

7UP015/66

August 11, 2023

Subject: Management Discussion and Analysis for quarter 2/2023 of Seven Utilities and Power Public Company Limited

To: The President The Stock Exchange of Thailand

Seven Utilities and Power Public Company Limited (“the Company”) would like to report the operating results of the Company and its subsidiaries for quarter 2/2023, ended June 30, 2023 are as follows:

**Statement of profit or loss**

(Unit: Thousand Baht)

Statement of comprehensive income	Consolidated financial statements					
	30 Jun 23	%	30 Jun 22	%	YOY	%YOY
Sales	463,737	84.49%	389,525	84.15%	74,212	19.05%
Service income	75,236	13.71%	55,726	12.04%	19,510	35.01%
Other income	9,875	1.80%	17,639	3.81%	(7,764)	44.02%
<b>Total revenues</b>	<b>548,848</b>	<b>100.00%</b>	<b>462,890</b>	<b>100.00%</b>	<b>85,958</b>	<b>18.57%</b>
Cost of sales	(434,816)	79.22%	(355,248)	76.75%	(79,568)	22.40%
Cost of services	(52,725)	9.61%	(45,325)	9.79%	(7,400)	16.33%
Selling expenses	(11,734)	2.14%	(9,989)	2.16%	(1,745)	17.47%
Administrative expenses	(130,404)	23.76%	(118,312)	25.56%	(12,092)	10.22%
Gain on disposal and write-off of assets	76	0.01%	-	-	76	100.00%
Finance cost	(15,451)	2.82%	(13,246)	2.86%	(2,205)	16.65%
Reversal of provision	3,545	0.65%	-	-	3,545	100.00%
Share of loss from investment in associates	(8,387)	1.53%	(2,905)	0.63%	(5,482)	188.71%
<b>Loss before income tax income</b>	<b>(101,048)</b>	<b>18.41%</b>	<b>(82,135)</b>	<b>17.74%</b>	<b>(18,913)</b>	<b>23.03%</b>
Income tax income	8,206	1.50%	1,958	0.42%	6,248	319.10%
<b>Net loss for the periods</b>	<b>(92,842)</b>	<b>16.92%</b>	<b>(80,177)</b>	<b>17.32%</b>	<b>(12,665)</b>	<b>15.80%</b>

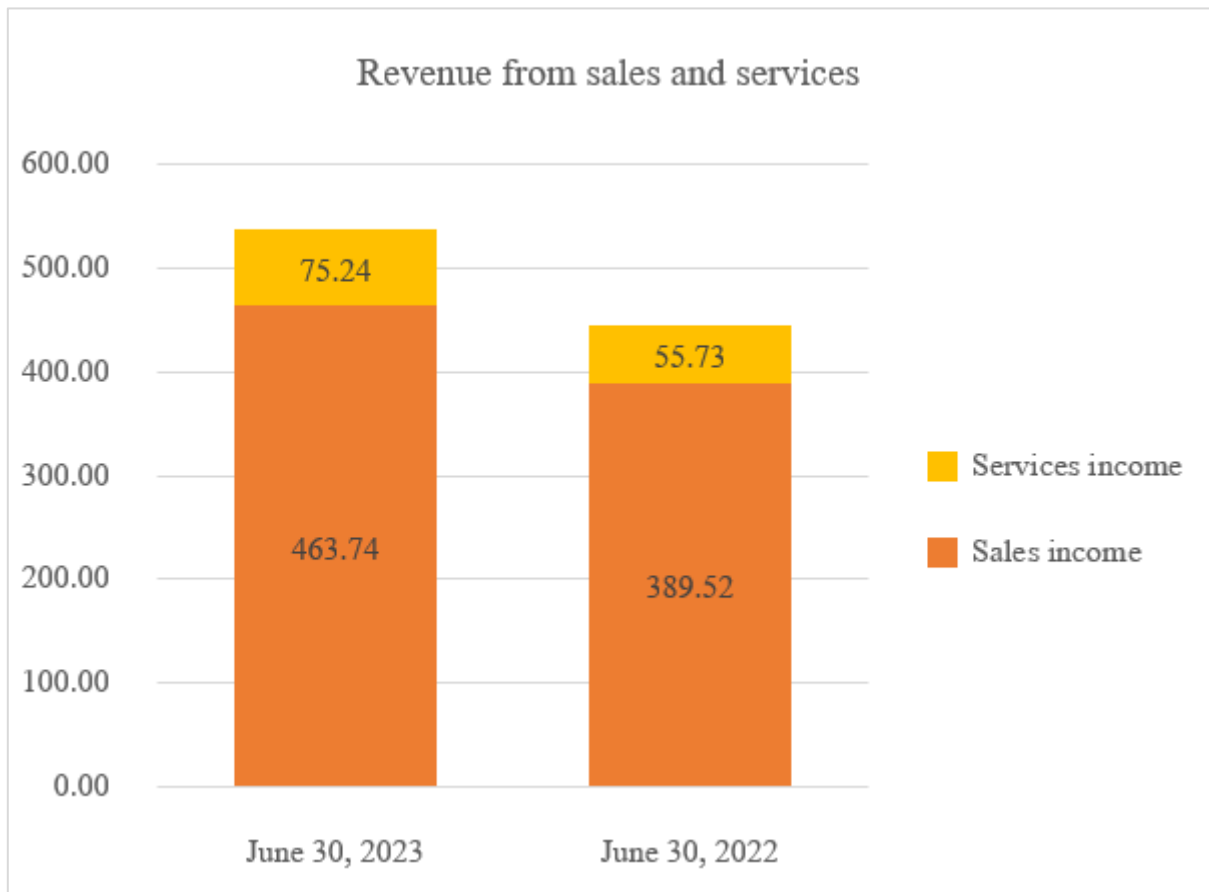
Remark: Financial ratio is based on common-size analysis to total revenue

### Overall business operation 6 months

For quarter 2/2023, Seven Utilities and Power Public Company Limited and its subsidiaries has net loss amounting of Baht 92.84 million. Loss increased from quarter 2/2022 by Baht 12.67 million or 15.80%. By revenue from sales increased from last year 19.05%, while cost of sales higher increased 22.40% which cause gross profit from sales decreased from 8.80% to 6.24% and revenue from services increased from last year 35.01%, while cost of services higher increased 16.33% which cause gross profit from services increased from 18.66% to 29.92%

### Revenue 6 months

(Unit: Million Baht)

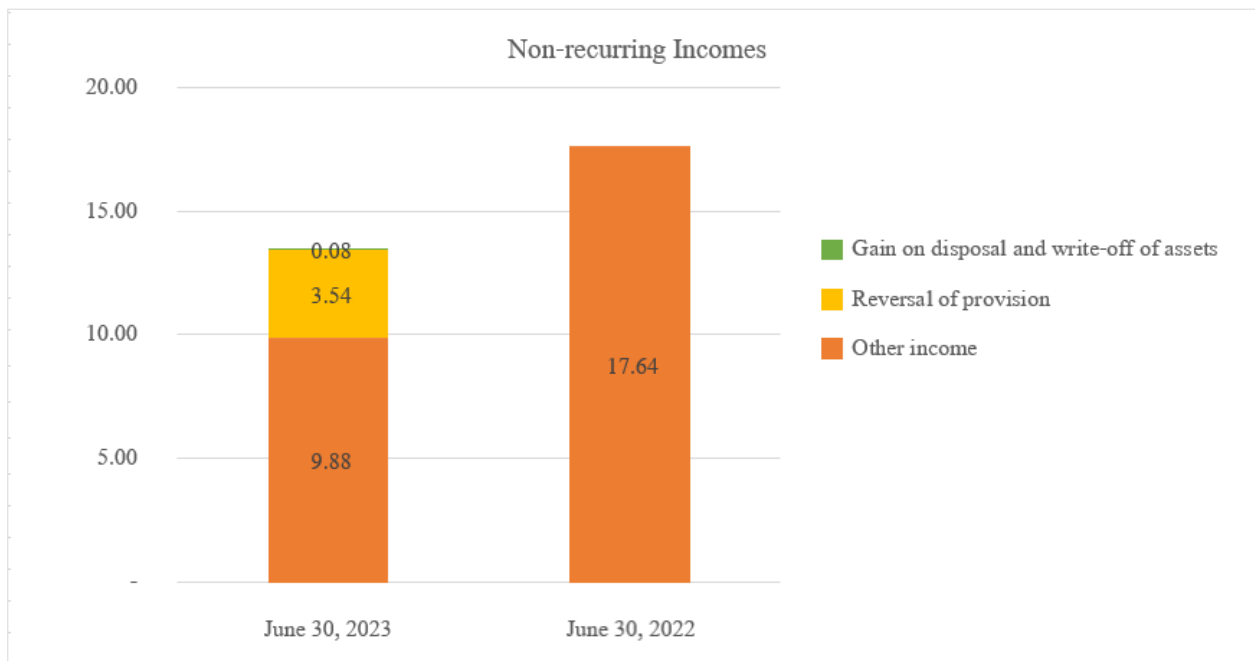


For quarter 2/2023, the Company has sales and services income amounting of Baht 538.97 million, which increased from quarter 2/2022 by Baht 93.72 million or 21.05%. Sales income amounting of Baht 463.74 million, consists of revenue from the sale of LPG and oil amounting of Baht 454.97 million and revenue from the sale of electricity amounting of Baht 8.07 million and revenue from the sale of sand amounting of Baht 0.70 million. Services income amounting to Baht 75.24 million, consists of revenue from waste water management

services amounting of Baht 41.85 million and revenues from water production management amounting of Baht 22.84 million and revenue from LPG and oil station management amounting of Baht 10.55 million.

Sales and services income increased by Baht 93.72 million mostly came from revenue from LPG and oil station business was increased by Baht 77.63 million due to better situation of COVID-19 pandemic, In addition, on 1 May 2022, the Government announced the official opening of the country and government has a policy to stimulate the economy the project “ We travel together” which cause private more traveling in country and the usage of LPG and oil are higher. Furthermore, increased by Baht 20.24 million, mostly came from the increase four farms in revenue from waste water management services when compared with quarter 2/2023 by Baht 16.25 million and revenue from water production management was increased by Baht 3.99 million.

(Unit: Million Baht)



For quarter 2/2023, the Company has other incomes and non-recurring incomes amounting of Baht 13.50 million which decreased from quarter 2/2022 by Baht 4.14 million or 23.47%. By other incomes and non-recurring incomes amounting of Baht 13.50 million, mostly consists the following;

- Other incomes amounting of Baht 9.88 million, mostly consists of interest income amounting of Baht 2.26 million, dividend income amounting of Baht 2.10 million, revenues from reversal of allowance of inventories amounting of Baht 1.34 million, revenues from sublease-service station and land amounting of Baht 1.33 million, revenues from space rental amounting of Baht 1.01 million and revenues from sales engine oil amounting of 0.99 million.
- Revenue from reversal of litigation estimates amounting of Baht 3.54 million.

### **Revenue, Cost and Operation by Segment**

(Unit: Million Baht)

Gross Profit by Segment	30 Jun 23	%	30 Jun 22	%	Changes	
					YOY	%YOY
<b><u>LPG and oil station business</u></b>						
Revenues from sales and rendering of services	465.52	86.37%	387.89	87.12%	77.63	20.01%
Cost of sales and rendering of services	430.63	88.33%	351.84	87.85%	78.79	22.39%
<b>Gross Profit by Segment</b>	<b>34.89</b>	<b>67.84%</b>	<b>36.05</b>	<b>80.70%</b>	<b>(1.16)</b>	<b>3.22%</b>
<b>Gross Profit Margin</b>	<b>7.49%</b>		<b>9.29%</b>			
<b><u>Renewable energy business</u></b>						
Revenues from sales and rendering of services	8.07	1.50%	12.22	2.74%	(4.15)	33.96%
Cost of sales and rendering of services	8.64	1.77%	8.55	2.13%	0.09	1.05%
<b>Gross Profit by Segment</b>	<b>(0.57)</b>	<b>-1.11%</b>	<b>3.67</b>	<b>8.22%</b>	<b>(4.24)</b>	<b>115.53%</b>
<b>Gross Profit Margin</b>	<b>-7.06%</b>		<b>30.03%</b>			
<b><u>Utilities business</u></b>						
Revenues from sales and rendering of services	65.38	12.13%	45.14	10.14%	20.24	44.84%
Cost of sales and rendering of services	48.27	9.90%	40.11	10.02%	8.16	20.34%
<b>Gross Profit by Segment</b>	<b>17.11</b>	<b>33.27%</b>	<b>5.03</b>	<b>11.26%</b>	<b>12.08</b>	<b>240.16%</b>
<b>Gross Profit Margin</b>	<b>26.17%</b>		<b>11.14%</b>			
Total Revenues from sales and rendering of services	538.97	100.00%	445.25	100.00%	93.72	21.05%
Total Cost of sales and rendering of services	487.54	100.00%	400.50	100.00%	87.04	21.73%
Total Gross Profit before Eliminations	51.43		44.75		6.68	14.93%
Less Eliminate transactions	-		0.08		(0.08)	100.00%
<b>Total Gross Profit</b>	<b>51.43</b>	<b>100.00%</b>	<b>44.67</b>	<b>100.00%</b>	<b>6.76</b>	<b>15.13%</b>
<b>Gross Profit Margin</b>	<b>9.54%</b>		<b>10.03%</b>			

### **Revenue from sales and services 6 months**

From all proportion of revenue from sales and services for quarter 2/2566 amounting of Baht 538.97 million, the Company has revenue from sales and services in each group business the following;

- LPG and oil station business amounting of Baht 465.52 million or 86.37%.
- Utilities business amounting of Baht 65.38 million or 12.13 %.
- Renewable energy business amounting of 8.07 million or 1.50%.

When compared with quarter 2/2565 by revenue from sales and services of LPG and oil station business still be main revenue of the Company. By revenue from sales and services increased Baht 77.63 million or 20.01%, revenue from sales and services of Utilities business increased from same quarter of the previous year amounting of Baht 20.24 million or 44.84%, while revenue from sales and services of Renewable energy business decreased from same quarter of the previous amounting of Baht 4.15 million or 33.96%.

### **Cost of sales and services 6 months**

Cost of sales and services for quarter 2/2023 amounting of Baht 487.54 million, consists of cost of sales amounting of Baht 434.82 million and cost of services amounting of Baht 52.72 million, which increased from quarter 2/2022 by Baht 87.04 million or 21.73%, consists of cost of sales increased amounting of Baht 79.64 million or 22.42% and cost of services increased amounting of Baht 7.40 million or 16.33%.

From all proportion of cost of sales and services in quarter 2/2023, the Company has cost of sales and services in each group business the following;

- LPG and oil station business amounting of Baht 430.63 million or 88.33% which is cost from purchasing LPG and oil amounting to Baht 425.79 million and cost from sales management amounting to Baht 4.84 million.
- Utilities business amounting of Baht 48.27 million or 9.90% which is cost of water distribution management amounting to Baht 27.38 million and waste water management services amounting to Baht 20.89 million.
- Renewable energy business amounting of Baht 8.64 million or 1.77% which is cost of electricity production in whole amount.

### **Gross Profit 6 months**

Gross profit for quarter 2/2023 and quarter 2/2022 were amounting Baht 51.43 million and Baht 44.67 million, respectively. Gross profit increased by Baht 6.76 million or 15.13%. Consists of Gross profit mostly came from the following;

- LPG and oil station business amounting of Baht 34.89 million or 67.84% of all gross profit of the Company which consists gross profit from sale of LPG and oil amounting to Baht 29.18 million and gross profit from sales management amounting to Baht 5.71 million.
- Utilities business amounting of Baht 17.11 million or 33.27% of all gross profit of the Company which gross profit from waste water management services amounting to Baht 20.96 million and loss from water distribution management amounting to Baht 3.85 million
- Renewable energy business has gross loss amounting of Baht 0.57 million which loss from electricity production which cause total gross profit of the Company decreased 1.11%

### **Selling and Administrative Expenses 6 months**

Selling and administrative expenses for quarter 2/2023 were amounting of Baht 142.14 million, which increased from quarter 2/2022 by Baht 13.84 million, or 10.78%. By being selling expenses amounting to Baht 11.73 million, which is selling expenses from LPG and oil business and administrative expenses amounting to Baht 130.40 million, mainly due to management expenses, employee expenses, utilities, land rent expense, audit fees, depreciations and amortizations.

### **Financial Cost 6 months**

For quarter 2/2023, the Company's finance cost is amounting of Baht 15.45 million, which increased from quarter 2/2022 by Baht 2.21 million, or 16.65%, which mostly resulted from borrowings from financial institutions.

### **Net Profit (Loss) for the period 6 months**

Results of operations for quarter 2/2023, the Company has a net loss of Baht 92.84 million, which the Company decreased in operation from quarter 2/2022 by Baht 12.67 million, or 15.80%.

**Statement of Financial Position**

(Unit: Thousand Baht)

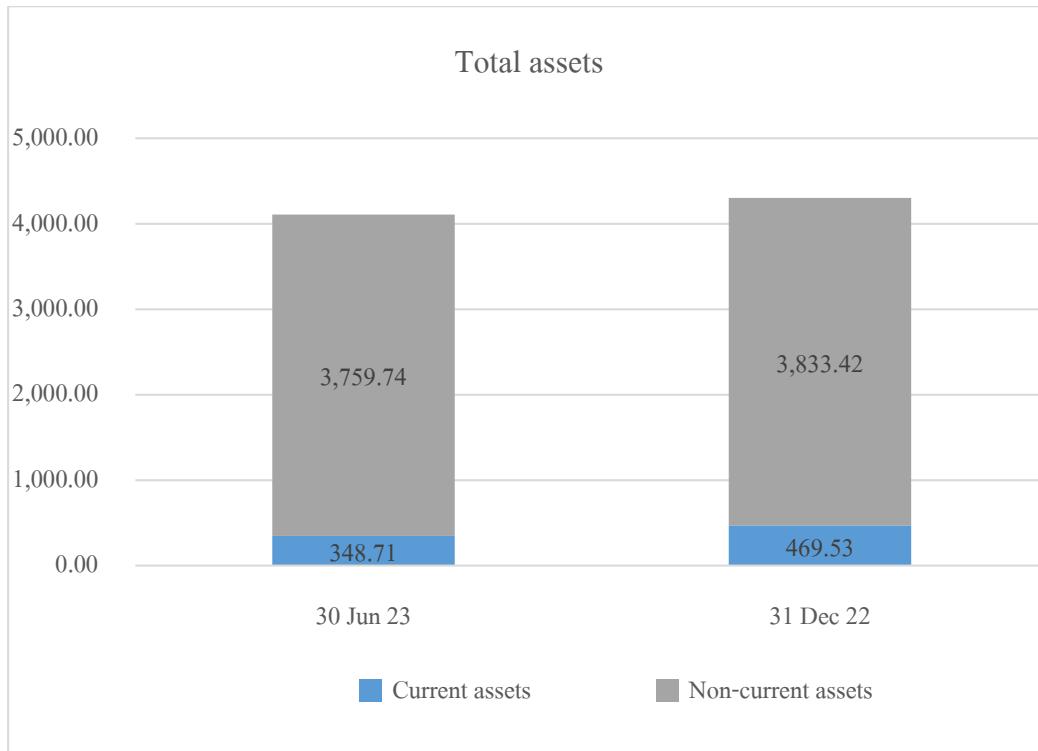
Statement of Financial Position	Consolidated Financial Statements as of		Changes	Changes %
	30 Jun 23	31 Dec 22		
<b>Total Assets</b>	<b>4,108,454</b>	<b>4,302,951</b>	<b>(194,497)</b>	<b>4.52%</b>
<b>Total Liabilities</b>	<b>926,049</b>	<b>1,022,463</b>	<b>(96,414)</b>	<b>9.43%</b>
Equity Attributable to Owners of the Company	2,493,763	2,572,162	(78,399)	3.05%
Non-Controlling Interests	688,642	708,326	(19,684)	2.78%
<b>Total Shareholders' Equity</b>	<b>3,182,405</b>	<b>3,280,488</b>	<b>(98,083)</b>	<b>2.99%</b>

Total assets of the Company as at June 30, 2023 amounting to Baht 4,108.45 million, as at December 31, 2022 of Baht 4,302.95 million, decreased by Baht 194.50 million or 4.52%. Total assets mostly consist of property, plant and equipment amounting to Baht 1,525.98 million, intangible assets amounting to Baht 1,429.09 million, investment in associated amounting to Baht 347.97 million, goodwill amounting to Baht 165.47 million, trade and other current receivables amounting to Baht 144.81 million, right-of-use assets amounting to Baht 127.41 million, and cash and cash equivalents amounting to Baht 58.54 million.

The total liabilities of the Company as at June 30, 2023 was Baht 926.05 million and as at December 31, 2022, was Baht 1,022.46 million, which decreased by Baht 96.41 million or 9.43%. Total liabilities mostly came from deferred tax liabilities amounting Baht 297.58 million, liabilities under lease agreements amounting of Baht 145.39 million, Long-term loans from non-related person and parties Baht 144.05 million, trade and other payables amounting Baht 125.46 million, and Short-term loans from non-related person and parties Baht 124.00 million.

Shareholders' equity as at June 30, 2023 amounting to Baht 3,182.41 million, while balance as at December 31, 2022, amounting to Baht 3,280.49 million, decreased by Baht 98.08 million or 2.99%.

(Unit: Million Baht)



As at June 30, 2023, the Company has total assets by Baht 4,108.45 million which decreased from December 31, 2022 by Baht 194.50 million, or 4.52% mostly came from

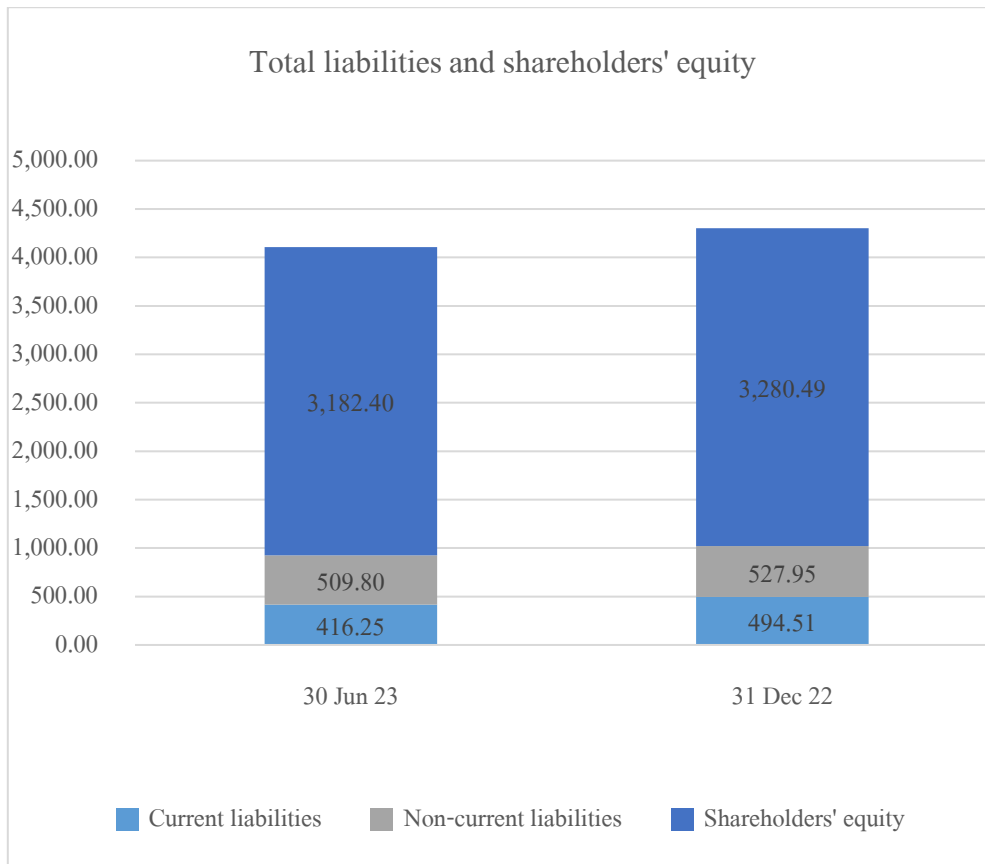
- Trade and other receivables decreased by Baht 76.57 million which mostly came from get refund from advance payment for feasibility study by Baht 41.00 million, get refund from land lease deposit by Baht 22.70 million, amortization for the period in prepaid expenses by Baht 6.65 million, decrease in input tax refundable by Baht 3.05 million, and decrease in accrued income - non-related parties by Baht 1.75 million
- Cash and cash equivalents decreased by Baht 44.99 million which cash and cash equivalent at the beginning of the period by Baht 103.53 million, therefore, cash and cash equivalents at the period ended amounting to Baht 58.54 million. The decreasing in cash by Baht 44.99 million mainly came from cash payments for short-term loans from financial institutions by Baht 75.00 million, cash payment for short-term loans from non-related person and parties by Baht 45.00 million, cash payments for purchase of equipment and construction in progress by Baht 24.39 million, cash payments for long-term loans from financial institutions by Baht 21.86 million, cash payments for interest by Baht 19.51 million, cash payments for trade and other current payables by Baht 14.21 million, cash payments for liabilities under finance lease agreements by Baht 6.32 million, and there are cash received from short-term loans from non-related person and parties by Baht 86.00



million, cash received from debt payments by Baht 75.61 million, cash received from loans from financial institutions by Baht 5.00 million.

- Intangible assets decreased by Baht 36.30 million which came from amortization for the period by Baht 37.43 million and additions during the period by Baht 1.14 million
- Property, plant and equipment decreased by Baht 29.21 million which came from depreciation for the period by Baht 46.68 million and additions during the period by Baht 17.50 million

(Unit: Million Baht)



As at June 30, 2023, the Company has total liabilities by Baht 926.05 million which decreased from December 31, 2022 by Baht 96.41 million, or 9.43%, mostly came from

- Bank overdraft and short-term loans from financial institutions decreased by Baht 75.00 million came from cash payment for short-term loans from financial institutions by Baht 75.00 million.

- Trade and other current payables decreased by Baht 28.27 million which mostly came from trade payables-non-related parties decreased by Baht 13.70 million, and from other payables decreased by Baht 11.94 million.
- Long-term loans from financial institutions decreased by Baht 16.86 million which came from repayment for long-term loans from financial institutions by Baht 21.86 million and additional loans from financial institutions by Baht 5.00 million.
- Deferred tax liabilities decreased by Baht 8.63 million.
- Liabilities under finance lease agreements decreased by Baht 8.15 million.
- Short-term loans from non-related person and parties increased by Baht 41.00 million which came from repayment for loans from non-related person and parties by Baht 45.00 million and additional loans from non-related person and parties by Baht 86.00 million.

As at June 30, 2023, shareholders' equity of the Company amounting to Baht 3,182.40 million, which decreased from December 31, 2022 by Baht 98.08 million or 2.99% due to net loss for the period of equity attributable to owners of the Company by Baht 78.38 million, net loss for the period of non-controlling interests by Baht 14.46 million, and changes in ownership interest in subsidiary without a change in control by Baht 5.22 million.

## Company's liquidity

(Unit: Thousand Baht)

Details	Consolidate financial statements	
	For the period ended June 30, 2023	For the period ended June 30, 2022
Net cash provided by (used in) operating activities	68,264	40,690
Net cash provided by (used in) investing activities	(36,571)	236,153
Net cash provided by (used in) financing activities	(76,681)	(376,979)
Net increase (decrease) in cash and cash equivalents	(44,988)	(100,136)
Cash and cash equivalents at the beginning of the period	103,534	165,776
Cash and cash equivalents at the ending of the period	<b>58,546</b>	<b>65,640</b>

The Company's liquidity for the period ended June 30, 2023 has net decrease in cash and cash equivalents by Baht 44.99 million, while cash and cash equivalent at the beginning of the period by Baht 103.53 million, therefore cash and cash equivalent at the ending of the period amounting to Baht 58.54 million, cash flow activities are as follows:

Net cash inflow provided by operating activities amounting to Baht 68.26 million due to the Company has loss before income tax by Baht 101.05 million and while add back by non-cash transactions by Baht 110.03 million, Such as depreciation expense by Baht 54.90 million, amortization - intangible assets by Baht 37.43 million, interest expenses by Baht 15.45 million, etc. Moreover, cash inflow provided by operating activities by Baht 60.85 million and the Company cash outflow on payment for income tax by Baht 1.57 million.

Net cash used in investing activities amounting to Baht 36.57 million mostly came from cash payments for purchase of equipment and construction in progress by Baht 24.39 million, increase in restricted bank deposits by Baht 9.38 million, cash payments for providing short-term loans to related person and parties by Baht 7.80 million, cash payment from increased in ownership interest in subsidiary company by Baht 5.22 million, and cash received from short-term loans to non-related person and parties by Baht 5.48 million, Cash received from interest by Baht 3.75 million, dividend received by Baht 2.10 million.

Net cash used in financing activities amounting to Baht 76.68 million mostly came from Cash payment for short-term loans from financial institutions by Baht 75.00 million, cash payment for short-term loans from non-related person and parties by Baht 45.00 million, cash payment for long-term loans from financial institutions by Baht 21.86 million, cash payments for interest by Baht 19.51 million, cash payments for liabilities under finance lease agreements by Baht 6.32 million, and cash received from short-term loans from non-related person and parties 86.00 million, cash received from long-term loans from financial institutions by Baht 5.00 million.

For financing activities to support current operations and future investment, the Group has a policy to provide source of investment funds from financial institutions and investors which have knowledge and capabilities in that business. As at current, the Group has a debt-to-equity ratio are 0.29 times.

Please be informed accordingly.

Yours Sincerely,



(Ms. Poonchaya Patkotchakorn)

Chief Financial Officer