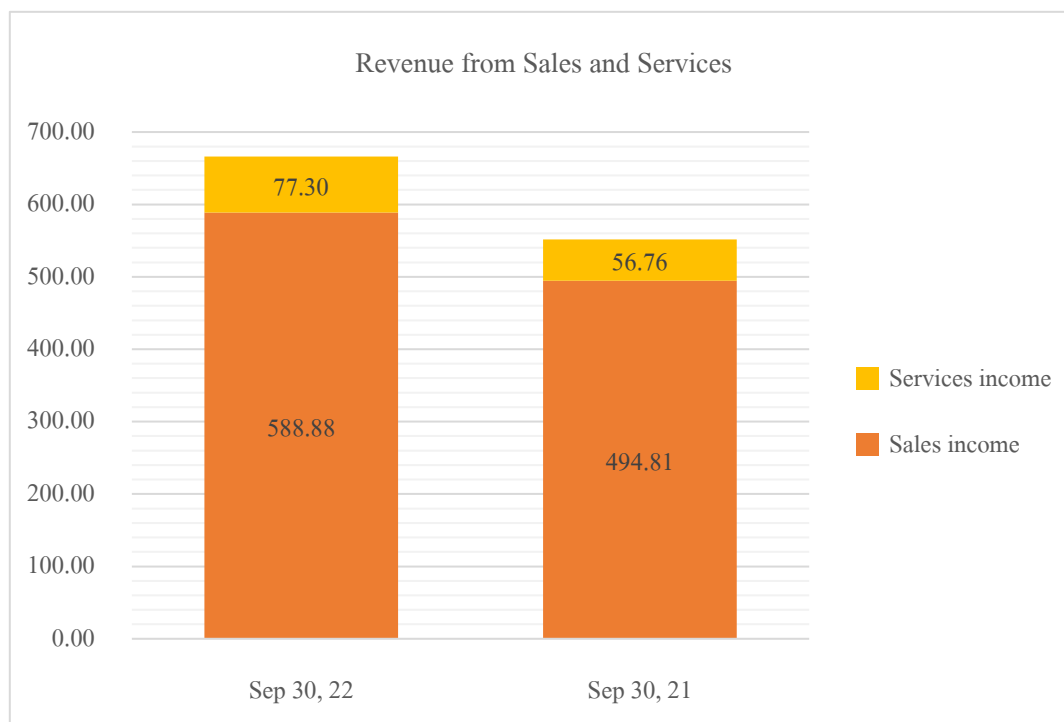
Remark: Financial ratio is based on common-size analysis to total revenue

## Overall business operation 9 months

For quarter 3/2022, Seven Utilities and Power Public Company Limited and its subsidiaries has net loss of Baht 114.73 million. Loss increased from quarter 3/2021 by Baht 269.58 million, or 174.09%.

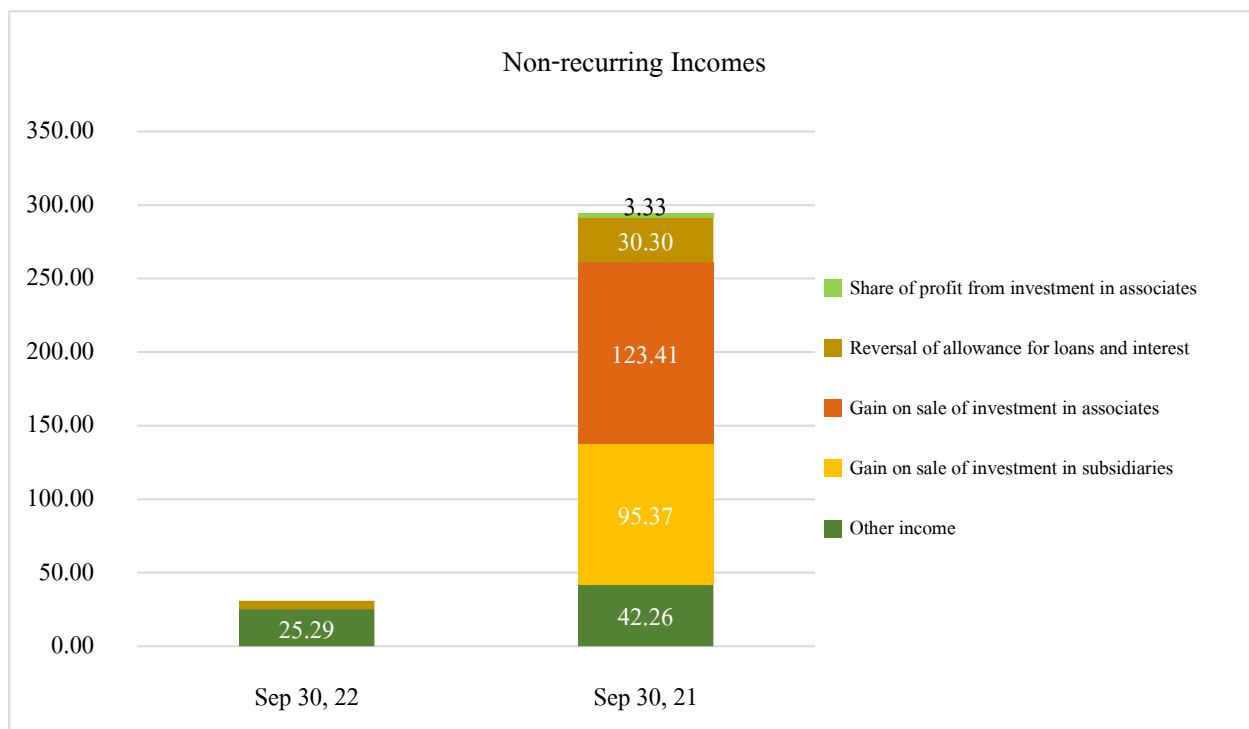
## Revenue 9 months

(Unit: Million Baht)



For quarter 3/2022, the Company has sales and services income of Baht 666.18 million, which increased from quarter 3/2021 by Baht 114.61 million, or 20.78%. Sales income of Baht 588.88 million, mostly consists of revenue from the sale of LPG and oil by Baht 571.87 million and revenue from the sale of electricity by Baht 17.01 million. Services income amounting to Baht 77.30 million, mostly consists of revenue from waste water management services and water production management by Baht 61.76 million and revenue from LPG and oil station management by Baht 15.54 million.

Sales and services income increased by Baht 114.61 million mostly came from revenue from LPG and oil station business was increased by Baht 95.93 million, or 19.52% 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 27.20 million, or 78.70% from revenue of utilities business which was the company's subsidiary since 29 December 2021.



For quarter 3/2022, the Company has non-recurring incomes of Baht 30.88 million which decreased from quarter 3/2021 by Baht 260.46 million, or 89.40%. Non-recurring incomes of Baht 30.88 million, mostly came from rental income and utilities of Baht 2.96 million, gain from sale of fixed-assets of Baht 4.69 million, revenue from relocation of waste water management system of Baht 3.71 million, interest income of Baht 1.87 million, dividend income of Baht 1.68 million, and income from the adjustment transaction on financial statement of Baht 8.63 million.

## Revenue, Cost and Operation by Segment

(Unit: Million Baht)

Gross Profit by Segment	Sep 30, 2022	Sep 30, 2021	Changes	
			YOY	%YOY
<b><u>LPG and oil station business</u></b>				
Revenues from sales and rendering of services	587.40	491.47	95.93	19.52%
Cost of sales and rendering of services	534.87	437.04	97.83	22.38%
<b>Gross Profit by Segment</b>	<b>52.53</b>	<b>54.43</b>	<b>(1.90)</b>	<b>3.49%</b>
<b>Gross Profit Margin</b>	<b>8.94%</b>	<b>11.07%</b>		
<b><u>Renewable energy business</u></b>				
Revenues from sales and rendering of services	17.01	16.97	0.04	0.24%
Cost of sales and rendering of services	13.64	12.55	1.09	8.69%
<b>Gross Profit by Segment</b>	<b>3.37</b>	<b>4.42</b>	<b>(1.05)</b>	<b>23.76%</b>
<b>Gross Profit Margin</b>	<b>19.81%</b>	<b>26.05%</b>		
<b><u>Trunked radio and Internet of Things (IoT)</u></b>				
Revenues from sales and rendering of services	-	8.57	(8.57)	100.00%
Cost of sales and rendering of services	-	7.60	(7.60)	100.00%
<b>Gross Profit by Segment</b>	<b>-</b>	<b>0.97</b>	<b>(0.97)</b>	<b>100.00%</b>
<b>Gross Profit Margin</b>	<b>-</b>	<b>11.32%</b>		
<b><u>Utilities business</u></b>				
Revenues from sales and rendering of services	61.76	34.56	27.20	78.70%
Cost of sales and rendering of services	57.77	22.06	35.71	161.88%
<b>Gross Profit by Segment</b>	<b>3.99</b>	<b>12.50</b>	<b>(8.51)</b>	<b>68.08%</b>
<b>Gross Profit Margin</b>	<b>6.46%</b>	<b>36.17%</b>		
Total Gross Profit before Eliminations	59.89	72.32	(12.43)	17.19%
<u>Less</u> Eliminate transactions	(0.08)	-	(0.08)	100.00%
<b>Total Gross Profit</b>	<b>59.81</b>	<b>72.32</b>	<b>(12.51)</b>	<b>17.30%</b>
<b>Gross Profit Margin</b>	<b>8.98%</b>	<b>13.11%</b>		

### **Cost of sales and services 9 months**

Cost of sales and services for quarter 3/2022 of Baht 606.35 million, which increased from quarter 3/2021 by Baht 127.10 million, or 26.52%, which consists of increase in cost of sales and cost of services of Baht 99.62 million and Baht 27.48 million, respectively. Consists of Cost of sales and services mostly came from the following;

- LPG and oil station business of Baht 534.87 million mainly from purchasing LPG and oil amounting to Baht 527.73 million and cost from sales management amounting to Baht 7.14 million.
- Utilities business of Baht 57.77 million which is cost of water distribution management amounting to Baht 36.84 million and waste water management services amounting to Baht 20.93 million.
- Renewable energy business of Baht 13.64 million which is cost of electricity production in whole amount.

### **Gross Profit 9 months**

Gross profit for quarter 3/2022 and quarter 3/2021 were Baht 59.82 million and Baht 72.32 million, respectively. Gross profit decreased by Baht 12.50 million, or 17.28%. Consists of Gross profit mostly came from the following;

- LPG and oil station business of Baht 52.53 million mainly from gross profit on sale of LPG and oil amounting to Baht 44.13 million and gross profit from sales management amounting to Baht 8.40 million.
- Utilities business of Baht 3.99 million which is gross profit from waste water management services and water distribution management.
- Renewable energy business of Baht 3.37 million which is gross profit from sale electricity in whole amount.

### **Selling and Administrative Expenses 9 months**

Selling and administrative expenses for quarter 3/2022 is equal to Baht 190.01 million, which decreased from quarter 3/2021 by Baht 4.41 million, or 2.38%. Selling and administrative expenses for quarter 3/2022 are from selling expenses amounting to Baht 15.50 million, which is selling expenses from LPG and oil business and administrative expenses amounting to Baht 174.51 million, mainly due to management expenses, employee expenses, utilities, audit fees, depreciations, and amortizations.

### Financial Cost 9 months

For quarter 3/2022, the Company's finance cost is Baht 18.41 million, which decreased from quarter 3/2021 by Baht 5.03 million, or 21.45%, which mostly resulted from borrowings from financial institutions.

### Net Profit (Loss) for the Period 9 months

Results of operations for quarter 3/2022, the Company has net loss of Baht 114.73 million, which the Company decreased in operation from quarter 3/2021 by Baht 269.58 million, or 174.09%.

### Statement of Financial Position

(Unit: Thousand Baht)

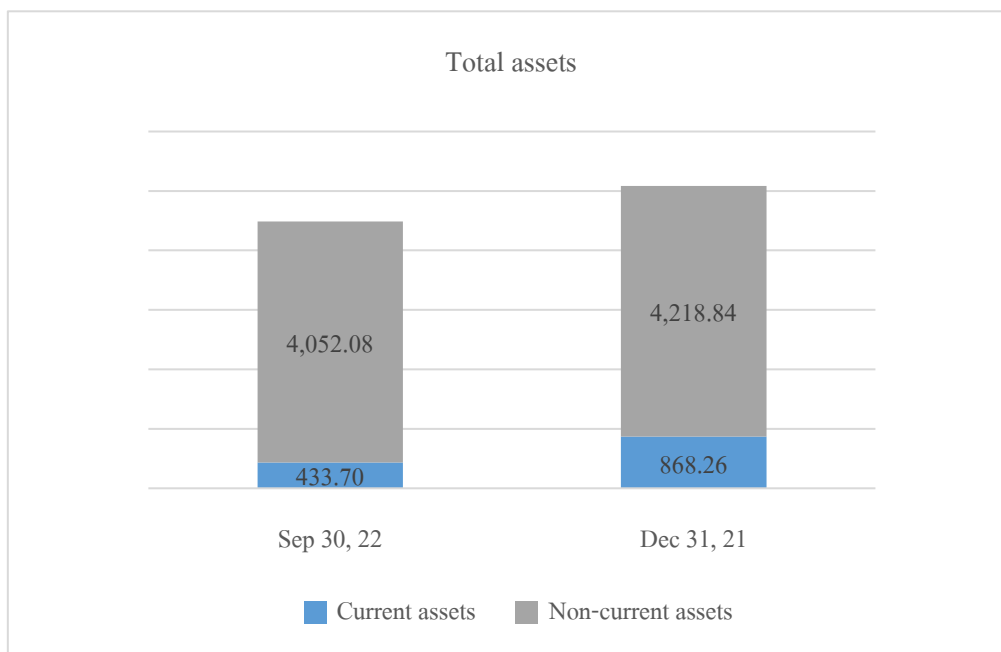
Statement of Financial Position	Consolidated Financial Statement		Changes	Changes %
	as at			
	30 Sep 22	31 Dec 21		
<b>Total Assets</b>	<b>4,485,779</b>	<b>5,087,095</b>	<b>(601,316)</b>	<b>11.82%</b>
<b>Total Liabilities</b>	<b>1,233,902</b>	<b>1,719,534</b>	<b>(485,632)</b>	<b>28.24%</b>
Equity Attributable to Owners of the Company	2,542,678	2,633,225	(90,547)	3.44%
Non-Controlling Interests	709,199	734,336	(25,137)	3.42%
<b>Total Shareholders' Equity</b>	<b>3,251,877</b>	<b>3,367,561</b>	<b>(115,684)</b>	<b>3.44%</b>

Total assets of the Company as at September 30, 2022 amounting to Baht 4,485.78 million, as at December 31, 2021 of Baht 5,087.10 million, decreased by Baht 601.32 million, or 11.82%. Total assets mostly consist of property, plant and equipment amounting to Baht 1,739.79 million, intangible assets amounting to Baht 1,484.52 million, investment in associated amounting to Baht 361.74 million, trade and other current receivables amounting to Baht 248.00 million, goodwill amounting to Baht 165.47 million, and right-of-use assets amounting to Baht 138.22 million.

The total liabilities of the Company as at September 30, 2022 was Baht 1,233.90 million and as at December 31, 2021, was Baht 1,719.53 million, which decreased by Baht 485.63 million, or 28.24%. Total liabilities mostly came from deferred tax liabilities amounting Baht 355.70 million, trade and other payables amounting Baht 309.68 million, borrowings from financial institutions amounting to Baht 247.06 million, and liabilities under lease agreements amounting of Baht 155.52 million.

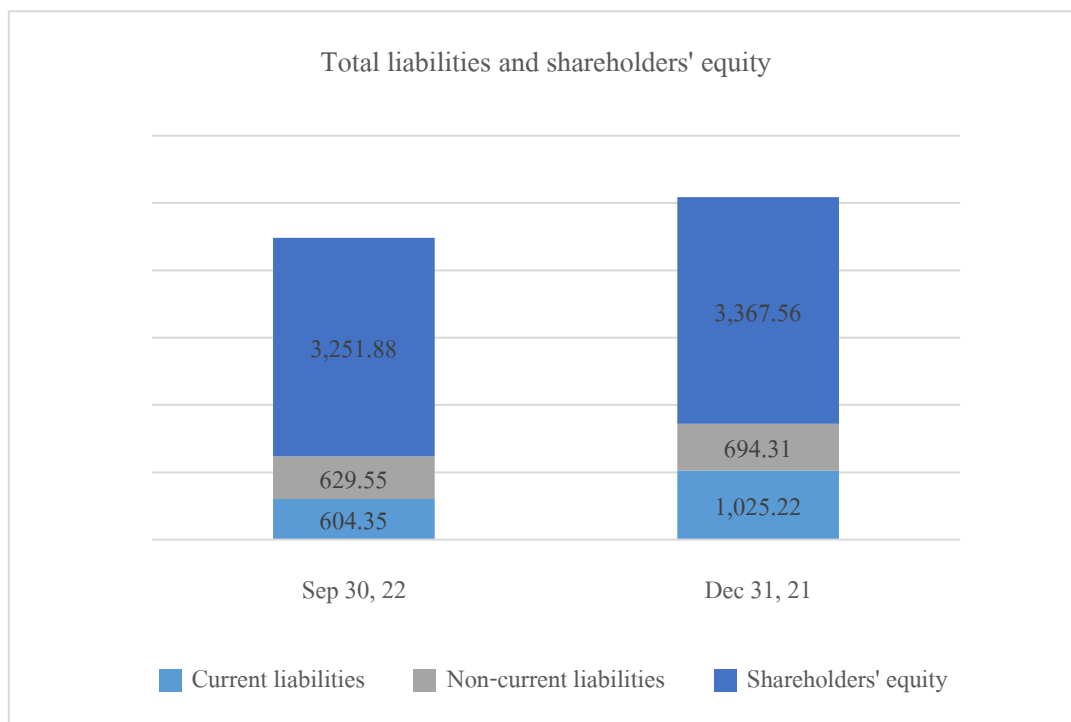
Shareholders' equity as at September 30, 2022 amounting to Baht 3,251.88 million, while balance as at December 31, 2021, amounting to Baht 3,367.56 million, decreased by Baht 115.68 million, or 3.44%.

(Unit: Million Baht)



As at September 30, 2022, the Company has total assets by Baht 4,485.78 million which decreased from December 31, 2021 by Baht 601.32 million, or 11.82% mostly came from

- Trade and other receivables decreased by Baht 311.82 million which mostly came from decrease in other receivables – non-related parties by Baht 268.67 million and decrease in prepaid expenses by Baht 29.50 million.
- Cash and cash equivalents decreased by Baht 118.35 million which 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 47.43 million. Decreasing in cash by Baht 118.35 million mainly came from cash outflow for payment of short-term borrowing from non-related persons and parties by Baht 276.01 million, cash outflow for long-term borrowings from financial institutions by Baht 81.10 million, and interest payment by Baht 25.72 million. However, there are cash inflow from sell an investment in associated amounting to Baht 270.00 million.



As at September 30, 2022, the Company has total liabilities by Baht 1,233.90 million which decreased from December 31, 2021 by Baht 485.63 million, or 28.24%, mostly came from

- Short-term loan from non-related persons and parties decreased by Baht 276.01 million
- Trade and other payables decreased by Baht 93.95 million which mostly came from the decrease in trade payables and accrued expenses from non-related parties by Baht 48.07 million and Baht 17.97 million, respectively.
- Borrowings from financial institutions decreased by Baht 70.82 million
- Liabilities under financial lease decreased by Baht 26.40 million.

As at September 30, 2022, Shareholders' equity of the Company amounting to Baht 3,251.88 million, which decreased from December 31, 2021 by Baht 115.68 million, or 3.44% due to net loss of the current period that cause a decrease in retain earning by Baht 114.73 million.



## Company's liquidity

(Unit: Thousand Baht)

Details	Consolidate financial statement	
	For the period ended Sep 30, 2022	For the period ended Sep 30, 2021
Net cash provided by (used in) operating activities	31,871	98,478
Net cash provided by (used in) investing activities	244,129	(341,176)
Net cash provided by (used in) financing activities	(394,346)	358,830
Net increase (decrease) in cash and cash equivalents	(118,346)	116,132
Cash and cash equivalents at the beginning of the period	165,776	116,471
Cash and cash equivalents at the end of the period	<b>47,430</b>	<b>232,603</b>

The Company's liquidity for the period ended September 30, 2022, the Company has net decreased in cash and cash equivalents by Baht 118.35 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 47.43 million, cash flow activities are as follows:

Net cash inflow provided by operating activities amounting to Baht 31.87 million due to the Company has loss before income tax by Baht 120.80 million while add back by non-cash transactions by Baht 165.45 million, such as depreciation expense by Baht 84.05 million, amortization expense by Baht 57.00 million and interest expense by Baht 18.41 million, etc.

Net cash inflow provided by investment activities amounting to Baht 244.13 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 58.46 million.

Net cash outflow used in financing activities amounting to Baht 394.35 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 81.10 million, and interest payment by Baht 25.72 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 0.38



times and 5.56 times, respectively, which 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