



MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022 (ADDITIONAL)

1. Analysis of Operation Results According to Consolidated Financial Statement for Nine-Month Period Ended 30 September

	Nine-Month Period Ended 30 September					
	2022		2021		Change	
	Amount (MB)	% to Revenue	Amount (MB)	% to Revenue	Amount (MB)	% Change
Revenue from sale and rendering of services	3,022.8	100%	3,392.7	100%	(369.9)	-11%
Cost of sale and rendering of services	(885.0)	-29%	(929.0)	-27%	(44.0)	-5%
Gross profit	2,137.8	71%	2,463.7	73%	(325.9)	-13%
Other income	94.0	3%	38.0	1%	56.0	147%
Selling and distribution expenses	(8.0)	0%	(7.3)	0%	0.7	10%
Administrative expenses	(146.1)	-5%	(200.1)	-6%	(54.0)	-27%
Gain (loss) on derivatives	(72.0)	-2%	2.3	0%	(74.3)	-3230%
Gain (loss) on financial assets	5.1	0%	10.8	0%	(5.7)	-53%
Profit (loss) from operating activities	2,010.8	67%	2,307.4	68%	(296.6)	-13%
Finance costs	(80.2)	-3%	(113.7)	-3%	(33.5)	-29%
Profit (loss) before income tax expense	1,930.6	64%	2,193.7	65%	(263.1)	-12%
Tax (expense) income	(171.5)	-6%	(111.5)	-3%	60.0	54%
Net profit (loss)	1,759.1	58%	2,082.2	61%	(323.1)	-16%

Net profit (Loss) attributable to :

Owners of the parent	1,649.8	1,878.0
Non-controlling interests	109.3	204.2
	1,759.1	2,082.2

Basic earnings per share (EPS) :

Number of shares (million shares)	1,055.8	1,040.2
Basic earnings per share (in Baht)	1.56	1.81

The operating results according to the consolidated financial statements of the Company and its subsidiaries for the nine-month period ended 30 September 2022 presented the net profit of Baht 1,759.1 million or Baht 1.56 per share which decreased by Baht 323.1 million or 16%, compared to the net profit of Baht 2,082.2 million or Baht 1.81 per share of the nine-month period ended 30 September 2021. The significant reasons were as follows:



MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022 (ADDITIONAL)

1.1 Revenue from Sale and Rendering of Services

Revenue from sale and rendering of services for 9M 2022 was Baht 3,022.8 million, decreased by Baht 369.9 million or 11%, compared to period of 9M 2021 (Baht 3,392.7 million). The main reasons were as follows:

- Revenue from solar farm business for 9M 2022 was Baht 2,704.6 million which decreased by Baht 321.1 million or 11%, compared to period of 9M 2021 (Baht 3,025.7 million) due to the energy output for 9M 2022 was 275.3 million units which decreasing by 12.4 million units or 4% from 287.7 million units and the revenue from subsidy of adders, 8 Baht per unit, for 9 solar farms had been over, detail as follows:

No.	Companies	Revenue from subsidy of adders ended
1	Solar Power (Korat 1) Co., Ltd.	20 April 2020
2	Solar Power (Sakon Nakorn 1) Co., Ltd.	8 February 2021
3	Solar Power (Nakorn Phanom 1) Co., Ltd.	21 April 2021
4	Solar Power (Korat 2) Co., Ltd.	12 September 2021
5	Solar Power (Loei 1) Co., Ltd.	14 September 2021
6	Solar Power (Khon Kaen 1) Co., Ltd.	14 February 2022
7	Solar Power (Korat 3) Co., Ltd.	8 March 2022
8	Solar Power (Korat 4) Co., Ltd.	13 May 2022
9	Solar Power (Korat 7) Co., Ltd.	29 May 2022

- Solar Power Roof Company Limited (SPR), operates the business of solar roof installation for residential, commercial and industrial customers, its revenue from sale and rendering of services for period of 9M 2022 was Baht 224.0 million which increased by Baht 54.4 million or 32% compared to period of 9M 2021 (Baht 169.6 million).
- Steel Roof Company Limited (SRC), operates the business of metal sheet roofing distribution and installation, the revenue from sale and rendering of services for 9M 2022 was Baht 65.1 million which decreased by Baht 97.2 million or 60%, compared to period of 9M 2021 (Baht 162.3 million).



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022 (ADDITIONAL)

1.2 Cost of Sale and Rendering of Services and Gross Profit

Cost of sale and rendering of services of 9M 2022 was Baht 885.0 million, decreased by Baht 44.0 million or 5%, compared to period of 9M 2021 (Baht 929.0 million). The decrease in cost of sale and rendering of services was aligned to the revenue of metal sheet roofing business (SRC).

Gross profit margin of 9M 2022 was 71%, decreased from the period of 9M 2021 (73%). The main reason was the decreasing in the proportion of solar farm business which higher gross profit margin.

1.3 Administrative Expenses

Administrative expenses for 9M 2022 was Baht 146.1 million, decreased by Baht 54.0 million or 27%, compared to period of 9M 2021 (Baht 200.1 million). The main reasons were as follows:

- In 2021, the financial advisor fee and legal advisor fee for investing in Set Energy Co., Ltd. was Baht 23.3 million and Baht 7.6 million, respectively.
- In 2022, the employee expense and donation decreased by Baht 13.9 million and Baht 2.7 million, respectively.

1.4 Other income

Other income for 9M 2022 was Baht 94.0 million. The main reason was gain on fair value measurement on long-term loans in foreign currency because Thai Baht had appreciated when the loan had been paid off on 1 July 2022.

1.5 Gain (Loss) on Derivatives

Loss on derivatives for 9M 2022 was Baht 72.0 million. The main reason was loss on fair value measurement of cross currency swaps on long-term loans in foreign currency because Thai Baht had appreciated when the loan had been paid off on 1 July 2022.

1.6 Finance Costs

Finance costs for 9M 2022 was Baht 80.2 million, decreased by Baht 33.5 million or 29% compared to period of 9M 2021 (Baht 113.7 million). The main reason was the repayment of debentures in amount of Baht 2,200.0 million in the year 2021.



MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022 (ADDITIONAL)

2. Analysis of Operation Results According to Consolidated Financial Statement for Three-Month Period Ended 30 September

	Three-Month Period Ended 30 September					
	2022		2021		Change	
	Amount (MB)	% to Revenue	Amount (MB)	% to Revenue	Amount (MB)	% Change
Revenue from sale and rendering of services	1,003.6	100%	1,032.1	100%	(28.5)	-3%
Cost of sale and rendering of services	(358.8)	-36%	(308.1)	-30%	50.7	16%
Gross profit	644.8	64%	724.0	70%	(79.2)	-11%
Other income	6.2	1%	10.2	1%	(4.0)	-39%
Selling and distribution expenses	(5.6)	-1%	(1.5)	0%	4.1	273%
Administrative expenses	(55.6)	-6%	(56.2)	-5%	(0.6)	-1%
Gain (loss) on derivatives	17.1	2%	1.5	0%	15.6	1040%
Gain (loss) on financial assets	2.8	0%	3.8	0%	(1.0)	-26%
Profit (loss) from operating activities	609.7	61%	681.8	66%	(72.1)	-11%
Finance costs	(25.9)	-3%	(40.3)	-4%	(14.4)	-36%
Profit (loss) before income tax expense	583.8	58%	641.5	62%	(57.7)	-9%
Tax (expense) income	(78.8)	-8%	(42.9)	-4%	35.9	84%
Net profit (loss)	505.0	50%	598.6	58%	(93.6)	-16%

Net profit (Loss) attributable to :

Owners of the parent	483.3	540.8
Non-controlling interests	21.7	57.8
	505.0	598.6

Basic earnings per share (EPS) :

Number of shares (million shares)	1,055.8	1,055.8
Basic earnings per share (in Baht)	0.46	0.51

The operating results according to the consolidated financial statements of the Company and its subsidiaries for the three-month period ended 30 September 2022 presented the net profit of Baht 505.0 million or Baht 0.46 per share which decreased by Baht 93.6 million or 16%, compared to the net profit of Baht 598.6 million or Baht 0.51 per share of the three-month period ended 30 September 2021. The significant reasons were as follows:



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FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022 (ADDITIONAL)

2.1 Revenue from Sale and Rendering of Services

Revenue from sale and rendering of services for 3M 2022 was Baht 1,003.6 million, decreased by Baht 28.5 million or 3%, compared to period of 3M 2021 (Baht 1,032.1 million). The main reasons were as follows:

- Revenue from solar farm business for 3M 2022 was Baht 825.0 million which decreased by Baht 91.6 million or 10%, compared to period of 3M 2021 (Baht 916.6 million) due to the energy output for 3M 2022 was 85.1 million units which decreasing by 3.4 million units or 4% from 88.5 million units and the revenue from subsidy of adders, 8 Baht per unit, for 9 solar farms had been over, detail as follows:

No.	Companies	Revenue from subsidy of adders ended
1	Solar Power (Korat 1) Co., Ltd.	20 April 2020
2	Solar Power (Sakon Nakorn 1) Co., Ltd.	8 February 2021
3	Solar Power (Nakorn Phanom 1) Co., Ltd.	21 April 2021
4	Solar Power (Korat 2) Co., Ltd.	12 September 2021
5	Solar Power (Loei 1) Co., Ltd.	14 September 2021
6	Solar Power (Khon Kaen 1) Co., Ltd.	14 February 2022
7	Solar Power (Korat 3) Co., Ltd.	8 March 2022
8	Solar Power (Korat 4) Co., Ltd.	13 May 2022
9	Solar Power (Korat 7) Co., Ltd.	29 May 2022

- Solar Power Roof Company Limited (SPR), operates the business of solar roof installation for residential, commercial and industrial customers, its revenue from sale and rendering of services for period of 3M 2022 was Baht 153.3 million which increased by Baht 105.1 million or 218% compared to period of 3M 2021 (Baht 48.2 million).
- Steel Roof Company Limited (SRC), operates the business of metal sheet roofing distribution and installation, the revenue from sale and rendering of services for 3M 2022 was Baht 16.2 million which decreased by Baht 40.6 million or 71%, compared to period of 3M 2021 (Baht 56.8 million).



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022 (ADDITIONAL)

2.2 Cost of Sale and Rendering of Services and Gross Profit

Cost of sale and rendering of services of 3M 2022 was Baht 358.8 million, increased by Baht 50.7 million or 16%, compared to period of 3M 2021 (Baht 308.1 million). The increase in cost of sale and rendering of services was aligned to the revenue of solar roof business (SPR).

Gross profit margin of 3M 2022 was 64%, decreased from the period of 3M 2021 (70%). The main reason was the decreasing in the proportion of solar farm business which higher gross profit margin.

2.3 Administrative Expenses

Administrative expenses for 3M 2022 was Baht 55.6 million, decreased by Baht 0.6 million or 1%, compared to period of 3M 2021 (Baht 56.2 million). The main reasons were as follows:

- In 2022, the loss on fair value measurement on long-term loans in foreign currency was Baht 8.7 million because Thai Baht had depreciated when the loan had been paid off on 1 July 2022.
- In 2022, the employee expense decreased by Baht 7.3 million.
- In 2021, the doubtful debt expense was Baht 2.6 million.

2.4 Gain (Loss) on Derivatives

Gain on derivatives for 3M 2022 was Baht 17.1 million. The main reason was gain on fair value measurement of cross currency swaps on long-term loans in foreign currency because Thai Baht had depreciated when the loan had been paid off on 1 July 2022.

2.5 Finance Costs

Finance costs for 3M 2022 was Baht 25.9 million, decreased by Baht 14.4 million or 36% compared to period of 3M 2021 (Baht 40.3 million). The main reason was the repayment of debentures in amount of Baht 2,200.0 million in the year 2021.



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3. Analysis of Financial Position According to Consolidated Financial Statement

3.1 Analysis of Assets

As at 30 September 2022, the total assets were Baht 24,135.4 million, increased by Baht 87.2 million or 0.4%, compared to balance as of 31 December 2021 which was Baht 24,048.2 million. The details were as follows:

	30-Sep-22	31-Dec-21	Change	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	% Change
Property, plant and equipment, net	16,903.1	17,318.0	(414.9)	-2%
Other assets	7,232.3	6,730.2	502.1	7%
Total assets	24,135.4	24,048.2	87.2	0.4%

- As at 30 September 2022, property, plant and equipment were Baht 16,903.1 million, decreased by Baht 414.9 million or 2%, compared to balance as of 31 December 2021 which was Baht 17,318.0 million. The main reasons were as follows:
 - Depreciation in amount of Baht 481.4 million.
 - SET Energy Co., Ltd acquired of construction in process in amount of Baht 104.0 million.
- As at 30 September 2022, other assets were Baht 7,232.3 million, increased by Baht 502.1 million or 7%, compared to balance as of 31 December 2021 which was Baht 6,730.2 million. The main reasons were as follows:
 - The increase in cash and cash equivalents in amount of Baht 2,139.6 million.
 - The decrease in short-term fixed income funds in amount of Baht 1,486.4 million.
 - The decrease in inventories in amount of Baht 103.2 million.

3.2 Analysis of Liabilities and Shareholders' Equity

As at 30 September 2022, the total liabilities and shareholders' equity were Baht 24,135.4 million, increased by Baht 87.2 million or 0.4%, compared to balance as of 31 December 2021 which was Baht 24,048.2 million. The details were as follows:

	30-Sep-22	31-Dec-21	Change	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	% Change
Interest bearing debt	3,451.4	4,388.4	(937.0)	-21%
Other liabilities	379.0	312.9	66.1	21%
Shareholders' equity	20,305.0	19,346.9	958.1	5%
Total liabilities and shareholders' equity	24,135.4	24,048.2	87.2	0.4%



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- As at 30 September 2022, interest bearing debt was Baht 3,451.4 million, decreased by Baht 937.0 million or 21%, compared to balance as of 31 December 2021 which was Baht 4,388.4 million. The main reasons were as follows:
 - The repayment of the long-term loans from financial institutions in amount of Baht 930.0 million.
 - The repayment of the short-term loans from financial institutions in amount of Baht 20.7 million.

- As at 30 September 2022, other liabilities were Baht 379.0 million, increased by Baht 66.1 million or 21%, compared to balance as of 31 December 2021 which was Baht 312.9 million. The main reasons were as follows:
 - The increase in trade and other accounts payable in amount of Baht 123.6 million.
 - The decrease in derivatives liabilities of interest rate and cross currency swaps in amount of Baht 54.8 million.

- As at 30 September 2022, shareholders' equity was Baht 20,305.0 million, increased by Baht 958.1 million or 5%, compared to balance as of 31 December 2021 which was Baht 19,346.9 million. The main reasons were as follows:
 - The net profit was Baht 1,759.1 million.
 - The payment of dividend was Baht 963.6 million.
 - The issuance of share capital of SET Energy Co., Ltd in amount of Baht 162.6 million.

3.3 The Appropriateness of Financial Structure

According to statement of financial position as at 30 September 2022, debt to equity ratio was 0.19 times, decreased from the ratio as at 31 December 2021 by 0.24 times. The main reasons were as follows:

- The repayment of the long-term loans from financial institutions in amount of Baht 930.0 million.
- The net profit was Baht 1,759.1 million.
- The payment of dividend was Baht 963.6 million.
- The issuance of share capital of SET Energy Co., Ltd in amount of Baht 162.6 million.



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4. Analysis of Cash Flow According to Consolidated Financial Statement

	Nine-Month Period Ended 30 September		
	2022	2021	Change
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)
Net cash generated from (used in) operating activities	2,525.8	3,001.9	(476.1)
Net cash generated from (used in) investing activities	1,435.1	(3,518.7)	4,953.8
Net cash generated from (used in) financing activities	(1,821.3)	(95.6)	(1,725.7)
Net increase (decrease) in cash and cash equivalents	2,139.6	(612.4)	2,752.0
Cash and cash equivalents at the beginning of the period	46.0	735.5	(689.5)
Cash and cash equivalents at the end of the period	2,185.6	123.1	2,062.5

As at 30 September 2022, cash and cash equivalents were Baht 2,185.6 million, increased by Baht 2,139.6 million from Baht 46.0 million as at 31 December 2021. The reasons were as follows:

- 1) Net cash generated from operating activities in amount of Baht 2,525.8 million, resulting in
 - Net cash generated from operating in amount of Baht 2,708.3 million.
 - Taxes paid in amount of Baht 182.5 million.
- 2) Net cash generated from investing activities in amount of Baht 1,435.1 million, resulting in
 - Cash proceed from sale of investments in short-term fixed income funds in amount of Baht 3,640.8 million.
 - Cash paid for acquisition of investments in short-term fixed income funds in amount of Baht 2,152.1 million.
- 3) Net cash used in financing activities in amount of Baht 1,821.3 million, resulting in
 - Repayment of long-term loan from financial institutions in amount of Baht 930.0 million.
 - Dividend paid in amount of Baht 963.6 million.
 - Interest paid in amount of Baht 53.1 million.
 - Proceeds from the share subscription of SET Energy Co., Ltd by non-controlling interests in amount of Baht 162.6 million.

Please be informed accordingly.

Yours sincerely,

(Dr. Wandee Khunchornyakong Juljareen)

Chief Executive Officer