

Sahacogen (Chonburi) Public Company

Management's Discussion and Analysis (MD&A)



For the Fiscal Year Ended
31 December 2022



Executive Summary

Key Milestone

🕒 JUNE 2022

We have been assigned a company rating of “A” with a “stable” outlook by TRIS Rating.

🕒 SEPTEMBER 2022

First Issuance of a Senior Unsecured Debenture was offered to an Institutional and/or High Net Worth investors (PP-II&HNW) with 3 series in totaling amount of THB 2,650 million.

🕒 AUGUST 2022

The **Memorandum of Understanding (MOU)** for jointly study, develop and implement of the Solar PV system on the rooftop of PRINC’s hospital **was signed with Principal Healthcare Company Limited.**

Sahacogen Green Company Limited (subsidiary company) **signed 25-year Private Power Purchase Agreements** from Solar Rooftop **with the affiliates of Principal Healthcare Company Limited.**

TRIS Rating assigned a senior unsecured debenture of “A” with a “stable” outlook which will be used for working capital and business expansion, including SPP Replacement Project.

🕒 OCTOBER 2022

Establishment of Solarist Holding Company Limited, subsidiary company, with a total registered capital of THB 1 million and increased its capital to THB 2,610 million **to conduct solar power plant business.**

Solarist Holding Company Limited (subsidiary company) established 8 subsidiaries with each registered capital of THB 100,000 and increased its capital as follows:

Solarist Nonsi Company Limited	THB 324 million
Solarist Maepu Company Limited	THB 324 million
Solarist Namphu Company Limited	THB 540 million
Solarist Nongyuang Company Limited	THB 222 million
Solarist Kokha Company Limited	THB 198 million
Solarist Thungfai Company Limited	THB 162 million
Solarist Banueam Company Limited	THB 288 million
Solarist Nakaew Company Limited	THB 540 million

Executive Summary

Key Financial Highlight

	2021	2022	Change
	Million Baht	Million Baht	%
Revenue from Sales of Goods	4,220.49	5,744.06	36.1%
Earnings Before Interest, Tax, Depreciation, and Amortization*	807.69	580.69	(28.1%)
Profit (loss) for the period	106.88	(229.17)	(314.4%)
Profit (loss) from operating activities	203.51	(181.00)	(188.9%)
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<i>EBITDA Margin (%)</i>	19.14	10.66	
<i>Operating Profit Margin (%)</i>	4.82	(3.67)	
<i>Current Ratio (times)</i>	0.80	1.69	
<i>Debt to Equity Ratio (times)</i>	0.91	1.31	
<i>Net Debt to Equity Ratio (times)**</i>	0.48	0.79	

* Earnings Before Interest, Tax, Depreciation, and Amortization = Operating Profit + Depreciation, and Amortization

** Net Debt to Equity Ratio = (Interest Bearing Debt – Cash and cash equivalents and short-term investment) ÷ equity

Revenue from Sale of Goods

Increased by 36.1 percent from increasing of the EGAT's natural-gas-indexed electricity selling price, the Industrial Users' selling electricity price adjusted by the Fuel Adjustment (Ft) and the Industrial Users' steam selling price indexed by fuel oil and natural price.

Earnings Before Interest, Tax, Depreciation, and Amortization

Earning THB 580.7 million which dropped by 28.1 percent.

Profit (loss) from operating activities

Net Operating Loss of THB 181.0 million which decreased 188.9 percent caused by the surge in natural gas prices which increased by 86 percent while the Industrial Users' electricity selling price, adjusted by the Fuel Adjustment (Ft), was raised by only 16 percent (contributing 25 percent of total revenue) which was not in line with the increment of natural gas price.

Profit (loss) for the period

Net Loss of THB 229.2 million which declined by 314.4 percent. Deducted Non-Controlling Interests, Net Loss of shareholders was THB 233.82 million, decreased by 330 percent.

Financial Performance

Revenue Structure

Electricity	2021 GWh	2022 GWh	Change %
Sales to EGAT			
Power Plant - Sriracha	622.78	607.89	(2.4%)
Sales to PEA			
Power Plant - Lamphun	52.48	66.24	26.2%
Power Plant – Kamphaeng Phet	57.28	57.43	0.3%
Sales to IUs in Sriracha Saha Group Industrial Park			
Power Plant - Sriracha	428.92	390.67	(8.9%)

Steam	2021 Ton	2022 Ton	Change %
Sales to IUs in Sriracha Saha Group Industrial Park			
Power Plant - Sriracha	346,748	316,846	(8.6%)
Sales to IUs in Lamphun Saha Group Industrial Park			
Power Plant - Lamphun	85,672	94,031	9.8%

Price per Unit	Units	2021	2022	Change
Electricity - EGAT	THB per kWh	3.08	5.13	66.6%
Electricity – PEA	THB per kWh	4.28	4.28	0.1%
Electricity - IU	THB per kWh	3.25	3.76	15.7%
Steam - IU	THB per Ton	1,031.70	1,605.65	55.6%
Natural Gas	THB per MMBTU	266.02	494.78	86.0%

Financial Performance

Expenses Structure

	2021	2022	Change
	Million Baht	Million Baht	%
Cost of Sales of Goods	3,961.30	5,803.47	46.5%
Administrative Expenses	189.60	151.37	(20.2%)
Total Expenses	4,150.90	5,954.84	43.5%
Share of profit (loss) of associate accounted for using equity method	(1.89)	1.98	204.8%
Financial cost	108.14	107.59	(0.5%)
Income tax benefit (expenses)	13.40	57.44	328.7%
Profit (loss) for the period	106.88	(229.17)	(314.4%)

Cost of Sales of Goods

Increased by 46.5 percent from the surge in natural gas prices by 86 percent, which refer to the average natural gas price of PTT Public Company Limited and Energy Pool Price (EPP) as the regulation of Energy Regulatory Commission (ERC).

Administrative Expenses

Decreased by 20.2 percent because of the financial and legal advisory expenses from the activities of capital increase and shareholder structure change in the year 2021 which was one-time occurred expense.

Share of Profit (Loss) of Associate Accounted for using Equity Method

Increased by 204.8 percent that influenced by the performance in the associated company in the year 2022.

Financial Cost

Declined by 0.5 percent from a decrease borrowing interest rate which mainly caused by a reduction of long-term loan and the issue of debenture in September 2022.

Income Tax Benefit (Expenses)

Increased tax benefit by 328.7 percent from the effect of deferred tax calculation which in line with the operating result.

Financial Position

Financial Statement

	2021	2022	Change
	Million Baht	Million Baht	%
Cash and Cash Equivalents and Short-Term Investment	979.60	1,081.81	10.4%
Property, Plant and Equipment - Net	5,281.10	5,825.00	10.3%
Total Asset	7,591.71	8,520.77	12.2%
Interest Bearing Debt	2,886.81	3,995.79	38.4%
Total liabilities	3,611.90	4,827.66	33.7%
Investment in Subsidiaries	-	-	-
Equities attributable to Owner of the company	3,901.74	3,613.29	(7.4%)
Total equity	3,979.82	3,693.11	(7.2%)
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<i>Debt to Equity Ratio (times)</i>	0.91	1.31	
<i>Net Debt to Equity Ratio (times)**</i>	0.48	0.79	

Change in Capital Structure

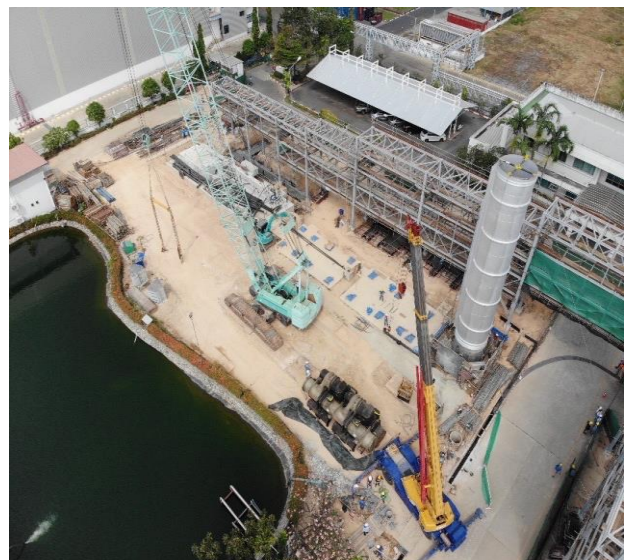
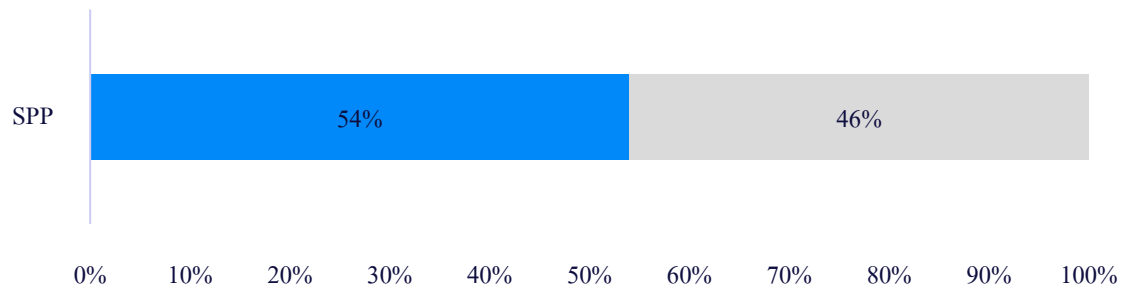
- **Total assets increased by 10.4 percent:** Property, plant and equipment was bought at THB 1,339.88 million, generally from the construction of SPP Replacement Project.
- **Interest Bearing Debt increased by 38.4 percent** from the issue of debenture in total of THB 2,650 million in September 2022 which will be primarily used for the construction of SPP Replacement Project.
- **Total equities decreased by 7.2 percent** from the Operating Loss in the year 2022.
- **As a result of preceding, net debt to equity ratio increased to 0.79** from the issue of debenture in total of THB 2,650 million in September 2022.

Projects under Construction

I. SPP REPLACEMENT

Installed Capacity	MW	79.5
Steam Capacity	Ton per hour	75
Shareholding Portion	%	100
SCOD		April 2024
EGAT PPA	year	25

% Progress



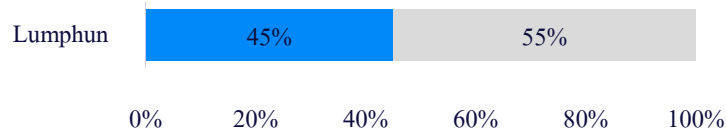
Projects under Construction

2.SOLAR ROOFTOP - PRINC

		Lamphun	Sisaket	Sakhon Nakhon	Uttaradit	Uthai Thani
Installed Capacity	MW	0.27	0.20	0.22	0.23	0.11
Shareholding Portion	%	100	100	100	100	100
SCOD		May 2023	May 2023	August 2023	September 2023	October 2023
Private PPA	year	25	25	25	25	25

		Pitsanuvej	Ubonratchathani	Phichit	Chumphon
Installed Capacity	MW	0.22	0.17	0.20	0.07
Shareholding Portion	%	100	100	100	100
SCOD		October 2023	December 2023	December 2023	December 2023
Private PPA	year	25	25	25	25

% Progress



Currently, PRINC Lamphun Hospital is under construction as a first location for the Projects and other locations will be gradually conducted at the beginning of 2023.



Projects under Construction

3. SOLAR ROOFTOP - SEA SAND SUN

Installed Capacity	MW	0.19
Shareholding Portion	%	100
SCOD		June 2023
EGAT PPA	year	20

The Project will start to construct in February 2023.

The Management Discussion and Analysis of the Company's Performance (the "MD&A") is proposed to present and analyze the operational results and financial position at the end of the accounting period. Such information may change in the future. The MD&A is primarily prepared in Thai. In cases where the content in the translation contains any conflict or is interpreted differently from the Thai version, the Thai version shall prevail. For questions or queries, please contact our Investor Relations Department: Tel: +66 (0) 38-481-555 or Email: investorrelation@sahacogen.com