



BCPG Public Company Limited Management Discussion and Analysis For 2Q/2023 Operating Results

8th August 2023



Energizing
a Greener and
Sustainable
World

Executive Summary

Financial Highlight

Unit: THB million	2Q22	2Q23	Δ %	1Q23	Δ %	1H22	1H23	Δ %
Revenue from sales and rendering of service	1,436.5	1,092.7	(23.9%)	1,057.2	3.4%	2,594.9	2,149.9	(17.1%)
Share of profit of investment in associates*	(8.7)	(30.8)	254.7%	40.0	(177.1%)	133.0	9.1	(93.1%)
EBITDA*	1,169.7	755.8	(35.4%)	808.8	(6.6%)	2,226.8	1,564.6	(29.7%)
Net profit attributable to owners of parent	330.2	201.1	(39.1%)	511.8	(60.7%)	1,693.3	713.0	(57.9%)
Core profit*	549.0	182.6	(66.7%)	159.8	14.3%	1,065.7	342.4	(67.9%)

*Excluding gain/(loss) on FX and one-time items

Q2/2023: BCPG or the Group of Companies recorded core profit of THB 182.6 million, dropped by 66.7% YoY but grew 14.3% QoQ. These were resulted from the following factors.

-66.7% YoY

- (-) Lower contribution from solar projects in Thailand due to the expiration of adder power plants.
- (-) Lower contribution from solar projects in Japan due to higher curtailment days.
- (-) Lower contribution from hydropower projects in Lao PDR as the plants being shut down in the quarter in order to prepare for the transfer of electricity sales to Vietnam Electricity (EVN).
- (-) Lower share of profit from associates due to lower contribution from wind power plant in Philippines.
- (+) However, higher contribution from wind power plant in Thailand and oil terminal in Thailand as well as higher share of profit from combined cycle gas turbine power plants in the USA could alleviate some impact.

+14.3% QoQ

- (+) Higher contribution from solar projects in Japan thanks to higher irradiation following the seasonal factor.
- (+) Higher contribution from hydropower projects in Lao PDR as the projects have commenced commercial operation and already distributed electricity to EVN since 15 June 2023.
- (+) Started realizing contribution from oil terminal in Thailand since June 2023.
- (-) However, the better contribution has partly impacted by the lower contribution from solar power plants in Thailand and wind power plant in Thailand as well as lower share of profit from wind power plant in Philippines and combined cycle gas turbine power plants in the USA.

1H/2023: BCPG or the Group of Companies recorded core profit of THB 324.4 million, dropped by 67.9% YoY. These were resulted from the following factors.

- (-) Lower contribution from solar projects in Thailand due to the expiration of adder power plants.
- (-) Lower contribution from hydropower projects in Lao PDR as the plants being shut down to prepare for the transfer of electricity sales to EVN.
- (-) Lower share of profit from associates due to the absence of contribution from geothermal power plants in Indonesia and lower contribution from wind power plant in Philippines.
- (+) However, higher contribution from solar power plants in Japan, wind power plants in Thailand and oil terminal in Thailand as well as higher share of profit from the combined cycle gas turbine power plants in the USA could alleviate some impact.

Key developments during Q2/2023 until now

Additional investment in a 600-MW wind project in Lao PDR (Monsoon project)

On 17 May 2023, the Group of Companies achieved the share transfer of SMP. AS Pte Ltd. (“SMP AS”) in the proportion of 100% after the conditions precedent has been fulfilled. SMP AS is a Singaporean corporation that owns 10% of Monsoon Wind Power Company Limited (“MWP”) shares. MWP is a company established in Lao PDR, operating 600-MW wind farm (Monsoon project) in Sekong and Attapue provinces, Lao PDR. With the conclusion of the Group of Companies’ existing holding in MWP of 38.25%, the Group of Companies’ net effective share portion increases to 48.25%.

Monsoon is a wind farm project located in Lao PDR, operating in electricity generation and distribution through a 500-kV transmission line to Danang province in Vietnam. The project is expected to start commercialization within 2025.

Completed the acquisition of Asia Link Terminal for an investment in oil terminal and seaport project

On 31 May 2023, the Group of Companies successfully fulfilled the conditions precedent according to the share purchase agreement and completed the share transfer for 100% of Asia Link Terminal Co., Ltd. (“ALT”). As a result, the Group of Companies will begin realizing revenue contributions from the oil terminal and seaport business afterwards.

The acquisition of ALT is an investment in public utility infrastructure platform, which supports the energy sector and can generate recurring income, in accordance with the Group of Companies’ business plan and investment direction. Furthermore, the acquired infrastructure can be extended to support other future business opportunities.

Successfully started operation and distribution of electricity from Nam San 3A&3B to Vietnam

On 15 June 2023, Nam San 3A&3B project, located in Lao PDR and previously sold electricity to EDL, started to operate and distribute electricity to Vietnam according to the power purchase agreement (PPA).

In addition, electricity distribution to Vietnam under the PPA with Vietnam Electricity (EVN) is causing the project to receive higher tariff rate for 25 years. The electricity payment will also be made in USD and come from the counterparty who has stronger financial stability. The revenue recognition has started since mid-June 2023.

Exceeded the bond issue target with a total offering value of THB 8,191.2 million

In June 2023, the Group of Companies issued debentures successfully with an offering value of THB 8,191.2 million, exceeding the target of THB 8,000 million. The oversubscription reflects the fact that the bonds received high interest from investors who are confident in the Group of Companies.

The offered debentures have an average maturity of 6.5 years and an average interest rate of 3.78%. Additionally, the bonds are rated by TRIS Rating at “A”, with the objective of investing in gas-fired cogeneration power plants in the USA and other renewable projects in the future.

Achieved in the investments in 2 combined cycle gas turbine power plants in the USA

On 12 July 2023, the Group of Companies completed the acquisition of two combined cycle power plants with a total equity capacity of 426 MW (total investment value of USD 260 million or equivalent to THB 8,919 million). As a result, the Group of Companies indirectly holds (1) 25% of Hamilton Liberty (“Liberty”) combined cycle power plant located in Asylum, Pennsylvania, USA, with the installed capacity of 848 MW (equivalent equity MW of 212 MW). (2) 25% of Hamilton Patriot (“Patriot”) combined cycle power plant located in Clinton, Pennsylvania, USA, with the installed capacity of 857 MW (equivalent equity MW of 214 MW). Both the Liberty and Patriot power plants have started commercial operations since 2016, so profit-sharing recognition will start immediately following the investment completion in Q3/2023.

Announced the SPA signing an additional investment in Carroll County Energy project in the USA







On 4 August 2023, the Group of Companies entered into a Share Purchase Agreement (SPA) to acquire an additional 40% stake in Carroll County Energy Holdings LLC. in order to increase equity holdings in the Carroll County Energy combined cycle gas turbine power plant (“CCE”) in the USA with the investment value not exceeding USD 145 million or equivalent to THB 5,031 million. Carroll County Energy Holdings LLC. holds 100% shares in Carroll County Energy LLC (“CCE”), a combined cycle power plant that has an installed capacity of 700 MW. With the inclusion of the Group of Companies’ previous investment in CCE of 8.7%, the total holding stake in the project is 48.7% and the equity capacity increases from 61 MW to 341 MW. In addition, the transaction is expected to be completed within Q4/2023.

The Group of Companies invests in four US natural gas power plants: Carroll County Energy LLC (CCE) and South Field Energy LLC (SFE) in Ohio, and Hamilton Liberty LLC (Liberty) and Hamilton Patriot LLC (Patriot) in Pennsylvania, with a total production capacity of 857 MW.

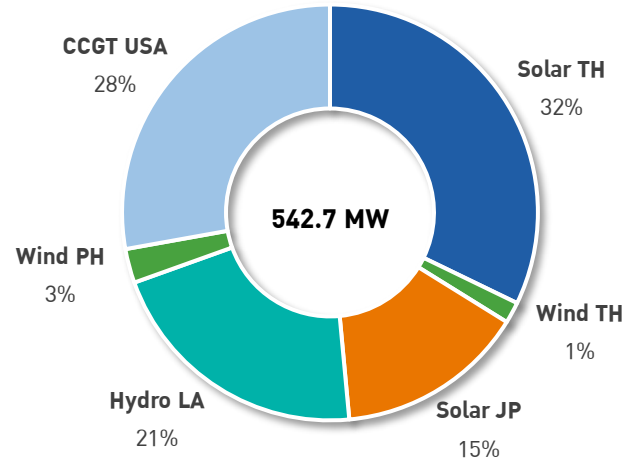
The Group of Companies' Contracted Capacity

Contracted capacity breakdown by countries and types of energy at the end of Q2/2023.

Unit: Equity MW

Country	2Q22	2Q23	Δ %	1Q23	Δ %
Thai					
	173.5	174.7	0.7	174.7	0.0
	9.0	9.0	0.0	9.0	0.0
Japan					
	79.7	79.7	0.0	79.7	0.0
Laos					
	114.0	114.0	0.0	114.0	0.0
The Philippines					
	14.4	14.4	0.0	14.4	0.0
USA					
	0.0	151.0	NA	151.0	0.0
Total	390.5	542.7	39.0	542.7	0.0

Contracted capacity breakdown by power types



At the end of Q2/2023, total contracted capacity was at 542.7 MW, increased by 39.0% YoY from the following factors:

- (1) The acquisition of 2 combined cycle gas turbines in the USA with the total equity capacity of 151 MW in February 2023.
- (2) The additional commercial operation of new solar rooftops under the CMU Smart City project in January 2023.
- (3) The additional commercial operation of new solar rooftops

While compared to Q1/2023, total contracted capacity remained unchanged.

Financial Performance

Financial Performance for Q2/2023

Unit: THB million	2Q22	2Q23	Δ (%)	1Q23	Δ (%)	1H22	1H23	Δ (%)
Revenue from sales and rendering of service	1,436.5	1,092.7	(23.9%)	1,057.2	3.4%	2,594.9	2,149.9	(17.1%)
Cost of sales and rendering of services	(503.5)	(567.3)	12.7%	(519.5)	9.2%	(924.1)	(1,086.8)	17.6%
Gross profit	933.0	525.4	(43.7%)	537.7	(2.3%)	1,670.8	1,063.2	(36.4%)
Administrative expenses*	(144.5)	(160.4)	11.0%	(152.0)	5.5%	(291.7)	(312.4)	7.1%
Operating profit	788.5	365.0	(53.7%)	385.7	(5.4%)	1,379.2	750.7	(45.6%)
Share of profit of investment in associates (excluding one-time item)	(8.7)	(30.8)	(254.7%)	40.0	(177.1%)	133.0	9.1	(93.1%)
EBITDA*	1,169.7	755.8	(35.4%)	808.8	(6.6%)	2,226.8	1,564.6	(29.7%)
Other income/(expense)	31.0	102.4	230.3%	31.8	222.1%	48.0	134.2	179.4%
FX gain/(loss)	(113.5)	91.0	NA	115.3	NA	(267.0)	206.3	NA
Other one-time item**	(105.3)	(72.5)	NA	236.7	NA	894.6	164.3	NA
EBIT	592.1	455.2	(23.1%)	809.5	(43.8%)	2,187.8	1,264.7	(42.2%)
Finance costs	(212.5)	(248.0)	16.7%	(229.4)	8.1%	(418.5)	(477.4)	14.1%
EBT	379.5	207.2	(45.4%)	580.1	(64.3%)	1,769.3	787.3	(55.5%)
Income tax (expense) benefit*	(48.7)	(5.156)	NA	(67.4)	NA	(75.0)	(72.5)	NA
Minority interest	(0.5)	(0.9)	NA	(0.9)	NA	(1.0)	(1.9)	NA
Net profit attributable to owners of parent	330.2	201.1	(39.1%)	511.8	(60.7%)	1,693.3	713.0	(57.9%)
Core profit*	549.0	182.6	(66.7%)	159.8	14.3%	1,065.7	342.4	(67.9%)
Basic Earnings per Share (THB)	0.11	0.07	(36.4%)	0.18	(61.1%)	0.59	0.25	(57.6%)

Remark:

*Excluding gain/(loss) on FX and one-time items

**Including tax related to FX gain/(loss)

	2Q22	2Q23	1Q23	1H22	1H23
Total one-time items:	(218.8)	18.5	352.0	627.6	370.6
FX gain/(loss)	(113.5)	91.0	115.3	(267.0)	206.3
Tax related to FX gain/(loss)	(9.2)	(64.7)	(28.3)	4.2	(93.0)
Other one-time item	(96.2)	(25.4)	265.0	890.4	239.6
Net gain from sales of investment in associates	0.0	-	-	1,644.6	-
Loss from disposal and impairment of assets	(6.8)	-	267.0	(628.7)	267.0
Net withholding tax and special business tax	(70.6)	(25.4)	(1.9)	(70.6)	(27.4)
Other one-time item	(18.8)	-	-	(54.9)	-

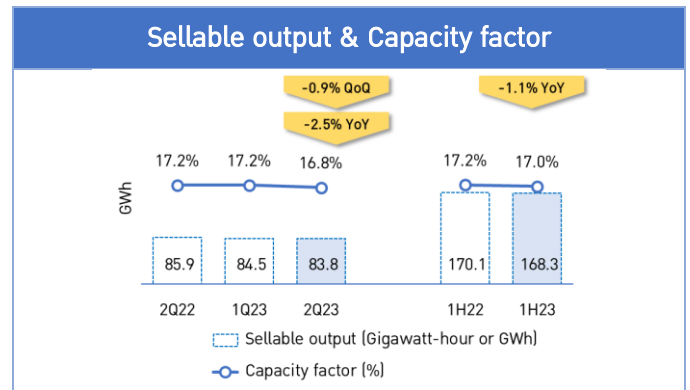
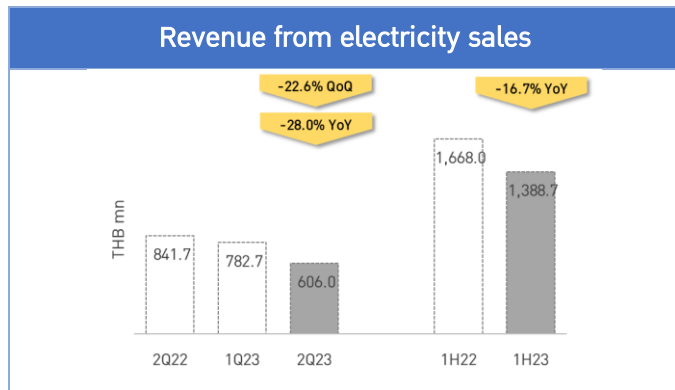
Revenue from sales and rendering of services

The Group of Companies has revenue structures classified by country as follows:

Unit: THB mn	2Q22	2Q23	Δ %	1Q23	Δ %	1H22	1H23	Δ %
Thai	854.0	692.3	(18.9)	806.9	(14.2)	1,701.0	1,499.2	(11.9)
Laos	229.2	56.7	(75.3)	-	NA	396.8	56.7	(85.7)
Japan	342.9	319.3	(6.9)	235.7	35.5	477.3	555.1	16.3
Other operating income	10.4	24.4	134.4	14.6	67.1	19.9	39.0	96.4
Total	1,436.5	1,092.7	(23.9)	1,057.2	3.4	2,594.9	2,149.9	(17.1)

The company and subsidiaries: Thailand

Solar



In Q2/2023, the Group of Companies recorded operating revenue from solar power plants in Thailand of THB 606.2 million, decreased by 28.0% YoY and 22.6% QoQ. These were resulted from the following factors.

YoY

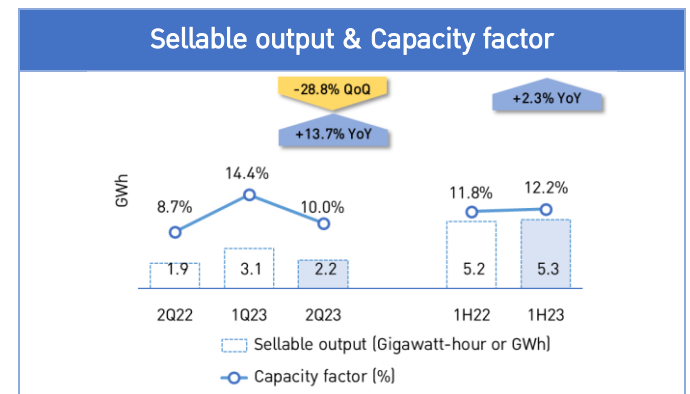
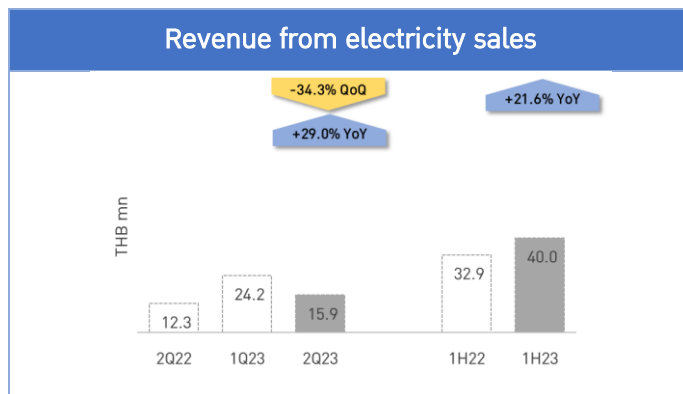
(-) Revenue from solar power plants fell YoY as a result of the expiration of adder power plants 72 MW.

QoQ

(-) Revenue from solar power plants fell YoY as a result of the expiration of adder power plants 32 MW.

For 1H/2023, the Group of Companies recorded operating revenue from solar power plants in Thailand of THB 1,388.7 million, dropped by 16.7% YoY. This mainly came from the expiration of adder power plants 72 MW.

Wind



In Q2/2023, the Group of Companies recorded operating revenue from a wind power plant in Thailand of THB 15.9 million, increased by 29.0% YoY but decreased by 34.3% QoQ. These were resulted from the following factors.

YoY

(+) Electricity generation improved by 13.7% to 2.2 GWh, resulted from the better wind speed at the project.

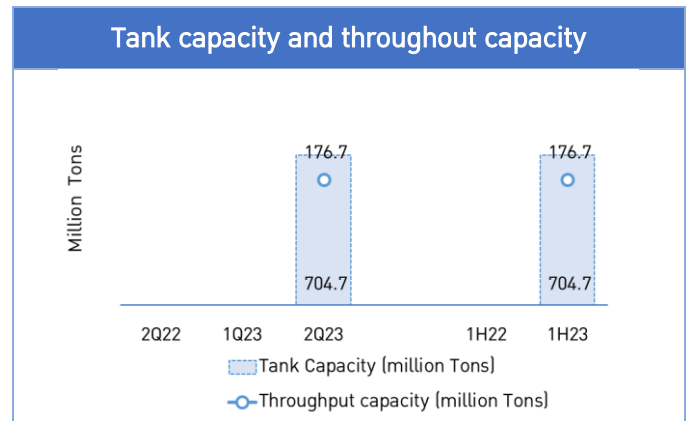
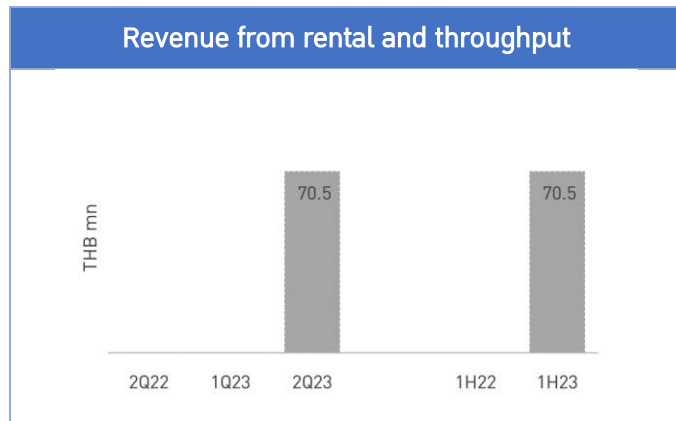
QoQ

(-) Electricity generation decreased by 28.8% QoQ, which mainly due to the lower wind speed.

For 1H/2023, the Group of Companies recorded operating revenue from a wind power plant in Thailand of THB 20.0 million, increased by 21.6% YoY. This mainly came from electricity generation rising by 2.3% to 5.3 GWh, resulted from the better wind speed at the project.

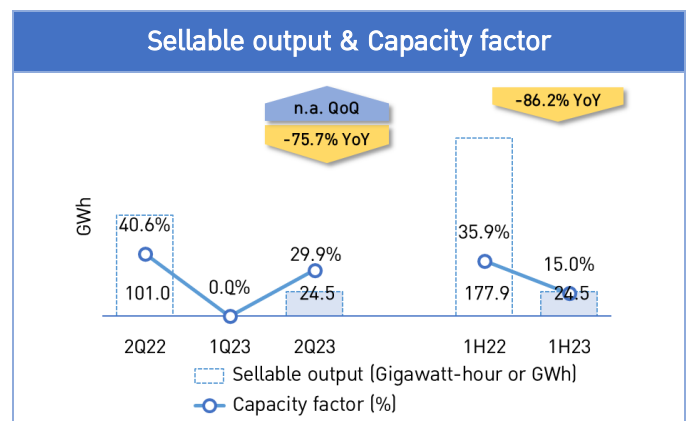
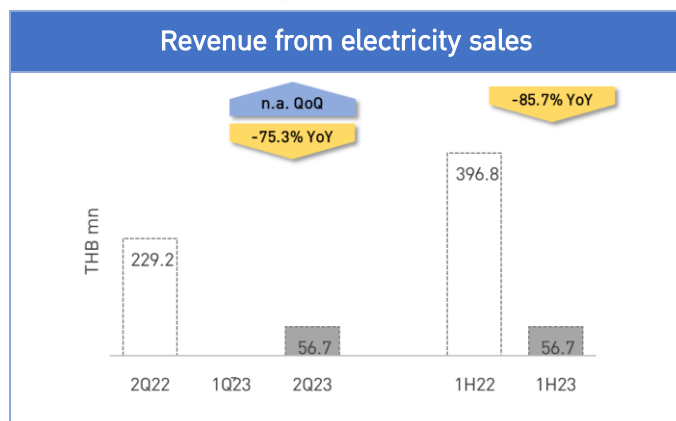
Oil Terminal and Seaport Project

In Q2/2023, the Group of Companies recorded operating revenue from oil terminal and seaport project in Thailand of THB 70.5 million, started realizing contribution in June 2023.



For 1H/2023, the Group of Companies recorded operating revenue from oil terminal and seaport project in Thailand of THB 70.5 million, started realizing contribution in June 2023.

Subsidiaries: Laos 



In Q2/2023, the Group of Companies recorded operating revenue from hydropower plants in Laos of THB 56.7 million, down by 75.3% YoY but grew QoQ. These were resulted from the following factors.


YoY

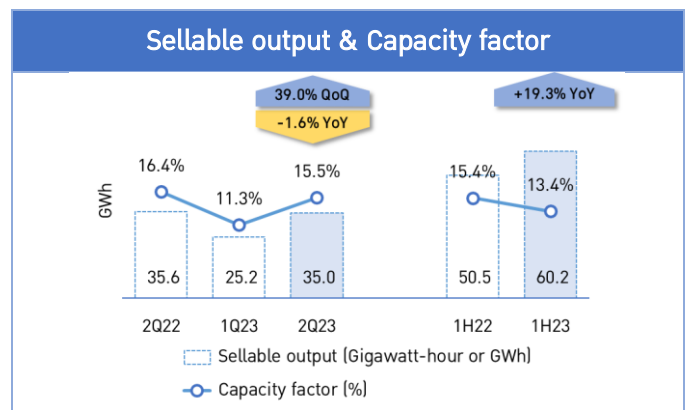
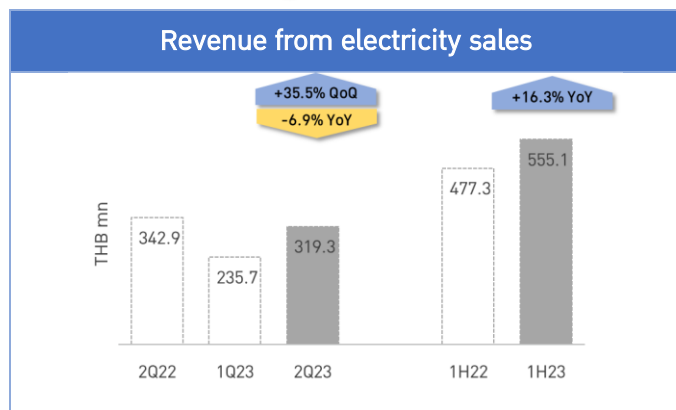
(-) Electricity generation fell by 75.7% YoY from the plant shutdowns during the quarter, preparing for electricity sales to EVN.

QoQ

(-) Electricity generation improved from the previous quarter, as the projects have commenced commercial operation and already distributed electricity to EVN since 15 June 2023.

For 1H/2023, the Group of Companies recorded operating revenue from hydropower plants in Laos of THB 56.7 million, down by 85.7% YoY. This resulted from the plant shutdowns, preparing for electricity sales to EVN. However, the projects have commenced commercial operation and already distributed electricity to EVN since 15 June 2023.

Subsidiaries: Japan 



In Q2/2023, the operating revenue from solar power plants in Japan was reported at THB 319.3 million, dropped by 6.9% YoY but improved 35.5% QoQ. These were resulted from the following factors.

YoY

(-) Electricity generation decreased by 1.6% YoY, due to the higher curtailment days.

QoQ

(+) Electricity generation improved by 39.0% QoQ, owing to higher irradiation following season factor.

For 1H/2023, the operating revenue from solar power plants in Japan was reported at THB 555.1 million, grew by 16.3% YoY. This mainly came from the full 6-month realizing revenue contribution from Komegane and Yabuki projects, which had COD on 29 March 2022 and 15 April 2022, respectively.

Total revenue from sales and rendering of services

In Q2/2023, total revenue was at THB 1,092.7 million, down by 23.9% YoY but up by 3.4% QoQ. These were resulted from the following factors.

YoY

(-) Lower revenue from solar power plants in Thailand, solar power plants in Japan and hydropower in Lao PDR.

QoQ

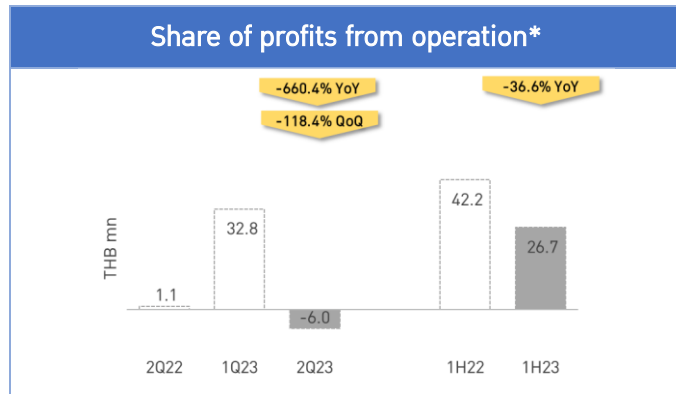
(+) Higher revenue from oil terminal, solar power plants in Japan and hydropower in Lao PDR.

In Q2/2023, total revenue was at THB 2,149.9 million, dropped by 17.1% YoY. This mainly came from lower revenue from solar power plants in Thailand and hydropower in Lao PDR.

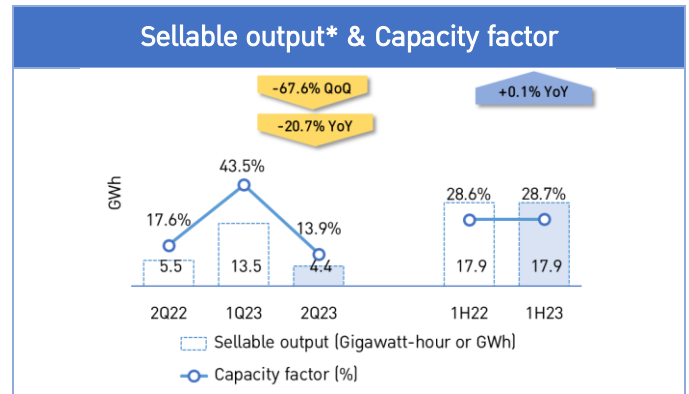
Share of profit of investment in associates

The Group of Companies has share of profit of investment in associate's structure classified by country as follows:

Investment in associates: the Philippines



*Share of profits from operation excludes amortization and one-time items.



*Sellable output calculation according to holding stake

Unit: THB million	2Q22	2Q23	Δ YoY (%)	1Q23	Δ QoQ (%)	1H22	1H23	Δ YoY (%)
Share profits from operation	1.1	(6.0)	(660.4%)	32.8	(118.4%)	42.2	26.7	(36.6%)
(-) Amortization	(7.9)	(7.4)	5.6%	(7.4)	(1.1%)	(15.5)	(14.8)	4.4%
Share profits from operation (after amortization)	(6.8)	(13.5)	(97.8%)	25.4	(153.0%)	26.7	11.9	(55.2%)

In Q2/2023, the Group of Companies recorded a share of loss from operation (after amortization) of THB 13.5 million, more loss by 97.8% YoY and 153.0% QoQ. These were resulted from the following factors.

YoY

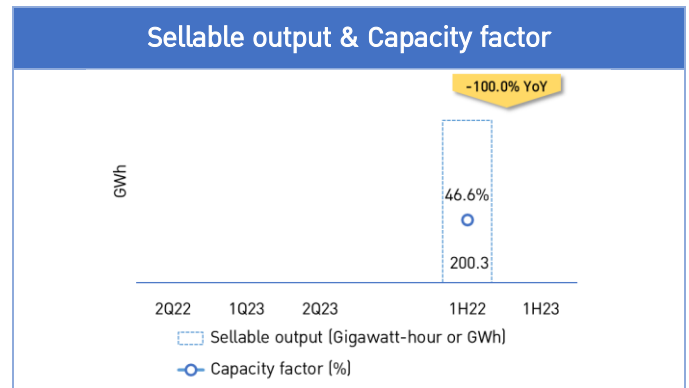
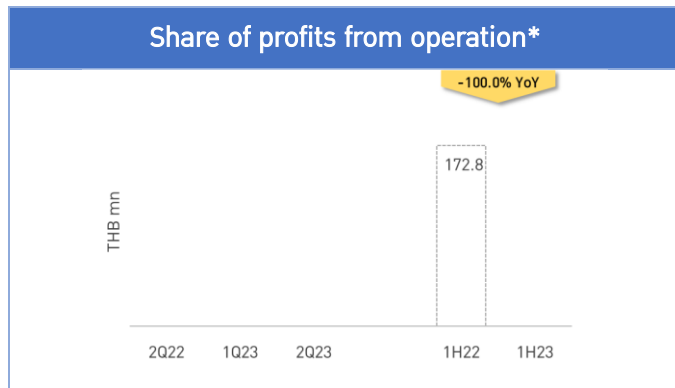
(-) Electricity generation declined by 20.7%, resulted by lower capacity factor of 13.9% in the quarter compared to 17.6% in Q23/2022. This came from lower wind speed.

QoQ

(-) Electricity generation decreased by 67.6% QoQ following a lower capacity factor of 13.9% from 43.5% in the previous quarter. This came from the entering to low season in the Philippine.

For 1H/2023, the Group of Companies recorded a share of profit from operation (after amortization) of THB 11.9 million, down by 55.2% YoY. This was resulted by the project receiving retroactive tariff adjustment for the period of June to December 2021 in 1H/2022 while there was none of this item in 1H/2023.

Investment in associates: Indonesia



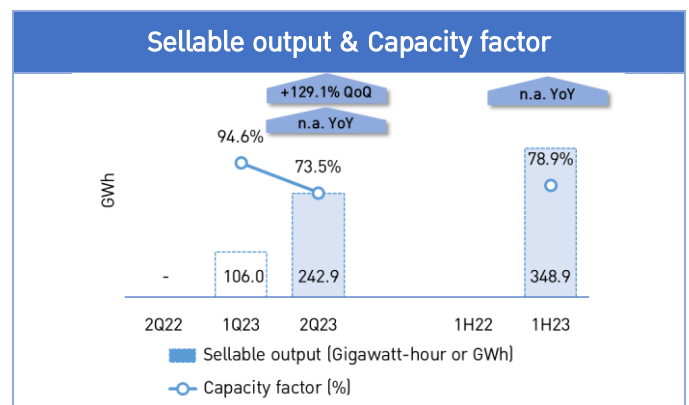
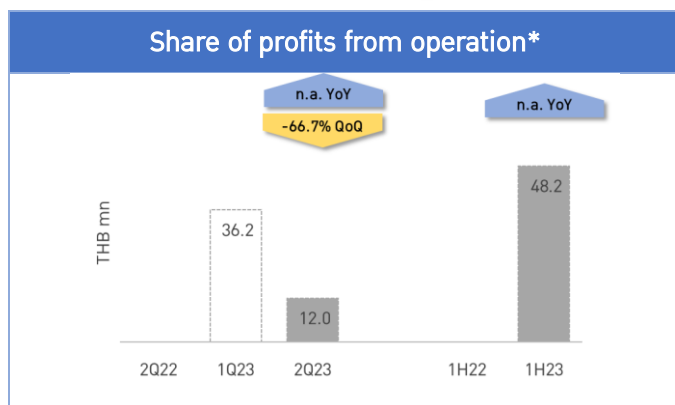
*Share of profits from operation excludes amortization and one-time items

*Sellable output calculation according to holding stake

Unit: THB million	2Q22	2Q23	Δ YoY (%)	1Q23	Δ QoQ (%)	1H22	1H23	Δ YoY (%)
Share profits from operation	-	-	NA	-	NA	172.8	-	(100.0%)
(-) Amortization	-	-	NA	-	NA	(64.7)	-	(100.0%)
Share profits from operation (after amortization)	-	-	NA	-	NA	108.2	-	(100.0%)

In 2Q/2023 and 1H/2023, the Group of Companies did not record share of profits from operation (after amortization) of geothermal power plants in Indonesia as the Group of Companies completed the share disposal of Star Energy Group Holdings Pte Ltd. (SEGHPL) on 3 March 2022. As a result, the share of profits from the operation (after amortization) of geothermal power plants decreased by 100% YoY.

Investment in associates: USA



*Share of profits from operation excludes amortization and one-time items

*Sellable output calculation according to holding stake

Unit: THB million	2Q22	2Q23	Δ YoY (%)	1Q23	Δ QoQ (%)	1H22	1H23	Δ YoY (%)
Share profits from operation	-	12.0	NA	36.2	(66.7%)	-	48.2	NA
(-) Amortization	-	-	NA	-	NA	-	-	NA
Share profits from operation (after amortization)	-	12.0	NA	36.2	(66.7%)	-	48.2	NA

In Q2/2023, the Group of Companies recorded a share of profits from operation (after amortization) of combined cycle gas turbines in the USA of THB 12.0 million, up from the same period last year but down by 66.7% QoQ. These were resulted from the following factors.

YoY

(+) The Group of Companies started to realize the share of profit from the combined cycle gas turbines in the USA in March 2023.

QoQ

(-) The combined cycle gas turbines in the USA had planned maintenance in April and margin spread was lessened by the lower gas price.

For 1H/2023, the Group of Companies recorded a share of profits from operation (after amortization) of combined cycle gas turbines in the USA of THB 48.2 million, up from the same period last year. This resulted from the realizing of the share of profit has started since March 2023.

Share of profit of investment in associates (before one-time items)

<i>Unit: THB million</i>	2Q22	2Q23	Δ YoY (%)	1Q23	Δ QoQ (%)	1H22	1H23	Δ YoY (%)
Share profits from operation	1.1	6.0	460.4%	32.8	(81.6%)	215.0	75.0	(65.1%)
Others	(1.9)	(29.4)	(1461.2%)	(21.6)	(35.9%)	(1.9)	(51.0)	(2609.9%)
(-) Amortization	(7.9)	(7.4)	5.6%	(7.4)	(1.1%)	(80.1)	(14.8)	81.5%
Share profits from operation (after amortization)	(8.7)	(30.8)	(254.7%)	3.8	(915.1%)	133.0	9.1	(93.1%)

In Q2/2023, the Group of Companies recorded a share of loss of investment in associates (after amortization and before one-time items) of THB 30.8 million, more loss by 254.7% YoY and 915.1% QoQ. These were resulted from the following factors.

YoY

(-) There were more contribution loss from wind power project in the Philippines and more share loss from others business.

QoQ

(-) There were more contribution loss from wind power project in the Philippines and combined cycle gas turbines in the USA as well as more share loss from others business.

For 1H/2023, the Group of Companies recorded share of profits of investment in associates (after amortization and before one-time items) of THB 9.1 million, down by 93.1 million. This mainly came from lower share of profit from wind power project in the Philippines and the absence of share of profit from geothermal in Indonesia and more share loss from others business.

EBITDA from operation

In Q2/2023, EBITDA from the operation was at THB 755.8 million, weakened by 35.4% YoY and 6.6% QoQ. These were resulted from the following factors.

YoY	QoQ
<p>(-) Lower revenue contributed from solar power projects in Thailand, solar power projects in Japan and hydropower projects in Lao PDR.</p> <p>(-) Lower share of profit contributed from wind power project in the Philippine.</p>	<p>(-) Lower revenue contributed from solar power projects in Thailand and wind power project in Thailand.</p> <p>(-) Lower share of profit contributed from wind power project in the Philippine and combined cycle gas turbines in the USA.</p>

In 1H/2023, EBITDA from the operation was at THB 1,564.6 million, declined by 29.7% YoY. This was mainly resulted by lower revenue contribution from solar power projects in Thailand, hydropower projects in Lao PDR, lower share of profit from wind power project in the Philippine and the absence of share of profit from geothermal in Indonesia.

Administrative expense

In Q1/2023, administrative expenses (excluding one-time items) were at THB 160.4 million, up 11.0% YoY and 5.5% QoQ. This was mainly resulted from higher expenses related to employees. For 1H/2023, administrative expenses (excluding one-time items) were at THB 312.4 million, grew 7.1% YoY due to higher expenses related to employees.

Administrative expense to revenue in Q2/2023 increased from Q2/2022 due to lower revenue while it was relatively similar to the previous quarter. Meanwhile, administrative expense to revenue in 1H/2023 was higher from 1H/2022 due to lower revenue.

Unit: %	2Q22	1Q23	2Q23	1H22	1H23
SG&A / Sales*	10.1	14.4	14.7	11.2	14.5

**Remark: administrative expenses are excluded from one-time items*

One-time items

In Q2/2023, the Group of Companies has one-time items as follows.

	2Q22	2Q23	1Q23	1H22	1H23
Total one-time items:	(218.8)	18.5	352.0	627.6	370.6
FX gain/(loss)	(113.5)	91.0	115.3	(267.0)	206.3
Tax related to FX gain/(loss)	(9.2)	(64.7)	(28.3)	4.2	(93.0)
Other one-time item	(96.2)	(25.4)	265.0	890.4	239.6
Net gain from sales of investment in associates	0.0	-	-	1,644.6	-
Loss from disposal and impairment of assets	(6.8)	-	267.0	(628.7)	267.0
Net withholding tax and special business tax	(70.6)	(25.4)	(1.9)	(70.6)	(27.4)
Other one-time item	(18.8)	-	-	(54.9)	-

Gain/(loss) from foreign exchange

In Q2/2023, the Group of Companies booked FX gain of THB 91.0 million. This came from the Group of the Company's assets, which use foreign currency as a functional currency, have increased in value following the appreciation of foreign currency against THB.

YoY	QoQ
(+) FX loss of THB 113.5 million in Q2/2022 from the depreciation of foreign currency against THB.	(-) FX gain of THB 115.3 million in Q1/2023 from the exchange rate gain from the cash management for the acquisition of combined cycle gas turbines in the USA.

For 1H/2023, the Group of Companies booked FX gain of THB 206.3 million. This came from the cash management for the acquisition of combined cycle gas turbines in the USA and the Group of the Company's assets, which use foreign currency as a functional currency have increased in value following the appreciation of foreign currency against THB. As a result, the gain from translation occurred.

One-time expenses related to withholding tax and special business tax

The Group of Companies recorded expenses related to non-refundable withholding tax and special business tax (net tax) at THB 149.7 million for 2Q/2023 and THB 27.4 million for 1H/2023. This one-time expense occurred from the settlement of shareholder loan's interest during the year.

Finance cost

In Q2/2023, the Group of Companies recorded finance cost of THB 248.0 million, increased by 16.7% YoY and 8.1% QoQ due to higher interest rate in the market and project finance loan for solar power plants in Japan.

For 1H/2023, the Group of Companies recorded finance cost of THB 477.4 million, rose by 14.1% YoY due to higher interest rate in the market and project finance loan for solar power plants in Japan.

The average finance cost in Q2/2023 grew from Q2/2022 but dropped from Q4/2022 as there was the bond issuance of THB 8,190 million in the late of 2Q/2023. For 1H/2023, the average finance cost was up from 1H/2022.

Unit: %	2Q22	1Q23	2Q23	1H22	1H23
Average finance cost	3.1	3.6	3.2	2.9	3.6

Core profit

In Q2/2023, the Group of Companies recorded core profit (excluding gain (loss) from FX and one-time items) of THB 182.6 million, dropped by 66.7% YoY but rose by 14.3% QoQ. These were resulted from the following factors.

YoY	QoQ
<p>(-) Lower revenue contributed from solar power projects in Thailand, solar power plants in Japan and hydropower projects in Lao PDR together with lower share of profit from wind power project in the Philippines.</p> <p>(+) However, higher revenue contributed from wind power plant in Thailand, oil terminal in Thailand and higher share of profit from combined cycle gas turbine power plants in the USA could alleviate some impact.</p>	<p>(+) Lower revenue contributed from solar power projects in Japan, hydropower projects in Lao PDR and oil terminal in Thailand.</p> <p>(-) However, the better performance was partly offset by lower revenue contributed from solar power plants in Thailand, wind power plant in Thailand and lower share of profit from wind power plant in Philippines and combined cycle gas turbine power plants in the USA.</p>

For 1H/2023, the Group of Companies recorded core profit (excluding gain (loss) from FX and one-time items) of THB 342.4 million, dropped by 67.9% YoY. This came from lower revenue contribution from solar power projects in Thailand and hydropower in Lao PDR as well as lower share of profit. However, the better revenue contribution from solar power in Japan, wind power projects in Thailand, oil terminal in Thailand and higher share of profit from the combined cycle gas turbine in the USA could alleviate some impact.

Net profit attributable to owners of parent

In Q2/2023, the Group of Companies recorded net profit attributable to owners of parent of THB 201.1 million, weakened by 39.1% YoY and 60.7% QoQ. This was resulted by one-time items as follows.

YoY	QoQ
<p>(+) In Q2/2023, the total one-time gain of THB 18.5 million was recorded, compared to Q2/2022 that recorded the total one-time loss of THB 218.8 million, as a result to the less drop in net profit compared to core profit.</p>	<p>(-) In Q2/2023, the total one-time gain of THB 18.5 million was recorded, compared to Q1/2023 that recorded the total one-time gain of THB 352.0 million, as a result to lower net profit.</p>

For 1H/2023, the Group of Companies recorded net profit attributable to owners of parent of THB 713.0 million, down by 57.9% YoY, which was in-line with the core profit trend. There was a total one-time gain of THB 370.6 million in 1H/2023 compared to THB 627.6 million in 1H/2022.

Financial Position

Financial position analysis as of 30 June 2023

Unit: THB million	2022	% of total assets	2023	% of total assets	Δ (%)
Cash and cash equivalents	20,332.8	36.2%	17,616.3	26.2%	(13.4%)
Current investments	0.0	0.0%	0.0	0.0%	n.a.
Trade accounts receivables	1,762.4	3.1%	1,754.4	2.6%	(0.5%)
Other current assets	833.4	1.5%	650.9	1.0%	(21.9%)
Total current assets	22,928.7	40.8%	20,021.6	29.7%	(12.7%)
Investments in associate & subsidiaries	1,341.7	2.4%	6,663.7	9.9%	396.7%
Property, plant and equipment	17,013.9	30.3%	22,880.9	34.0%	34.5%
Goodwill and Intangible assets	11,412.3	20.3%	14,048.8	20.9%	23.1%
Other non-current assets	3,514.2	6.3%	3,693.9	5.5%	5.1%
Total non-current assets	33,282.1	59.2%	47,287.4	70.3%	42.1%
Total Assets	56,210.8	100.0%	67,309.0	100.0%	19.7%
Short-term borrowings	0.0	0.0%	0.0	0.0%	n.a.
Current portions of long-term borrowings	2,571.1	4.6%	2,544.6	3.8%	(1.0%)
Long-term borrowings	10,673.7	19.0%	12,767.3	19.0%	19.6%
Debentures	11,995.0	21.3%	20,144.7	29.9%	67.9%
Other liabilities	1,695.0	3.0%	1,844.6	2.7%	8.8%
Total liabilities	26,934.7	47.9%	37,301.2	55.4%	38.5%
Equity attributable to owners of the Company	29,224.9	52.0%	29,954.9	44.5%	2.5%
Non-controlling interests	51.1	0.1%	53.0	0.1%	3.6%
Total liabilities and Equity	56,210.8	100.0%	67,309.0	100.0%	19.7%

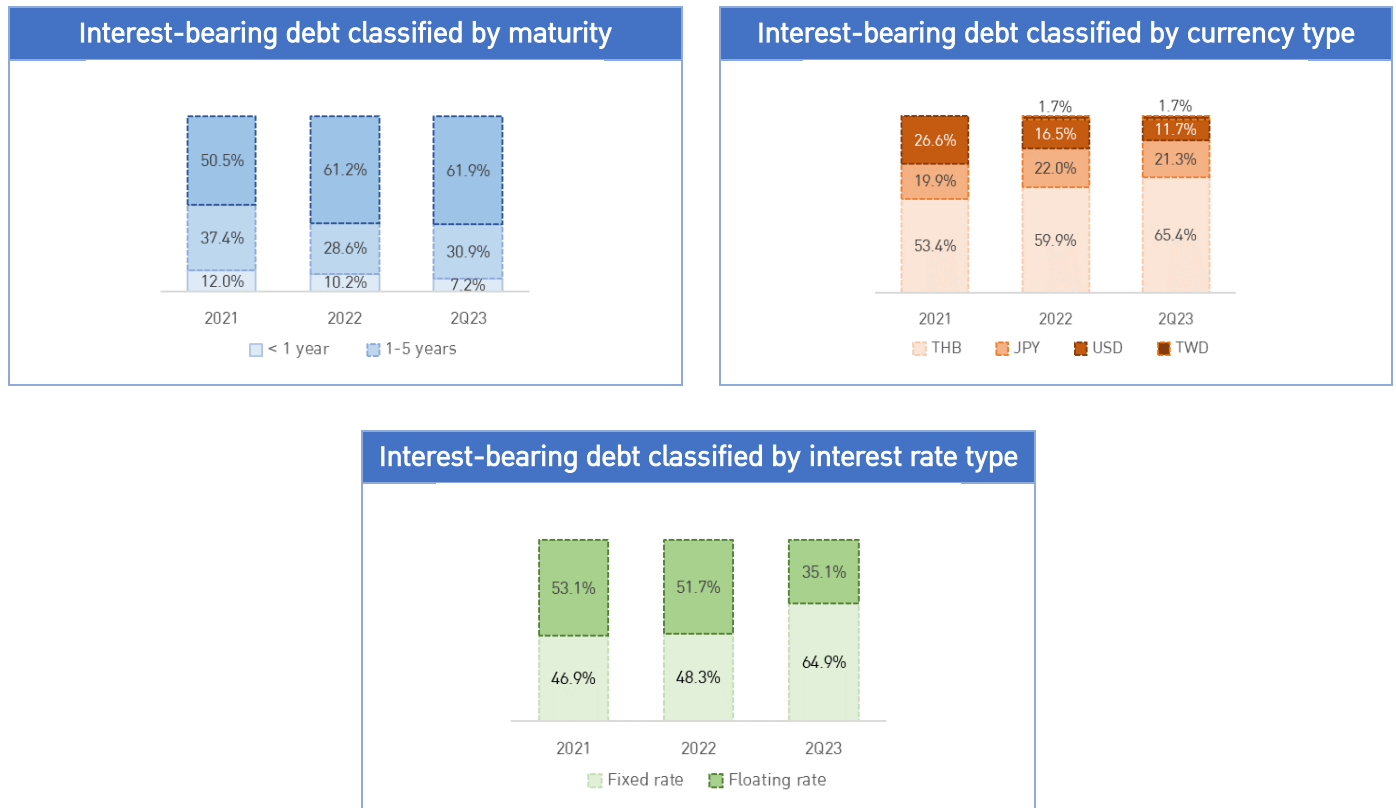
Asset

Total assets was reported at THB 67,309.0 million, grew by 19.7% from ending of 2022. The increase was impacted from the acquisition of two combined cycle gas power plants in the USA through an indirect holding in CCE power plant (net holding at 8.7%) and SFE power plant (net holding at 7.6%). The equity MW of these two power plants are 61 MW and 90 MW respectively. Moreover, the property, plant, and equipment rose from the investment in oil terminal and seaport project.

Liability

Total liabilities was THB 37,301.2 million, ramped up by 38.5% from ending of 2022. This was mainly due to the increase in long-term loans from financial institutions and the bond issuance during Q2/2023.

Interest-bearing debt classified by maturity, currency type and interest rates type are as follows.



For Q2/2023, the proportion of interest-bearing debts with a maturity of less than 1 year was 7.2%, down from ending 2022. The proportion of interest-bearing debts with a maturity of between 1-5 years increased to 30.9%, up from ending 2022, while the proportion of interest-bearing debts with a maturity of over 5 years, the largest proportion, grew to 61.9%, the largest majority.

Also, when considering interest-bearing debts classified by currency, the proportion of debts in THB currency escalated to 65.4% from the bond issuance. The proportion of fixed-rate loans rose to 64.9%, while the proportion of floating rate interest-bearing debts reduced to 35.1%.

Equity

Equity attributable to owners of the group of companies worth THB 29,954.9 million, grew by 2.5% from the end of 2022 following the growth of operating performance.

Cash Flow Statement

Cash flow statement analysis as of 30 June 2023

Unit: THB million	2022	2Q23	Δ
Net cash from (used in) operating activities	2,988.2	658.9	(2,329.4)
Net cash from (used in) investing activities	12,336.8	(8,798.3)	(21,135.0)
Net cash from (repay to) financing activities	(6,223.0)	8,689.5	14,912.5
Net increase in cash and cash equivalents	9,102.0	550.1	(8,551.9)
Cash and cash equivalents at 1 January	11,227.7	17,023.6	5,795.9
Effect of exchange rate changes on balances held in foreign currencies	3.1	42.6	39.4
Cash and cash equivalents at end period	20,332.8	17,616.3	(2,716.5)
Cash paid for investment activities	(2,012.4)	(10,109.6)	(8,097.2)

During Q2/2023, net cash flow from operating activities was THB 658.9 million. Meanwhile, net cash flow used in investing activities was THB 8,798.3 million, which was resulted from the acquisitions of 2 combined cycle power plants, and oil terminal and seaport project in this quarter. Net cash flow from financing activities was THB 8,689.5 million, mainly came from the bond issuance. As a result, cash and cash equivalents at end of Q2/2023 was THB 17,616.3 million.

Key Financial Ratio

Key financial ratio analysis as of 30 June 2023

	2Q22	2Q23	Δ	1Q223	Δ
Profitability ratio					
Gross profit margin (%)	65.0	48.1	(16.9)	50.9	(2.8)
EBITDA margin (%)*	81.9	71.2	(10.7)	73.7	(0.9)
Net profit margin (%)	23.0	18.5	(4.5)	48.4	(29.9)
ROE (%) (Annualized)	4.7	2.7	(2.0)	7.2	(4.5)
ROA (%) (Annualized)	2.3	1.3	(1.0)	3.5	(2.2)
Liquidity ratio					
Current ratio (x)	5.4	5.6	0.2	6.1	(0.5)
Account receivable turnover (x)	2.4	2.6	0.2	2.8	(0.2)
Average collection period (days)	149.0	138.8	(10.2)	128.6	10.2
Leverage ratio					
Interest-bearing debt/equity (x)	0.9	1.2	0.3	0.9	0.3
Net interest-bearing debt/equity (x)	0.3	0.6	0.3	0.3	0.3
Total liability/equity (x)	1.0	1.2	0.2	0.9	0.3

*EBITDA margin (%) = EBITDA/(sales + share of profit before one-time items)

Profitability ratio

Gross profit margin in Q2/2023 was 48.1%, decreased from Q2/2022 due to adder expiration of solar power plants in Thailand and the shutdowns of Nam San 3A&3B regarding the electricity sales transfer to EVN. While EBITDA margin in Q2/2023 was 71.2% and the net profit margin reported at 18.5%, dropped YoY from the lower net profit.

Liquidity ratio

The Group of Companies specifies a credit term for trade receivables of no more than 60 days. As of the end of Q2/2023, the majority of operating income of the Group of Companies comes from the State Enterprise, namely EGAT and PEA. These state enterprises need to follow the payment condition in Power Purchase Agreement (PPA) or practice of individual state enterprises.

Average collection period as of Q2/2023 decreased YoY as in 2022 the Group of Companies converted the EDL account receivables to the investment in transmission line project; thus, the average collection period was lower. While the average collection period grew from the previous quarter.

However, the Group of Companies still closely monitored EDL debt collection and continued to receive payment. In addition, the hydropower plants that have a Power Purchase Agreement (PPA) with EVN has started to sell electricity on 15 June 2023. This will reduce the average collection period and get faster payment.

Leverage ratio

The interest-bearing debt to equity ratio at the end of Q2/2023 was 1.2 times, rose both YoY and QoQ. The higher ratio was due to the higher interest-bearing debt and the increasing interest-bearing debt from the bond issuance.

Other important information

Key factors which could affect to the Group of Companies performance

The group of companies estimates key factors which could affect its short-term operations as follow:

(+/-) Changes in the policy of the government and other related parties in conducting businesses in Thailand and Japan. The change might affect the group of companies' under-construction projects and the prospect of business in the future. However, one of the main strategies is to focus an investment to the country that has clear renewable energy supporting policy in Power Development Plan. We also followed the change in policy closely.

(+/-) The fluctuation of THB against JPY and USD will allow the group of companies to book gain/loss in FX translation due to net assets/liability balance sheet exposure in foreign currency. Nevertheless, the group of companies have a plan to manage and follow net assets/liabilities to blend with both transaction and functional currency in each footprint to decrease impact from FX translation.

(+/-) A change in interest rates is expected to allow the financial cost of the group of companies to change slightly since approximately 35% of the group's interest-bearing debt is at floating rates. However, the group of companies believes that the financial costs will be well managed under a prudent financial policy. The Group of Companies also offered debentures with a total value of THB 8,190 million for investments. Therefore, this could reduce the risk of interest rate fluctuation.

(+/-) Seasonality factors in each country have impact on electricity generation performance of the group of the group of companies from renewable energy including Solar conditions, Wind and Hydro. For example, in the rainy season, electricity generation from solar will decrease while, on the other hand, electricity generation from hydropower will increase.

(-) At this moment, the Group of the Companies have various types of counterparties, including domestic counterparties and international counterparties both in developing countries and under developing countries. Moreover, there were counterparties in the government sector and private sector. The different types of counterparties have different levels of credit risk. However, the Group of the Companies has managed to diversify the counterparties' risk in portfolio. In some circumstances, the counterparty's credit risk could be managed by switching counterparty to another counterparty with a better credit risk profile.

Appendices

Sellable electricity output by each power plant

MWh	2Q22	2Q23	Δ (%)	1Q23	Δ (%)	1H22	1H23	Δ (%)
Total production	224,430	145,532	(35.2%)	112,800	29.0%	403,694	258,332	(36.0%)
Production - Thailand (Solar)	85,904	83,778	(2.5%)	84,509	(0.9%)	170,138	168,288	-1.1%
Production - Adder	69,662	67,069	(3.7%)	68,556	(2.2%)	138,451	135,625	-2.0%
Tariff (Incl. adder) (THB-kWh)	11.08	7.90	(28.7%)	10.29	(23.2%)	11.06	9.11	(17.6%)
Production - FIT 5.66	6,883	6,584	(4.3%)	6,715	(1.9%)	13,803	13,299	-3.7%
Feed in Tariff (THB-kWh)	5.66	5.66	0.0%	5.66	0.0%	5.66	5.66	0.0%
Production - FIT 4.12	3,492	3,523	0.9%	3,354	5.0%	6,980	6,877	(1.5%)
Feed in Tariff (THB-kWh)	4.12	4.12	0.0%	4.12	0.0%	4.12	4.12	0.0%
Public solar	5,867	6,603	12.5%	5,884	12.2%	10,903	12,487	14.5%
Feed in Tariff (THB-kWh)	2.87	3.64	26.8%	4.08	(10.8%)	2.86	3.85	34.6%
Production - Thailand (Wind)	1,929	2,193	13.7%	3,079	(28.8%)	5,152	5,273	2.3%
Tariff (Incl. adder) (THB-kWh)	6.38	7.24	13.5%	7.85	(7.8%)	6.39	7.60	18.9%
Production - Japan (Solar)	35,619	35,033	(1.6%)	25,212	39.0%	50,515	60,245	19.3%
Feed in Tariff (JPY-kWh)	36.66	36.33	(0.9%)	36.29	0.1%	36.68	36.38	(0.8%)
Production - Laos (Hydro)	100,977	24,527	(75.7%)	-	n.a.	177,889	24,527	-86.2%
Feed in Tariff (US cents-kWh)	6.59	6.70	1.7%	-	n.a.	6.59	6.70	1.7%

Revenue structure of each project

Unit: THB million	2Q22	2Q23	Δ (%)	1Q23	Δ (%)	1H22	1H23	Δ (%)
1. Revenue - Thailand (Solar)	841.7	606.0	(28.0%)	782.7	(22.6%)	1,668.0	1,388.7	(16.7%)
2. Revenue - Thailand (Wind)	12.3	15.9	29.0%	24.2	(34.3%)	32.9	40.0	21.6%
3. Revenue - Thailand (Oil Terminal)	-	70.5	n.a.	-	n.a.	-	70.5	n.a.
4. Revenue - Japan (Solar)	342.9	319.3	(6.9%)	235.7	35.5%	477.3	555.1	16.3%
5. Revenue - Laos PDR (Hydro)	229.2	56.7	(75.3%)	-	n.a.	396.8	56.7	(85.7%)
6. Other operating income	10.4	24.4	134.4%	14.6	67.1%	19.9	39.0	96.4%
Total revenue	1,436.5	1,092.7	(23.9%)	1,057.2	3.4%	2,594.9	2,149.9	(17.1%)

Net share profits from investment in associates

Unit: THB million	2Q22	2Q23	Δ YoY (%)	1Q23	Δ QoQ (%)	1H22	1H23	Δ YoY (%)
Share profits from operation	1.1	6.0	460.4%	32.8	(81.6%)	215.0	75.0	(65.1%)
Others	(1.9)	(29.4)	(1461.2%)	(21.6)	(35.9%)	(1.9)	(51.0)	(2609.9%)
(-) Amortization	(7.9)	(7.4)	5.6%	(7.4)	(1.1%)	(80.1)	(14.8)	81.5%
Share profits from operation (after amortization)	(8.7)	(30.8)	(254.7%)	3.8	(915.1%)	133.0	9.1	(93.1%)
(+/-) One-time item								
Amortization of deferred issuance cost from refinancing	-	-	NA	-	NA	-	-	NA
Net share profits	(8.7)	(30.8)	254.7%	40.0	(177.1%)	133.0	9.1	(93.1%)

Disclaimer

The information contained in this document is intended to provide and explain the Group of Companies' operation for shareholders and investors to follow and understand operations, financial position and operating factors that will affect the group of companies' operations better. The information and analysis contained herein have been done by the information as at the date of Financial Statement submission to the Stock Exchange of Thailand as well as relevant sources of information have been believed to be trustworthy. However, the analysis of such information may change in the future if certain factors which are subject to business economic, and competitiveness are changed. The information contained herein does not take into consideration the investment objectives. The group of companies would ask shareholders and investors to use the information with best judgement with regards to the use of information from this presentation.