



Ref. UV No. 022/2023

The Registration NO. 0107537001030

May 8, 2023

Subject: Management Discussion and Analysis on Financial Statements for the three-month and six-month period ending 31 March, 2023

Dear: The SET Board of Governors  
The Stock Exchange of Thailand

By Copy to: Secretary-General, Office of the Securities and Exchange Commission

The overall Thai economy was volatile due to global economic slowdown from the second half of 2022 to the second half of 2023 together with pressure on the business sector, such as:

- Raising the policy interest rate to solve the inflation problem of Central Banks around the world, including the Bank of Thailand.
- Significant increases in prices for energy and production of raw materials due to the Russia-Ukrainian conflict.
- A slowdown in consumer purchasing power.
- A reduction in the ability of the household sector to pay debts due to rising interest rates.

These factors have affected customers' confidence and purchasing power, including the cost of business operations of UV Group. However, amid the challenges and economic risks that arise, UV Group operates its businesses according to the sustainability management framework to balance the investment structure, increase recurring income from the energy business and provide the opportunity to receive a good return from investment in the commercial refrigerator business which is expected to grow in the future. In addition, UV Group continues to maintain a prudent focus on cost and expense management, following on from the previous year.

On 26 January 2023, Univentures Public Company Limited ("the Company") obtained control over Stonehenge Inter Public Company Limited ("STI"), a listed company on the Stock Exchange of Thailand and an associate company of the Company which resulted in STI to changing its status from an associate company to a subsidiary of the Company thereby consolidating the profit since 1 February 2023. Therefore, the Company financial statements for the three-month and six-month period ending 31 March 2023, can be summarized as follows:

Transactions	3 Month / 2023 (Million Baht)	(Restated) 3 Month / 2022 (Million Baht)
<b>Core Revenue</b>	<b>4,093.7</b>	<b>3,627.6</b>
Investment business	3,233.1	2,512.9
Real estate business and related business	522.0	683.2
Industrial business	338.6	431.5
Gain on fair value measurement of investments in associated companies	642.1	-
Other income	51.2	69.6
<b>Total Revenue</b>	<b>4,787.0</b>	<b>3,697.2</b>
Cost of sale of goods, rendering of services and rental	(3,554.9)	(3,282.9)
<b>Gross Profit</b>	<b>538.9</b>	<b>344.7</b>
<b>Distribution costs and administrative expenses</b>	<b>(323.4)</b>	<b>(226.3)</b>
Distribution costs	(51.8)	(85.1)
Administrative expenses	(271.6)	(141.2)
<b>Profit from operating (EBIT)</b>	<b>908.7</b>	<b>188.0</b>
Depreciation and amortization expense	284.3	272.1
<b>Profit before finance costs, income tax, depreciation and amortization expense (EBITDA)</b>	<b>1,193.0</b>	<b>460.1</b>
Finance costs	(216.9)	(203.8)
Share of profit of associated companies	3.1	5.5
Income tax expense	(101.6)	(0.7)
<b>Net profit (loss) (NP)</b>	<b>593.3</b>	<b>(11.0)</b>
<b>Owners of the Company</b>	<b>510.3</b>	<b>29.6</b>
Non-controlling interests	83.0	(40.6)
<b>Adjusted to normalized profit from operating and net profit</b>		
<b>Less</b> Unrealized gain on foreign exchange	(46.2)	(12.7)
Gain on fair value measurement of investments in associated companies	(642.1)	-
<b>Less</b> Income tax expense	128.4	-
<b>Add</b> Net amortization right in power purchase agreements (included in cost of sale of goods and rendering of services)	54.3	54.3
<b>Normalized profit from operating</b>	<b>274.7</b>	229.6
<b>Normalized net profit</b>	<b>87.7</b>	30.6

### Revenue from sale of goods, rendering of services and rental

The company reported revenue from sale of goods, rendering of services and rental ("core revenue") for the three-month period ending 31 March, 2023 of THB 4,093.7 million an increase of THB 466.1 million, or 13% from the previous year as per the details below:

- Revenue from cogeneration power plants increased by THB 519.5 million from the previous year due to an increase in the average gas price.
- Revenue from project construction management and rendering of consulting service has been consolidated in this quarter for the first time, for 2 months (February – March).
- Revenue from commercial refrigerators decreased by THB 86.2 million, or 32% from the previous year, resulting from the impact of the Covid-19 pandemic which caused a slowdown in customers launching new stores.

- Revenue from sale of real estate projects decreased by THB 215.7 million, or 35% from the previous year, resulting from reduced project transfers of Anil Sathorn 12 (from March 2022).

### **Cost of sale of goods, rendering of services and rental**

The Company reported the cost of sale of goods, rendering of services and rental ("core cost") for the three-month period ending 31 March 2023 of THB 3,554.9 million, derived from: cost of sale of goods and rendering of services THB 3,260.1 million, the cost of sale of real estate THB 290.2 million, the cost of rental and rendering of services THB 4.2 million and the cost of management fee THB 0.4 million. The core cost increased by THB 272.0 million or 8% from the previous year, per details below:

- Cost of sale of goods and rendering of services increased by THB 412.6 million, or 14% from the previous year due to cost recognition from cogeneration power plants consistent with increased revenue. Along with recognized cost of rendering service of project management for the first quarter. As a result, gross profit at 28% while gross profit of cogeneration power plants last year increased from 1% to 12%.
- Cost of sale of real estate decreased by THB 140.9 million, or 33% from the previous year consistent with the decreased revenue. Gross profit last year decreased from 31% to 29%.

Change in revenue and cost of sale of goods and rendering of services as describe above, resulting in the gross profit last year increasing from 10% to 13%.

### **Distribution costs and administrative expenses**

The Company reported distribution costs and administrative expenses for the three-month period ended 31 March 2023 at THB 323.4 million, increasing by THB 97.1 million, or 43% from the previous year per details below

- Distribution costs decreased by THB 33.3 million, or 39% from the previous year mainly due to real estate for sale business consisting of transfer fee, special business tax, marketing expenses and commission fees. The decreased distribution cost is consistent with the decreased revenue from real estate.
- Administrative expenses increased by THB 130.4 million, or 92% from the previous year mainly due to consolidated expenses from project management business in this quarter for the first time consisting of personal expenses, other administrative expenses etc.

**Profit before finance costs, income tax, depreciation and amortization expenses**

The Company reported profit before finance costs, income tax, depreciation and amortization expenses for the three-month period ending 31 March, 2023 of THB 1,193.0 million (included unrealized gain on foreign exchange at THB 46.2 million and gain on fair value measurement of investments in associate at THB 642.1 million) compared to THB 460.1 million in the same period of the previous year, an increase of THB 732.9 million.

The Company reported operating profits for the three-month period ending 31 March 2023 at THB 908.7 million compared to the operating gain of THB 188.0 million in same period of the previous year, an increase of THB 720.7 million which, if excluding the fair value of investment of associates of THB 642.1 million, unrealized gain on foreign exchange at THB 46.2 million and amortized power purchase agreements at THB 54.3 million, normal operating profits would be THB 274.7 million, an increase of THB 45.1 million from the same period of the previous year which showed normal operating profits of THB 229.6 million.

**Finance costs**

The Company reported finance costs for the three-month period ending 31 March 2023 at THB 216.9 million, increased by THB 13.1 million. The increased finance cost mainly was from the cogeneration power plant business. However, the Company is in the process of conducting debt restructuring to reduce finance costs.

**Net profit**

The Company reported a net profit for the three-month period ended 31 March 2023 at THB 593.3 million compared to a net loss of THB 11.0 million in the same period of the previous year, an increase of THB 604.3 million. In addition, profit attributable to the owners of the Company was at THB 510.3 million, compared to THB 29.6 million in the same period of the previous year, an increase of THB 480.7 million, mainly derived from 2 businesses consisting of cogeneration power plants and project construction management and including gain on fair value measurement of investments in associate - net tax at THB 513.7 million. After excluding unrealized gain on foreign exchange and amortized power purchase agreements as described above, the Company had normal net profit of THB 87.7 million compared to a normal net profit of THB 30.6 million in the same period of the previous year, an increase of THB 57.1 million.

Transactions	6 Month / 2023 (Million Baht)	(Restated) 6 Month / 2022 (Million Baht)
<b>Core Revenue</b>	<b>8,507.6</b>	<b>4,767.4</b>
Investment business	6,225.8	2,993.8
Real estate business and related business	1,582.6	940.5
Industrial business	699.2	833.1
Gain on fair value measurement of investments in associated companies	642.1	-
Other income	315.7	93.2
<b>Total Revenue</b>	<b>9,465.4</b>	<b>4,860.6</b>
Cost of sale of goods, rendering of services and rental	(7,388.4)	(4,249.0)
<b>Gross Profit</b>	<b>1,119.2</b>	<b>518.4</b>
<b>Distribution costs and administrative expenses</b>	<b>(621.7)</b>	<b>(394.7)</b>
Distribution costs	(148.6)	(110.8)
Administrative expenses	(473.1)	(283.9)
<b>Cost related to acquisition of subsidiaries</b>	-	(74.4)
<b>Profit from operating (EBIT)</b>	<b>1,455.3</b>	<b>142.5</b>
Depreciation and amortization expense	566.4	337.9
<b>Profit before finance costs, income tax, depreciation and amortization expense (EBITDA)</b>	<b>2,021.7</b>	<b>480.4</b>
Finance costs	(441.1)	(240.2)
Share of profit of associated companies	15.2	15.4
Income tax expense	(116.8)	(2.5)
<b>Net profit (loss) (NP)</b>	<b>912.6</b>	<b>(84.8)</b>
<b>Owners of the Company</b>	<b>706.1</b>	<b>(40.9)</b>
Non-controlling interests	206.5	(43.9)
<b>Adjusted to normalized profit from operating and net profit</b>		
<b>Less</b> Unrealized gain on foreign exchange	(334.8)	(17.2)
Gain on fair value measurement of investments in associated companies	(642.1)	-
<b>Less</b> Income tax expense	128.4	-
<b>Add</b> Net amortization right in power purchase agreements (included in cost of sale of goods and rendering of services)	109.8	60.9
<b>Add</b> Cost related to acquisition of subsidiaries	-	74.4
<b>Normalized profit from operating</b>	<b>588.2</b>	<b>260.6</b>
<b>Normalized net profit</b>	<b>173.9</b>	<b>33.3</b>

### Revenue from sale of goods, rendering of services and rental

The Company reported revenue from sale of goods, rendering of services and rental ("core revenue") for the six-month period ended 31 March 2023 of THB 8,507.6 million an increase of THB 3,740.2 million, or 78% from the previous year as per details below:

- Revenue from cogeneration power plants increased by THB 3,045.5 million from the previous year due to 3 months 11 days recognized revenue in the previous year and an increase in the average gas price.
- Revenue from project construction management and rendering of consulting service has consolidated revenue in this quarter for the first time, for 2 months (February – March).

- Revenue from sale of real estate projects increased by THB 581.8 million, or 72% from the previous year, resulting from reduced project transfers of Denim Jatujak (from May 2022) and Blue Sukhumvit 105 (from March 2023).
- Revenue from Zinc Oxide decreased by THB 133.9 million, or 16% from the previous year due to a decrease of the LME price (LME : London Metal Exchange).

### **Cost of sale of goods, rendering of services and rental**

The Company reported the cost of sale of goods, rendering of services and rental (“core cost”) for the six-month period ended 31 March 2023 at THB 7,388.4 million, derived from cost of sale of goods and rendering of services THB 6,406.2 million, from the cost of sale of real estate THB 973.1 million, from the cost of rental and rendering of services THB 8.3 million and from the cost of management fee THB 0.8 million. The core cost increased by THB 3,139.4 million or 74% from the previous year per details below:

- Cost of sale of goods and rendering of services increased by THB 2,743.6 million, or 75% due to 3 months 11 days recognized revenue in the previous year and average gas price increased. Along with recognized cost of rendering service of project management for the first quarter. As a result, gross profit at 28% while gross profit of cogeneration power plants last year increased from 2% to 10%.
- Cost of sale of real estate increased by THB 394.7 million, or 68% from the previous year consistent with the increased revenue. Gross profit last year increased from 28% to 30%.

Change in revenue and cost of sale of goods and rendering of services as described above, resulting in gross profit last year increasing from 11% to 13%.

### **Distribution costs and administrative expenses**

The Company reported distribution costs and administrative expenses for the six-month period ending 31 March, 2023 of THB 621.7 million, increasing by THB 227.0 million, or 58% from the previous year, per details below

- Distribution costs decreased by THB 37.8 million, or 34% from the previous year mainly due to real estate for sale business consisting of transfer fees, special business tax, marketing expenses and commission fees. The decreased distribution cost is consistent with the decreased revenue from real estate.
- Administrative expenses increased by THB 189.2 million, or 67% from the previous year mainly due to 2 new businesses, for which the Company recognized only 3 months from the cogeneration power plants and the project management business which did not produce any expenses resulting in total expense being administrative expenses consisting of personal expenses, and other administrative expenses, etc.

### **Profit before finance costs, income tax, depreciation and amortization expenses**

The Company reported profit before finance costs, income tax, depreciation and amortization expenses for the six-month period ending 31 March, 2023 of THB 2,021.7 million (including unrealized gain on foreign exchange at THB 334.8 million and gain on fair value measurement of investments in associate companies of THB 642.1 million) compared to THB 480.4 million in the same period of the previous year, an increase of THB 1,541.3 million.

The Company reported operating profits for the six-month period ending 31 March, 2023 of THB 1,455.3 million compared to the operating gain of THB 142.5 million in the same period of the previous year, an increase of THB 1,312.8 million which excluded gain on fair value measurement of investments in associate companies of THB 642.1 million, unrealized gain on foreign exchange of THB 334.8 million and amortized power purchase agreements of THB 109.8 million, normal operating profits would be THB 588.2 million compared to the same period of previous year normalized operating profits of THB 260.6 million, increased by THB 327.6 million.

### **Finance costs**

The Company reported finance costs for the six-month period ending 31 March, 2023 at THB 441.1 million, increasing by THB 200.9 million. Increased financing cost mainly was from the cogeneration power plant business which the Company recognized only 3 months and 11 days. However, the Company is in the process of conducting debt restructuring to reduce finance costs.

### **Net profit**

The Company reported net profit for the six-month period ending 31 March, 2023 at THB 912.6 million compared to a net loss of THB 84.4 million in the same period of the previous year, an increase of THB 997.4 million. In addition, the profit attributable to the owners of the Company was at THB 706.1 million, compared to a net loss of THB 40.9 million in the same period of the previous year, an increase of THB 747.0 million, mainly derived from 2 businesses arising from cogeneration power plants and project management. Included gain on fair value measurement of investments in associate companies - net of tax, of THB 513.7 million. After excluding unrealized gain on foreign exchange and amortized power purchase agreements as described above, the Company had a normal net profit of THB 173.9 million compared to a normal net profit at THB 33.3 million in the same period of the previous year, an increase of THB 140.6 million.

## **Statement of financial position**

<b>Transactions</b>	<b>As at 31 March 2023 (Million Baht)</b>	<b>(Restated) As at 30 September 2022 (Million Baht)</b>
Current assets	18,031.4	17,438.8
Non-current assets	23,907.4	22,413.6
<b>Total assets</b>	<b>41,938.8</b>	<b>39,852.4</b>
Current liabilities	13,110.2	11,133.6
Non-current liabilities	13,742.5	15,166.2
<b>Total liabilities</b>	<b>26,852.7</b>	<b>26,299.8</b>
Equity attributable to owners of the Company	11,346.2	10,731.4
Non-controlling interests	3,739.9	2,821.2
<b>Total equity</b>	<b>15,086.1</b>	<b>13,552.6</b>
<b>Total liabilities and equity</b>	<b>41,938.8</b>	<b>39,852.4</b>

### **Assets**

As at 31 March, 2023, the Company had total assets of THB 41,938.8 million, increasing by THB 2,086.4 million, or 5% compared to the year ending 30 September, 2022 as per the details below:

- Current assets were at THB 18,031.4 million, increasing by THB 592.6 million mainly from contract assets from STI netted with real estate development for sale being transferred to cost of sales of real estate.
- Non-current assets were at THB 23,907.4 million, increasing by 1,493.8 million mainly from goodwill from obtained STI.

### **Liabilities**

As at 31 March, 2023, the Company had total liabilities of THB 26,852.7 million, increased by THB 552.9 million, or 2% compared to the year ending 30 September, 2022 as per the details below:

- Current liabilities were at THB 13,110.2 million, increased by THB 1,976.6 million mainly from the short-term interest-bearing debt and other current liabilities from the cogeneration power plants.
- Non-current liabilities were at THB 13,742.5 million, decreased by THB 1,423.7 million mainly from repayment of long-term loans from financial institutions.



## **Equity**

As at 31 March, 2023, the Company had a total equity of THB 15,086.1 THB, an increase of THB 1,533.5 million or 11% compared to the year ending 30 September, 2022 from the six-month period of operation and an increase in non-controlling interests.

## **Debt to equity ratio**

As at 31 March, 2023, the Company's debt to equity ratio was 1.78 times, decreasing by 1.94 times as at 30 September, 2022, and interest-bearing debt to equity ratio was at 1.36 times, decreasing by 1.56 times from 30 September, 2022.

## **Potential factors or incidents that may materially affect the financial condition or the operating results (forward looking)**

- The world economy tends to slow down when there is high inflation
- An increase in the policy interest rate of Central Banks around the world.
- Exchange rate fluctuations affected by the World Economic and Political situations.
- Increased energy and raw material prices arising from the Russia and Ukraine conflict.

Please be informed accordingly.

Yours sincerely,

(Mr. Khumpol Poonsonee)

President

Univentures Public Company Limited