

No. WHAUP.0001/2566

11 May 2023

Attention: Managing Director – Stock Exchange of Thailand
 Subject: Report of Financial Results for the first quarter of 2023

1. Executive Summary

WHA Utilities and Power Public Company Limited (“WHAUP” or “the Company”) announced the Q1/2023 results, with Normalized Net Profit of THB 228.9 million and Net Profit of THB 257.4 million, an increase of 230.1% and 228.7% respectively from Q1/2022.

(Unit: Million Baht)

Consolidated Financial Statements	Quarter 1	Quarter 1	% Change
	2023	2022	YoY
Total Revenue	633.2	564.4	12.2%
Gross Profit	231.2	187.7	23.1%
Normalized Share of Profit and Dividend Income from Investments in Associates	173.6	32.6	432.1%
Net Profit attributable to Owners of the Parent	257.4	78.3	228.7%
Normalized Net Profit ¹	228.9	69.4	230.1%

¹ Normalized Net Profit is Net Profit attributable to Owners of the Parent excluding Foreign Exchange Gain/Loss and related tax

In Q1/2023, the Company had a THB 228.9 million Normalized net profit, a 230.1% increase from Q1/2022. Contributing factors leading to the increase were mainly from the improved performance of the Power business, particularly the SPP power plants, which attributed to the Ft adjustment that reflects the increased cost of natural gas. This has led to higher profits from the sale of electricity to industrial customers.

In Q1/2023, the Domestic Utilities Business witnessed a 2.0% increase in utilities sales revenue when compared to Q1/2022. This growth was primarily driven by the upward revision of water tariffs in January which contributed to the positive momentum. Additionally, the Company experienced a rise in revenue generated from excessive charge. However, the overall utilities sales volume declined by 6.0% year-on-year due to the maintenance shutdown by the petrochemical customer group.

For International Utilities Business, the Company experienced a reduction of THB 21.0 million in its share of losses from Q1/2022, mainly from Duong River project, which increased volume sales by 15.6% from Q1/2022. Moreover, this improvement can be attributed to the revival of Vietnam's economy, as well as the company's efforts to expand its customer base and service coverage in water supply. Furthermore, the Vietnamese government's approval of an increase in water sales prices since January also contributed to this positive outcome.

For Power Business overview, the Company had Normalized Share of Profit of THB 189.7 million increased by 177.0% compared with Q1/2022, mainly from higher Normalized Share of Profit from SPP business due to the Ft adjustment in Q1/2023, resulting in better margin from electricity sold to industrial users and Gheco-One which is an IPP business due to an increase in energy margin. Moreover, in Q1/2023, the Company Solar Rooftop business's revenue increased by 113.2% from Q1/2022 derived by both Private PPA and EPC Service due to the growth of commercial operation of solar power plant projects that have gradually started operating.

Significant Events in Q1/2023

- In Q1/2023, the company was selected by the Energy Regulatory Commission to develop renewable energy power plants under Phase 1 of the Feed-in-Tariff (FIT) program for 5 solar power projects with a combined shareholding capacity of 125.4 MW. The projects comprise of 4 ground-mounted solar installations and 1 solar energy project integrated with Battery Energy Storage System (BESS). These projects are scheduled for commercial operation dates (SCOD) between 2029-2030.
- As of Q1/2023, the Company have solar rooftop projects which achieved commercial operation date (COD) with capacity around 94 MW.
- In Q1/2023, the Company signed 10 additional Solar Power Purchase Agreements with approximately 16 MW, bringing the total contractual capacity as of Q1'2023 to 149 MW and total installed capacity in proportion to equity to around 699 equity MW.
- On 20 April 2023, the Board of Directors resolved to propose to the shareholders' meeting the approval of a total dividend payment at 0.1600 baht per share for 2022, including an interim dividend of 0.060 baht per share, which was paid previously on 7 December 2022 and additional dividend payment at 0.1000 baht per share. The XD sign will be posted on 17 May 2023.

2. Operating Results

(Unit: Million Baht)

Consolidated Financial Statements	Quarter 1	Quarter 1	% Change
	2023	2022	YoY
Total Revenue	633.2	564.4	12.2%
● Utilities Business	522.5	512.5	2.0%
○ Operating Revenue ¹	484.8	510.8	-5.1%
○ Other Revenue from Utilities Business ²	37.7	1.7	2118.5%
● Power Business	110.7	51.9	113.2%
Costs of Sales and Services	(402.1)	(376.7)	-6.7%
Gross Profit	231.2	187.7	23.1%
Gross Profit from Operation ³	193.4	186.0	4.0%
Other Income ⁴	6.5	36.0	-82.0%
Gain/(Loss) from Financial Assets	(0.3)	0.0	N/A
Expected credit Gain/(Loss) on Financial Assets	1.2	10.0	-88.5%
Gain/(Loss) from Revalue Investment ⁵	(6.3)	(14.4)	-56.4%
Administrative Expenses	(56.7)	(56.3)	0.7%
Gain / (Loss) from Exchange Rate ⁶	(26.6)	(8.7)	-204.2%
Share of Profit from Investments in Associates and Joint Ventures	228.8	25.3	804.0%
Finance Costs	(109.7)	(96.5)	13.7%
Income Tax (Expense) Income	(10.7)	(4.8)	123.3%
Profit attributable to Owners of the Parent	257.4	78.3	228.7%
Foreign Exchange Loss / (Gain) ⁷	(28.4)	(8.9)	217.5%
Income Tax Related to FX gain ⁸	(0.1)	0.0	N/A
Normalized Net Profit ⁹	228.9	69.4	230.1%
Gross Profit Margin	36.5%	33.3%	
Net Profit Margin ¹⁰	29.6%	12.5%	

¹ Operating Revenue consists of Raw Water Sales, Industrial Water Sales and Wastewater Treatment Services.

² Other Utilities Revenue consists of Excessive Charge and Service Fees for Wastewater Management

³ Gross Profit from Operation excludes Other Revenue from Utilities Business.

⁴ Interest Income, Dividend Income from GIPP is an example of Other Income

⁵ Loss from Revalue Investment is derived from investment in GIIPP from applicable of TFRS9 accounting standard.

⁶ Foreign Exchange Gain / (Loss) consists of unrealized and realized Gain / (Loss) on exchange rate from USD Loan from Subsidiaries

⁷ Foreign Exchange (Gain) / Loss consists of unrealized and realized (Gain) / Loss on exchange rate from USD Loan from Subsidiaries and Associates

⁸ Income Tax Related to FX Gain is derived from Gain on exchange rate from USD Loan to related parties at WUPIN.

⁹ Normalized Net profit is adjusted from Net Profit by excluding 1) Foreign Exchange impact and 2) Income Tax Related to FX gain.

¹⁰ Net Profit Margin is Net Profit attributable to Owners of the parents divided by Total Revenue, Share of Profit and Other Income

Total Revenue

In Q1/2023, Total Revenue was THB 633.2 million, decreasing by 12.2% from THB 564.4 million in Q1/2022, mainly due to

- Revenue from Utilities business increased by 2.0%, driven by the upward revision of water tariffs in January and a rise in revenue generated from excessive water usage charges, despite a year-on-year decrease in sale volume, which caused by the maintenance shutdown of some major customers.
- Revenue from Power business increased by 113.2%. The primary reason is due to an increase in power generation capacity (MW) from the gradual commercial operation date (COD) of solar power plants and the growth in the installation of solar panels (EPC) compared to the same period last year.

Gross Profit and Gross Profit from Operation

In Q1/2023, Gross Profit was THB 231.2 million, increasing by 23.1% from THB 187.7 million in Q1/2022. Gross Profit from Operation was THB 193.4 million, increasing by 4.0% from THB 186.0 million. A significant factor that led to the year-on-year increase was the higher revenue generated by the Utilities business, as well as the Solar Rooftop business.

Share of Profit and Dividend Income from Investments in Associates and Joint Ventures (“Share of Profit and Dividend Income from Investments”)

(Unit: Million Baht)

Share of Profit and Dividend Income from Investments	Quarter 1 2023	Quarter 1 2022	% Change YoY
Share of Profit and Dividend Income from Investments:	228.8	50.3	354.9%
• Utilities Business	(23.1)	(35.9)	35.5%
• Power Business	252.0	86.2	192.4%
Adjustment Item(s):			
- Foreign Exchange Loss / (Gain) related to Share of Profit	(55.2)	(17.7)	-212.4%
Normalized Share of Profit and Dividend Income from Investment¹:	173.6	32.6	432.1%
• Utilities Business	(16.1)	(35.9)	35.5%
• Power Business	189.7	68.5	187.3%

¹ Normalized Share of Profit and Dividend Income from Investment is adjusted from Share of Profit by excluding Foreign Exchange Loss /(Gain)

In Q1/2023, Normalized Share of Profit and Dividend Income from Investments increased by 432.1% year-on-year. This was mainly due to

- Normalized Share of Profit from Power business increased by 187.3% mainly due to a SPP derived by the Ft adjustment, resulting in better margin from electricity sold to industrial users in Q1/2023 and Gheco-One due to an increase in energy margin.
- The Company’s recognized lower share of losses from Duong River project due to an increase in water tariff. Additionally, Duong River project’s volume sales has increased by 15.6% from Q1/2022.

Net Profit attributable to Owners of the Parent

In Q1/2023, Profit attributable to Owners of the Parent was THB 257.4 million, increasing by 228.7% from THB 32.6 million in Q1/2022. The increase was mainly from

- Share of Profit from Investments in Associates and Joint Ventures increased by THB 203.5 million.
- An increase in Gross Profit of THB 43.4 million due to higher revenue from utilities business and solar business.

Normalized Net Profit

The Normalized Net Profit attributable to Owners of the Parent is Net Profit attributable to Owners of the Parent adjusted by Foreign Exchange (Gain) / Los) and Income Tax related to Foreign Exchange Gain on USD Loan.

In Q1/2023, there was an adjustment on Foreign Exchange Gain / (Loss) and Income Tax Related to FX gain of THB 28.4 million. As a result, the Company's Normalized Net Profit attributable to Owners of the Parent was THB 228.9 million, increased by 230.1% compared to Q1/2022.

3. Performance by Business

3.1 Utilities Business

Details of Total Revenue and Share of Profit are as follows.

(Unit: Million Baht)			
Utilities Business	Quarter 1 2023	Quarter 1 2022	% Change YoY
Total Revenue from Utilities Business	522.5	512.5	2.0%
- Raw Water Sales	110.2	111.2	-0.9%
- Industrial Water Sales	286.5	318.0	-9.9%
- Value Added Water Sales	48.5	41.2	17.8%
- Wastewater Treatment Services	39.6	40.3	-1.8%
- Other Incomes from Utilities Business ¹	37.7	1.7	2118.5%
Share of Profit from Utilities Business²	(23.1)	(35.9)	35.5%
Total Revenue & Share of Profit from Utilities Business	499.3	476.6	4.8%
Total Revenue & <u>Normalized</u> Share of Profit from Utilities Business³	506.4	476.6	6.2%

¹ Other Utilities Revenue consists of Excessive Charge, Service Fees for Wastewater Management

² Share of Profit from Utilities Business consists of Share of Profit from domestic investment in WHAUP AIE and in Vietnam Utilities Companies namely Cua Lo and SDWTP

³ Normalized Share of Profit is excluding Foreign Exchange (Gain)/Loss

In Q1/2023, Total Revenue and Share of Profit of Utilities Business was THB 499.3 million, a 4.8% increase year-on-year. The growth was mainly due to:

- Lower Share of Loss of THB 21.0 million, mainly due to an improved contribution from SDWTP projects that reported share of loss lower by THB 22.7 million.
- Total Revenue from Utilities Business increased by THB 10.0 million from 512.5 THB million in Q1/2022.

Details of Total Domestic Utilities Sales Volume in Thailand are as follow.

(Unit: Million Cubic Meters)

Domestic Utilities Sales Volume	Quarter 1	Quarter 1	% Change
	2023	2022	YoY
Raw Water Sales Volume	6.6	6.2	5.9%
Industrial Water Sales Volume ¹	11.2	12.9	-13.1%
Value Added Water Sales Volume ²	1.5	1.2	21.0%
Wastewater Treatment Services Volume	8.8	9.5	-7.6%
Total Domestic Utilities Sales Volume	28.1	29.9	-6.0%

¹ Industrial Water consists of Process Water and Clarified Water

² Value Added Water consists of Demineralized Water and Premium Clarified Water

3.2 Power Business

Q1/2023, Total Revenue, Share of Profit and Dividend Income from Investments in Power Business was THB 326.7 million, increased by 162.6% year-on-year from THB 138.1 million. By excluding foreign exchange impacts, the Company reported Total Revenue, Normalized Share of Profit and Dividend Income from Investments in Power Business of THB 300.4 million, 149.5% increase year-on-year mainly from Normalized share of profit from Gheco-One due to an increase in energy margin and 8 SPP power plants due to the Ft adjustment. Another factor contributed to the gain were derived from the Solar rooftop energy business which increased by 113.2% year-on-year.

(Unit: Million Baht)

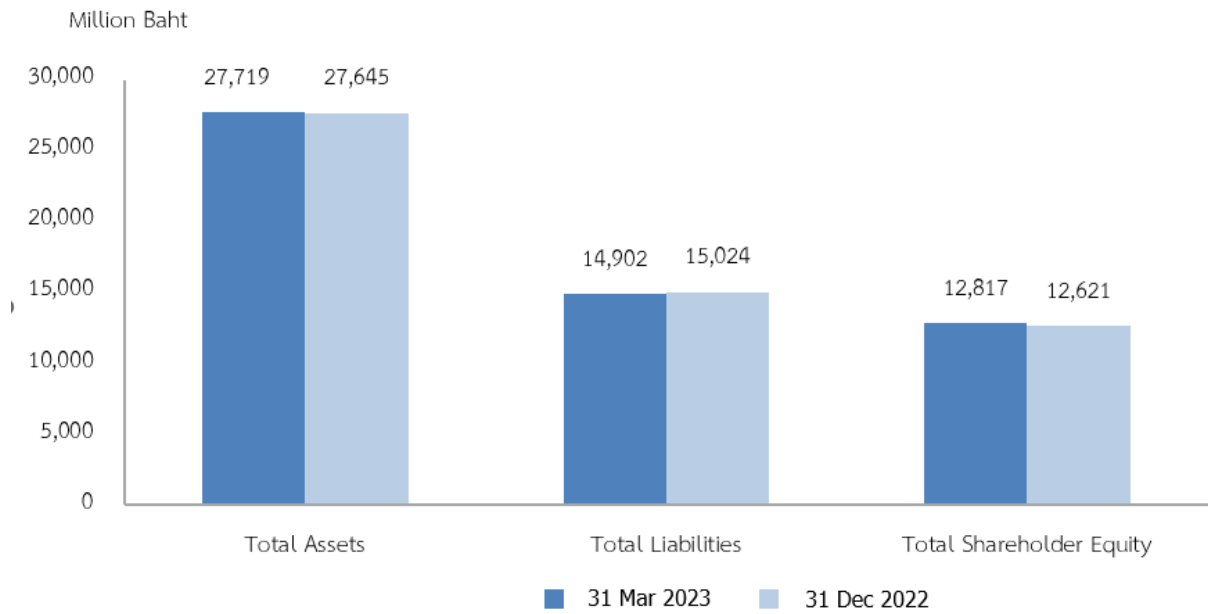
Power Business	Quarter 1	Quarter 1	% Change
	2023	2022	YoY
Revenue from Solar Rooftop Business	110.7	51.9	113.2%
Share of Profit from Power Business	252.0	61.2	311.9%
Dividend Income	0.0	25.0	-100.0%
Total Revenue, Share of Profit and Dividend Income from Investments in Power Business	362.7	138.1	162.6%
Total Revenue, Normalized Share of Profit and Dividend Income from Investments in Power Business¹	300.4	120.4	149.5%
- Revenue from Power Business	110.7	51.9	113.2%
- Normalized Share of Profit	189.7	43.5	336.2%
- IPP	2.6	(75.3)	103.4%
- SPP	174.8	113.1	54.5%
- Others ²	12.3	5.6	119.4%
- Dividend Income	0.0	25.0	-100.0%

¹ Normalized Share of Profit is excluding Foreign Exchange (Gain)/Loss

² Others included Renewable Energy consists of Solar rooftop projects and Chonburi Clean Energy project (CCE) and WHA Natural Gas Distribution Projects (WHA NDGPs) is a collaboration among WHAUP, GULF and MITG

4. Financial Position

The Consolidated Balance Sheet as of 31 March 2023 is summarized as follows.



Assets

As of 31 March 2023, the Company's total Assets was THB 27,719 million, increased by THB 73 million from THB 27,645 million at year-end 2022 which mainly due to

- 1) An increase of THB 124 million in Investment in Associates which mainly resulted from impact of Foreign Exchange.
- 2) An increase of THB 148 million in Other Assets which mainly caused by an increase in Lands, Property, Plant and Equipment of THB 107 million and Trade receivables and other receivables of THB 64 million.
- 3) A decrease of THB 199 million in Cash and Cash Equivalents. The details as follow.
 - Net cash receipts from operating activities: THB +89 million
 - Net cash payments from investing activities: THB -180 million. The major account was cash paid for purchases of Lands as well as Property, Plant and Equipment totalling THB 179 million.
 - Net cash payment for financing activities: THB -104 million. The Company had repayment to short-term loan of THB 1,800 million and short-term loan from financial institution of THB 1,700 million.

The key elements of Assets in the Company's Consolidated Financial Statements consisted of (1) Investment in Associates amounted THB 14,445 million (2) Net Property Plant and Equipment amounted THB 6,355 million (3) Goodwill amounted THB 2,773 million (4) Intangible Assets amounted THB 1,897 million and (5) Cash and Cash Equivalents amounted THB 522 million.

Liabilities

As of 31 March 2023, the Company's total Liabilities was THB 14,902 million, decreased by THB 122 million from THB 15,204 million at year-end 2022 which mainly due to short-term loan decreased by THB 101 million, Trade receivables and other receivables decreased by THB 42 million while Lease Liabilities increased by THB 22 million.

As of 31 March 2023, the Company's Interest-bearing Debt was THB 13,400 million, decreased by THB 100 million from year-end 2022.

The key elements of Total Liabilities in the Company's Consolidated Financial Statements consisted of (1) Debentures amounted THB 11,901 million and (2) Short-term loan amounted THB 1,499 million.

Shareholders' Equity

As of 31 March 2023, the Company's Total Shareholders' Equity was 12,817 million, increased by THB 196 million from THB 12,621 million at year-end 2022 which mainly due to an increase of THB 257 million in Retained Earning despite a decrease of THB 61 million in Other Components of Equity.

5. Key Financial Ratios

	Quarter 1/2023	FY2022
Return on Equity (%)	4.94%	5.35%
Debt/Equity Ratio (times)	1.16x	1.19x
Net Interest-bearing Debt/Equity Ratio (times)	1.04x	1.05x

As of 31 March 2023, the Company's Debt-to-Equity ratio was at 1.16x decreased from 1.19x at year-end 2022. The Net Interest-bearing Debt-to-Equity ratio stood at 1.04x, slightly decreased from 1.05x at year-end 2022.

6. Projects under construction

Power Business

- In Q1/2023, Solar Rooftop had 55 MW under construction and scheduled to achieve COD in Q2/2023 to Q1/2024.

Power plant	Type of power	Category of producer	Equity holding (%)	Installed Capacity (MW)	Equity Capacity (MWeq)	Commercial Operation Date
Solar Rooftop	Solar Power	Private PPA	100	55	55	Q2/2023 - Q1/2024
Total				55	55	

Please be informed accordingly.

Sincerely

(Mr. Prapon Chinudomsub)

Chief Financial Officer