



**WP
ENERGY**

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

เลขที่ 1 อาคารอีสท์ วอเตอร์ ชั้น 15 ซอยวิภาวดีรังสิต 5 ถนนวิภาวดีรังสิต แขวงจอบฟ้า เขตจตุจักร กรุงเทพฯ 10900
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23 February 2023

Subject : Management Discussion and Analysis (MD&A) of the Company 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 operating result of the company year ended 2022 which changed more than 20% from the same period of last year as follows;

In 2022, net profit of the Group was Baht 114.66 million, increasing Baht 26.19 million or 29.60% from Baht 88.47 million in 2021.

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

Please be informed accordingly

Your sincerely,

- Noppavong Omathikul -

Deputy Chief Executive Officer in Finance and Corporate Support

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

The Group reported the performance of the year 2022 ended 31 December 2022, the Group's net profit was at Baht 114.66 million, Increasing Baht 26.19 million or 29.60% compared with 2021. The total revenue was at Baht 15,531.58 million, Increasing Baht 3,794.41 million or 32.33% compared with 2021. In addition, The Group reported EBITDA of Baht 607.91 million, Increasing Bath 67.77 million or 12.55%. The key summaries are as follows;

Table of key financial results

(Unit: Million Baht)	2565	2564	Increase (Decrease)	
			Amount	%
Total Revenue	15,531.58	11,737.18	3,794.41 ↑	32.33% ↑
Revenue from Sales and Services	15,323.40	11,563.73	3,759.67 ↑	32.51% ↑
Net Profit	114.66	88.47	26.19 ↑	29.60% ↑
Net Profit Margin(%)	0.74%	0.75%	-0.02% pp	
EBITDA	607.91	540.14	67.77 ↑	12.55% ↑

1) Revenue from Sales and Services

In 2022, the Group's revenue from Sales and Services was Baht 15,323.40 million, Increasing Baht 3,759.67 million or 32.51% from Baht 11,563.73 million when compared with the year 2021. The main reason for the revenue increase was due to the economic rebound following the pandemic resulting in the increasing of the Group's LPG sales from 696,157 tons to 745,613 tons. Additionally, as the Group expanded an export sale in 2022, Total export volume was at 40,280 tons, Increasing 21,699 tons from 2021, or 116.78 %. Moreover, The Company started receiving revenue from electricity sales of the Solar Rooftop project in 2022.

For domestic sales, Auto Gas sector was the majority of the increase in sales with an increasing of 29% due to the rise of oil prices which made LPG more accessible. Commercial sector was increased by 18%, while Industrial sector increased by 12%. Furthermore, the average LPG selling price was increasing. During April to September 2022, the government announced a price rise at an average of 0.9346 baht per kilogram per month. In 2022, the Company was ranked No. 2 in industry or market share of 19.09%.

2) Selling expenses

In 2022, the Group's selling expenses was at Baht 318.82 million, accounting for 2.08% of Revenue from Sales and Services, increasing Baht 64.72 million or 25.47% from 2021. Since the company's sales had increased, the cost of sales rises proportionally. Especially, the rising in transportation cost was increased due to the rise in oil prices since the second quarter of this year. However, the Group still maintained tight control over various expenses.

Table 2

(Unit: Million Baht)	2022	2021	Increase (Decrease)	Increase (Decrease)
			Amount	%
Selling Expense	318.82	254.10	64.72 ↑	25.47% ↑

3) Administrative Expenses

In 2022, the Group's administrative expenses was Baht 435.77 million which increased Baht 76.48 million or 21.29% from 2021 due to the group invested 100% of its investments in Thai Gas Cylinder Company in the fourth quarter of 2021, resulting in the increasing of employee expenses. However, the administrative expenses per revenue of sales and services decreased from 3.11% in 2021 to 2.84% in 2022.

Table 3

(Unit: Million Baht)	2022	2021	Increase (Decrease)	Increase (Decrease)
			Amount	%
Administrative Expense	435.77	359.29	76.48 ↑	21.29% ↑

4) Profits

In 2022, the Group reported gross profit of Baht 726.86 million or gross profit margin 4.74% and net profit of Baht 114.66 million or net profit margin 0.74%. The Group's gross profit and net profit increased by Baht 142.29 million or 24.34% and Baht 26.19 million or 29.60% from 2021 respectively. In addition, the Group's EBITDA was Baht 607.91 million, increasing by 12.55%.



Overall, The Group's net profit increased from 2021 to 2022 as a result of increasing domestic and export sales including an increase in the average selling price as a result of the government's declaration of a LPG price increased as well as a lowering in the proportion of selling and administrative expenses per revenue.

Table 4

(Unit: Million Baht)	2022	2021	Increase (Decrease) Amount	Increase (Decrease) %
Gross Profit (Exclude Other Income)	726.86	584.57	142.29 ↑	24.34% ↑
Gross Profit Margin (Exclude Other Income) (%)	4.74%	5.06%	-0.31%	
Net Profit	114.66	88.47	26.19 ↑	29.60% ↑
Net Profit Margin(%)	0.74%	0.75%	-0.02%	

5) Financial Status

As of 31 December 2022, The Group's total assets increased by 9.26% from Baht 6,427.00 million at the end of year 2021 to Baht 7,022.44 million at the end of year 2022. The Group's total liabilities increased by 11.01% from Baht 5,099.71 million last year to Baht 5,661.14 million at the end of year 2022 and the Group's total equity increased by 2.56% from Baht 1,327.29 million last year to Baht 1,361.30 million at the end of year 2022.

The Group's financial status in 2022, the Group's Debt to Equity ratio (D/E) was at 4.16 times. Interest Bearing Debt to Equity ratio (IBD/E) was at 0.40 times increasing from 0.37 times at the end of last year due to loan drawdown for investment according to the Group's strategy.

Table 5

(Unit: Million Baht)	31-Dec-22	31-Dec-21	Increase (Decrease) Amount	Increase (Decrease) %
Total Assets	7,022.44	6,427.00	595.44 ↑	9.26% ↑
Total Liabilities	5,661.14	5,099.71	561.43 ↑	11.01% ↑
Interest Bearing Debt	548.35	491.27	57.07 ↑	11.62% ↑
Shareholder's Equity	1,361.30	1,327.29	34.01 ↑	2.56% ↑
D/E ratio (x)	4.16	3.84	0.32 ↑	
IBD/E ratio (x)	0.40	0.37	0.03 ↑	



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6) Cash Flow

As of 31 December 2022, the Group had cash and cash equivalents of Baht 799.40 million and short-term investments in money market and bond market of Baht 91.13 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.