



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

1. Analysis of Operation Results According to Consolidated Financial Statement

	Three-Month Period Ended 31 March					
	2023		2022		Change	
	Amount (MB)	% to Revenue	Amount (MB)	% to Revenue	Amount (MB)	% Change
Revenue from sale and rendering of services	1,181.9	100%	1,054.9	100%	127.0	12%
Cost of sale and rendering of services	(380.4)	-32%	(264.6)	-25%	115.8	44%
Gross profit	801.5	68%	790.3	75%	11.2	1%
Other income	5.8	0%	50.8	5%	(45.0)	-89%
Selling and distribution expenses	(9.3)	-1%	(0.5)	0%	8.8	1760%
Administrative expenses	(53.9)	-5%	(47.7)	-5%	6.2	13%
Gain (loss) on derivatives	0.5	0%	(51.9)	-5%	52.4	101%
Gain (loss) on financial assets	-	0%	0.2	0%	(0.2)	-100%
Profit (loss) from operating activities	744.6	63%	741.2	70%	3.4	0%
Finance costs	(13.3)	-1%	(27.2)	-3%	(13.9)	-51%
Profit (loss) before income tax expense	731.3	62%	714.0	68%	17.3	2%
Tax (expense) income	(85.1)	-7%	(47.9)	-5%	37.2	78%
Net profit (loss)	646.2	55%	666.1	63%	(19.9)	-3%
Other comprehensive income	0.1	0%	-	0%	0.1	
Total comprehensive income for the period	646.3	55%	666.1	63%	(19.8)	-3%

Net profit (Loss) attributable to :

Owners of the parent	596.5	612.6
Non-controlling interests	49.7	53.5
	646.2	666.1

Total comprehensive income attributable to:

Owners of the parent	596.6	612.6
Non-controlling interests	49.7	53.5
	646.3	666.1

Basic earnings per share (EPS) :

Number of shares (million shares)	1,055.8	1,055.8
Basic earnings per share (in Baht)	0.56	0.58

The operating results according to the consolidated financial statements of the Company and its subsidiaries for the three-month period ended 31 March 2023 presented the net profit of Baht 646.2 million or Baht 0.56 per share which decreased by Baht 19.9 million or 3%, compared to the net profit of Baht 666.1 million or Baht 0.58 per share of the three-month period ended 31 March 2022. The significant reasons were as follows:



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1.1 Revenue from Sale and Rendering of Services

Revenue from sale and rendering of services for 3M 2023 was Baht 1,181.9 million, increased by Baht 127.0 million or 12%, compared to period of 3M 2022 (Baht 1,054.9 million). The main reasons were as follows:

- Revenue from solar farm business for 3M 2023 was Baht 935.5 million which decreased by Baht 49.8 million or 5%, compared to period of 3M 2022 (Baht 985.3 million) although the energy output for 3M 2023 was 99.2 million units which increasing by 1.7 million units or 2% from 97.5 million units but the revenue from subsidy of adders, 8 Baht per unit, for 16 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
10	Solar Power (Korat 5) Co., Ltd.	14 January 2023
11	Solar Power (Korat 8) Co., Ltd.	14 January 2023
12	Solar Power (Korat 9) Co., Ltd.	15 January 2023
13	Solar Power (Khon Kaen 3) Co., Ltd.	16 January 2023
14	Solar Power (Khon Kaen 4) Co., Ltd.	16 January 2023
15	Solar Power (Khon Kaen 5) Co., Ltd.	17 January 2023
16	Solar Power (Khon Kaen 8) Co., Ltd.	17 January 2023



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- 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 2023 was Baht 226.3 million which increased by Baht 191.1 million or 543% compared to period of 3M 2022 (Baht 35.2 million) because in 2022, SPR was affected by COVID-19 pandemic.
- Steel Roof Company Limited (SRC), operates the business of metal sheet roofing distribution and installation, the revenue from sale and rendering of services for period of 3M 2023 was Baht 12.8 million which decreased by Baht 11.3 million or 47%, compared to period of 3M 2022 (Baht 24.1 million).

1.2 Cost of Sale and Rendering of Services and Gross Profit

Cost of sale and rendering of services of 3M 2023 was Baht 380.4 million, increased by Baht 115.8 million or 44%, compared to period of 3M 2022 (Baht 264.6 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 2023 was 68%, decreased from the period of 3M 2022 (75%). The main reason was the decreasing in the proportion of solar farm business, which higher gross profit margin decreased from 93% to 79% of total revenue.

1.3 Selling and Distribution Expenses

Selling and distribution expenses of 3M 2023 was Baht 9.3 million, increased by Baht 8.8 million or 1760%, compared to period of 3M 2022 (Baht 0.5 million). The increase in selling and distribution expenses was aligned to the revenue of solar roof business (SPR)

1.4 Administrative Expenses

Administrative expenses for 3M 2023 was Baht 53.9 million, increased by Baht 6.2 million or 13%, compared to period of 3M 2022 (Baht 47.7 million). The main reasons were as follows:

- In 2023, the advertising, promotion and donation increased by Baht 3.2 million.
- In 2023, the company got loss on exchange rates on fair value measurement on investment in Japan because on 31 March 2023 Japanese Yen had depreciated from the end of the previous year by Baht 2.0 million.



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1.5 Other Income

Other income for 3M 2023 was Baht 5.8 million, decreased by Baht 45.0 million or 89%, compared to period of 3M 2022 (Baht 50.8 million). The main reason was gain on fair value measurement on long-term loans in foreign currency in 2022 because on 31 March 2022 Thai Baht had appreciated from the end of 2021.

1.6 Gain (Loss) on Derivatives

Gain on derivatives for 3M 2023 was Baht 0.5 million, increased by Baht 52.4 million or 101%, compared to period of 3M 2022 (Baht -51.9 million). The main reason was loss on fair value measurement of cross currency swaps on long-term loans in foreign currency in 2022 because on 31 March 2022 Thai Baht had appreciated from the end of 2021.

1.7 Finance Costs

Finance costs for 3M 2023 was Baht 13.3 million, decreased by Baht 13.9 million or 51% compared to period of 3M 2022 (Baht 27.2 million). The main reason was the repayment of debentures in amount of Baht 1,250.0 million in the year 2022.

2. Analysis of Financial Position According to Consolidated Financial Statement

2.1 Analysis of Assets

As at 31 March 2023, the total assets were Baht 24,362.6 million, increased by Baht 644.4 million or 2.7%, compared to balance as of 31 December 2022 which was Baht 23,718.2 million. The details were as follows:

	31-Mar-23	31-Dec-22	Change	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	% Change
Property, plant and equipment, net	16,655.3	16,746.9	(91.6)	-1%
Other assets	7,707.3	6,971.3	736.0	11%
Total assets	24,362.6	23,718.2	644.4	2.7%

- As at 31 March 2023, property, plant and equipment were Baht 16,655.3 million, decreased by Baht 91.6 million or 1%, compared to balance as of 31 December 2022 which was Baht 16,746.9 million. The main reasons were as follows:
 - Depreciation in amount of Baht 156.9 million.
 - SET Energy Co., Ltd acquired of soil back filled in amount of Baht 38.5 million.



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- As at 31 March 2023, other assets were Baht 7,707.3 million, increased by Baht 736.0 million or 11%, compared to balance as of 31 December 2022 which was Baht 6,971.3 million. The main reasons were as follows:
 - The increase in cash and deposits with financial institutions in amount of Baht 850.5 million.
 - The decrease in trade accounts receivable in amount of Baht 62.1 million.
 - The decrease in inventories in amount of Baht 26.5 million.

2.2 Analysis of Liabilities and Shareholders' Equity

As at 31 March 2023, the total liabilities and shareholders' equity were Baht 24,362.6 million, increased by Baht 644.4 million or 2.7%, compared to balance as of 31 December 2022 which was Baht 23,718.2 million. The details were as follows:

	31-Mar-23	31-Dec-22	Change	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	% Change
Interest bearing debt	2,206.7	2,196.8	9.9	0.5%
Other liabilities	531.2	547.5	(16.3)	-3%
Shareholders' equity	21,624.7	20,973.9	650.8	3%
Total liabilities and shareholders' equity	24,362.6	23,718.2	644.4	2.7%

- As at 31 March 2023, interest bearing debt was Baht 2,206.7 million, increased by Baht 9.9 million or 0.5%, compared to balance as of 31 December 2022 which was Baht 2,196.8 million. The main reasons were as follows:
 - The increase in lease liabilities in amount of Baht 9.9 million.
- As at 31 March 2023, other liabilities were Baht 531.2 million, decreased by Baht 16.3 million or 3%, compared to balance as of 31 December 2022 which was Baht 547.5 million. The main reasons were as follows:
 - The decrease in trade accounts payable in amount of Baht 23.1 million.
- As at 31 March 2023, shareholders' equity was Baht 21,624.7 million, increased by Baht 650.8 million or 3%, compared to balance as of 31 December 2022 which was Baht 20,973.9 million. The main reasons were as follows:
 - The net profit was Baht 646.2 million.
 - The payment of dividend was Baht 48.2 million.
 - The proceed from call for additional paid-up capital of SET Energy Co., Ltd in amount of Baht 52.8 million.



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2.3 The Appropriateness of Financial Structure

According to statement of financial position as at 31 March 2023, debt to equity ratio was 0.13 times, there was no significant change from 31 December 2022.

3. Analysis of Cash Flow According to Consolidated Financial Statement

	Three-Month Period Ended 31 March		
	2023	2022	Change
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)
Net cash generated from (used in) operating activities	963.9	1,027.2	(63.3)
Net cash generated from (used in) investing activities	1,387.8	(812.0)	2,199.8
Net cash generated from (used in) financing activities	(1.3)	(189.5)	188.2
Net increase (decrease) in cash and cash equivalents	2,350.4	25.7	2,324.7
Cash and cash equivalents at the beginning of the period	1,733.5	46.0	1,687.5
Cash and cash equivalents at the end of the period	4,083.9	71.7	4,012.2

As at 31 March 2023, cash and cash equivalents were Baht 4,083.9 million, increased by Baht 2,350.4 million from Baht 1,733.5 million as at 31 December 2022. The reasons were as follows:

- 1) Net cash generated from operating activities in amount of Baht 963.9 million, resulting in
 - Net cash generated from operating in amount of Baht 980.3 million.
 - Taxes paid in amount of Baht 16.3 million.
- 2) Net cash generated from investing activities in amount of Baht 1,387.8 million, resulting in
 - Cash proceed from fixed deposit with financial institution in amount of Baht 1,500.0 million.
 - Cash paid for acquisition of property plant and equipment in amount of Baht 116.2 million.
- 3) Net cash used in financing activities in amount of Baht 1.3 million, resulting in
 - Proceeds from call for additional paid-up capital of SET Energy Co., Ltd in amount of Baht 52.8 million.
 - Dividend paid in amount of Baht 48.2 million.
 - Repayment of lease liabilities in amount of Baht 5.8 million.

Please be informed accordingly.

Yours sincerely,

(Dr. Wandee Khunchornyakong Juljarern)

Chief Executive Officer