

No. WHAUP.CFR 000142/2023

August 10, 2023

Attention: Managing Director - Stock Exchange of Thailand

Subject: Report of Financial Results for the second quarter of 2023

1. Executive Summary

WHA Utilities and Power Public Company Limited (“WHAUP” or “the Company”) announced the Q2/2023 results, with Normalized Net Profit of THB 419.0 million and Net Profit of THB 480.6 million, an increase of 58.8% and 135.0% respectively from Q2/2022. Additionally, the Company reported the Net profit in 6M’23 of THB 738.0 million, an increase of 160.9%, and the Net profit of THB 648.0 million, an increase of THB 94.5 compared to 6M’22.

(Unit: Million Baht)

Consolidated Financial Statements	Quarter 2	Quarter 2	% Change	YTD	YTD	%
	2023	2022	YoY	2023	2022	Change
Total Revenue	780.2	607.2	28.5%	1,413.5	1,171.6	20.6%
Gross Profit	325.0	213.2	52.4%	564.3	407.5	38.5%
Normalized Share of Profit and Dividend Income from Investments in Associated	273.8	220.6	24.1%	447.4	253.2	76.7%
Net Profit attributable to Owners of the Parent	480.6	204.6	135.0%	738.0	282.9	160.9%
Normalized Net Profit attributable to Owners of the Parent¹	419.0	263.8	58.8%	648.0	333.2	94.5%

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

Q2/2023 vs Q2/2022

In Q2/2023, The Company had Normalized Net Profit of THB 419.0 million, a 58.8% increase from Q2/2022. Contributing factors leading to the increase were mainly from the improved performance of the Power business, particularly the SPP power plants, due to the Ft adjustment. This has led to higher profits from the sale of electricity to industrial customers. While the renewable energy business continues to experience growth.

For Domestic Utilities Business, the Company experienced a reduction of 1.4% in its sales volume from Q2/2022 due to the commercial shutdown of some major customers which leads to lower Industrial Water distribution and Wastewater Treatment Services. However, the benefit aspect from volume growth of our Raw Water and Value-Added product is mainly for our power customer. Moreover, the Company recorded the revenue from Excessive Charge increase from Q2’22 result in 19.4% revenue growth from Domestic Utilities Business compared to Q2/2022

For International Utilities Business, the volume of international water sales volume continues to grow significantly with 22.9% year-on-year, mainly from Duong River project, which increased volume sales by 26.4% from Q2/2022. This improvement derived from the company’s efforts to expand its customer base and service coverage in water supply, as well as the revival of Vietnam’s economy from Covid-19. Furthermore, an increase in water tariff also contributed to this outcome resulting in the Company realized lower Normalized Share of Loss from Vietnam Utilities Business compared to Q2’22.

6M/2023 vs 6M/2022

In 6M/2023, the Company had Normalized Net Profit of THB 648.0 million, increased by 94.5% year-on-year. The leading to the increase were mainly from the improved performance of the SPP power plants due to the Ft adjustment that reflects the increased cost of natural gas. This has led to better margin from the sale of electricity to industrial customers. While the revenue from renewable energy business continues to experience phenomenal growth with 120.1% year-on-year.

For Domestic Utilities Business, in 6M/2023, domestics sale volume decrease by 3.6% mainly due to a decrease of sale volume from Industrial Water and Wastewater Management due to the commercial shutdown of Petrochemical customers despite the Company has positive factors from an increase of sale volume of Raw Water and Value-added products.

However, the Company experienced 11.0% revenue growth due to the Excessive Charge of Domestic Utilities Business.

In the meantime, the performance of International Utilities Business has seen continuing development. This improvement derived from the company's efforts to expand its customer base and service coverage in water supply, as well as the revival of Vietnam's economy from Covid-19. Furthermore, the Vietnamese government's approval of an increase in water tariff also contributed to this outcome. As a result, the Company experienced a reduction in its share of losses from Duong River Project of THB 12.3 million in 6M/2023 from THB 58.7 million in 6M/2022.

Significant Events in Q2/2023

- In June 2023, the Company issued No. 2/2023 debentures worth THB 3,500 million, interest rate at 3.26-3.55% p.a. The debentures are divided into 2 tranches with detail outline as follows:
 - Tranches 1 THB 3,000 million, 3-years Plain Vanilla Bond with interest rate of 3.26% p.a.
 - Tranches 2 THB 500 million, 5-years Green Bond with interest rate of 3.55% p.a.

The successful in the offering of the Company No. 2/2023 debentures has reflected investor's confidence in the company's fundamentals, financial strengths, and the company's operation as a leading Utilities and Power provider along with the Company commitment to do the business with environmental care and towards to sustainable development.

- In Q2/2023, the Company has an additional solar rooftop project with capacity of 10 MW which are achieved commercial operation date (COD), bringing total solar capacity which already COD to 104 MW.
- In Q2/2023, the Company signed 19 additional Solar Power Purchase Agreements with approximately 18 MW, bringing the total contractual capacity as of Q2/2023 to 167 MW and total installed capacity in proportion to equity to around 717 equity MW.

2. Operating Results

(Unit: Million Baht)

Consolidated Financial Statements	Quarter 2 2023	Quarter 2 2022	% Change YoY	YTD 2023	YTD 2022	% Change
Total Revenue	780.2	607.2	28.5%	1,413.5	1,171.6	20.6%
● Utilities Business	663.7	555.9	19.4%	1,186.2	1,068.3	11.0%
○ Operating Revenue ¹	553.9	532.3	4.1%	1,038.7	1,043.1	-0.4%
○ Other Revenue from Utilities Business ²	109.8	23.6	365.8%	147.5	25.3	483.8%
● Power Business	116.5	51.3	127.2%	227.3	103.2	120.1%
Costs of Sales and Services	(463.4)	(400.5)	-15.7%	(865.5)	(777.2)	-11.4%
Gross Profit	316.8	206.6	53.3%	548.0	394.4	38.9%
Gross Profit from Operation³	207.0	183.1	13.1%	400.4	369.1	8.5%
Other Income ⁴	9.7	8.8	9.3%	16.1	44.8	-64.0%
Gain from Financial Assets	24.5	9.2	166.9%	24.2	9.2	164.1%
Expected credit Loss on Financial Assets	(0.0)	0.0	N/A	1.2	10.0	-88.4%
Loss from Revalue Investment ⁵	0.0	0.0	N/A	(6.3)	(14.4)	-56.4%
Administrative Expenses	(57.8)	(53.8)	7.4%	(114.5)	(118.8)	-3.6%
Gain/ (Loss) from Exchange Rate ⁶	134.3	163.7	-18.0%	107.7	163.7	-34.2%
Share of Profit from Investments in Associated and Joint Ventures	183.1	(7.7)	2464.2%	412.0	17.6	2245.1%
Financial Costs	(115.1)	(103.6)	11.0%	(224.7)	(200.1)	12.3%
Income Tax (Expenses) Income	(14.8)	(18.6)	-20.3%	(25.5)	(23.4)	9.2%
Profit attributable to Owners of the Parent	480.6	204.6	134.9%	738.0	282.9	160.9%
Foreign Exchange Loss / (Gain) ⁷	(68.0)	55.4	-222.7%	(96.4)	46.5	-307.3%
Income Tax Related to FX gain ⁸	6.4	3.8	67.4%	6.3	3.8	66.0%
Normalized Net Profit⁹	419.0	263.8	58.8%	647.9	333.2	94.5%
Key profitability Ratio:						
Gross Profit Margin	40.6%	34.0%		38.8%	33.7%	
Net Profit Margin ¹⁰	49.4%	33.6%		37.4%	20.1%	

¹ Operating Revenue consists of 1) Raw Water Sales 2) Industrial Water Sales 3) Value added Product 4) 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 GIPP from applicable of TFRS9 accounting standard

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

⁷ Foreign Exchange Gain / (Loss) consists of unrealized and realized Loss (Gain) 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 Profit attributable to Owners of the Parent excluding Foreign Exchange Gain/Loss and related tax.

¹⁰ Net Profit Margin is calculated by dividing Net Profit attributable to Owners of the Parent by Total Revenue and Share of Profit and Other Income

Total Revenue

In Q2/2023, Total Revenue was THB 780.2 million, increasing by 28.5% from THB 607.2 million in Q2/2022, mainly due to

- Total Revenue from Utilities Business continued to grow by 19.4% year-on-year mainly due to revenue from Excessive Charge and water tariff adjustment result in Utilities Business growth year-on-year.
- Revenue from Power Business increased by 127.2%, The primary reason is due to the installation of solar panels (EPC Service) and the growth in power generation capacity (MW) from the gradual commercial operation date (COD) of solar power plants.

In 6M/2023, Total Revenue was THB 1,413.5 million, increasing by 20.6% from 6M/2022, mainly due to

- Total Revenue from Utilities Business continued to grow by 11.0% year-on-year mainly due to revenue from Excessive Charge and water tariff adjustment result in Utilities Business growth year-on-year.
- Revenue from Power business increased by 120.1% year-on-year, The primary reason is due to the installation of solar panels (EPC Service) and the growth in power generation capacity (MW) from the gradual commercial operation date (COD) of solar power plants.

Gross Profit and Gross Profit from Operation

In Q2/2023, Gross Profit was THB 316.8 million, increasing by 53.3% year-on-year from THB 206.6 million . Gross Profit from Operation was THB 207.0 million, increasing by 13.1% from THB 183.1 million when compared with the same period in the previous year.

In 6M/2023, Gross Profit was THB 548.0 million, increasing by 38.9% from THB 394.4 million from 6M/2022, and Gross Profit from Operation was THB 400.4 million, increased by 8.5% from THB 369.1 million in 6M/2022.

The main factors that raised Gross Profit year-on-year were revenue from Utilities Business especially Excessive Charge and the Power Business due to the installation of solar panels (EPC) compared and the growth in power generation capacity (MW) from the gradual commercial operation date (COD) of solar power plants.

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

(Unit: Million Baht)

Share of Profit and Dividend Income from Investment	Quarter 2 2023	Quarter 1 2022	% Change YoY	YTD 2023	YTD 2022	% Change
Share of Profit and Dividend Income from Investment:	183.1	(7.7)	2464.2%	412.0	42.6	867.9%
● Utilities Business	(1.7)	(26.1)	93.3%	(24.9)	(61.9)	59.8%
● Power Business	184.9	18.3	909.1%	436.8	104.5	318.1%
Adjustment Items:						
● Foreign Exchange Loss / (Gain) related to Share of Profit	90.7	228.3	60.3%	35.4	210.7	-83.2%
Normalized Share of Profit and Dividend from Investment¹:	273.8	220.6	24.1%	447.4	253.2	76.7%
● Utilities Business	(1.7)	(26.1)	93.3%	(17.8)	(61.9)	71.2%
● Power Business	275.6	246.7	11.7%	465.3	315.1	47.6%

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

In Q2/2023, Normalized Share of Profit and Dividend Income from Investments increased by 24.1% year-on-year. This was mainly due to

- Normalized Share of Profit from Power business increased by 11.7% mainly due to a SPP derived by the Ft adjustment, resulting in better margin from electricity sold to industrial users in Q2/2023.
- 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 22.9% from Q2/2022 This improvement derived from the company’s efforts to expand its customer base and service coverage in water supply, as well as the revival of Vietnam’s economy.

In 6M/2023, Normalized Share of Profit and Dividend from Investment was THB 447.4 million. A increase of 76.7% 6M/2022 mainly due to SPPs and Gheco-One power plant from the Ft adjustment, resulting in better energy margin from electricity sold to industrial users. In the meantime, the Company experienced a reduction in its share of losses from Duong River Project mainly due to sales volume growth by 19.3% year-on-year in 6M/23.

Net Profit attributable to Owners of the Parent

In Q2/2023, Net Profit attributable to Owners of the Parent was THB 480.6 million. An increase of 134.9% from THB 204.6 million compared with the same period prior year were mainly due to

- The share of Profit from Investments in Associates and Joint Ventures increased by THB 190.6 million.
- An increase in Gross Profit of THB 110.2 million due to higher revenue from utilities business and solar business.

In 6M/2023, Net Profit attributable to Owners of the Parent was THB 738.0 million. An increase of 160.9% from THB 282.9 million in 6M/2022 was mainly due to

- Share of Profit from Investments in Associates and Joint Ventures increased by THB 394.4 million.
- An increase in Gross Profit of THB 153.6 million due to higher revenue from Solar Business and Utilities Business.

Normalized Net Profit or Normalized Net Profit attributable to Owners of the Parent

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 Q2/2023, there was an adjustment on Foreign Exchange Gain / (Loss) and Income Tax Related to FX gain of THB 60.6 million. As a result, the Company's Normalized Net Profit attributable to Owners of the Parent was THB 419.0 million, increased by 58.8% compared to Q2/2022.

In 6M/2023, there was an adjustment on Foreign Exchange Gain / (Loss) of THB 90.1 million. As a result, the Company reported Normalized Net Profit attributable to Owners of the Parent of THB 647.9 million, increasing by 94.5% when compared with 6M/2022.

3. Performance by Utilities

3.1 Utilities Business

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

(Unit: Million Baht)

Utilities Business	Quarter 2 2023	Quarter 2 2022	% Change YoY	YTD 2023	YTD 2022	% Change
Total Revenue from Utilities Business	663.7	555.9	19.4%	1,186.2	1,068.3	1.1%
- Raw Water Sales	149.5	124.5	20.1%	259.7	235.8	10.2%
- Industrial Water Sales	309.3	324.3	-4.6%	595.8	642.3	-7.2%
- Value Added Water Sales	49.2	41.0	20.1%	97.8	82.2	18.9%
- Wastewater Treatment Services	45.8	42.5	7.8%	85.4	82.8	3.1%
- Other Income from Utilities Business ¹	109.8	23.6	365.8%	147.5	25.3	483.8%
Share of Profit from Utilities Business²	(1.7)	(26.1)	93.3%	(24.9)	(61.9)	59.8%
Total Revenue and Share of Profit from Utilities Business	662.0	529.8	24.9%	1,161.3	1,006.4	15.4%
Total Revenue & Normalized Share of Profit from Utilities Business³	662.0	529.8	24.9%	1,168.3	1,006.4	16.1%

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 Q2/2023, Total Revenue and Share of Profit from Utilities Business was THB 662.0 million, increased by 24.9% compared to the same period previous year mainly due to

- Total Revenue from Utilities Business in Q2/2023 increased by THB 107.8 million from THB 555.9 million in Q2/2022 mainly due to an increase in revenue from Excessive Charge and growing revenue from Raw Water, Value-Added Product and Wastewater Treatment Services..
- A lower Share of Loss from investment in SDWTP project of THB 23.9 million. This improvement derived from the company's efforts to expand its customer base and service coverage in water supply, as well as the revival of Vietnam's economy.

In 6M/2023, Total Revenue and Share of Profit from Utilities Business was THB 1,161.3 million, increasing by 15.4% when compared to 6M/2022. Total Revenue from Utilities Business was THB 1,186.2 million, increasing by 1.1%. Moreover, the Company recorded a lower Share of Loss due to increasing water demand from Doung River project and the upward revision of water tariffs in January.

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

(Unit: Million Cubic Meters)

Total Domestic Utilities Sales Volume	Quarter 2 2023	Quarter 1 2022	% Change YoY	YTD 2023	YTD 2022	% Change
Raw Water Sales Volume	9.0	7.9	15.0%	15.7	14.1	11.2%
Industrial Water Sales Volume ¹	11.8	13.3	-11.5%	23.0	26.2	-12.3%
Value Added Water Sales Volume ²	1.4	1.3	12.7%	2.9	2.5	16.7%
Wastewater Treatment Services Volume	9.7	9.9	-2.6%	18.5	19.4	-5.0%
Total Domestic Utilities Sales Volume	31.9	32.4	-1.4%	60.1	62.3	-3.6%

¹Industrial Water consists of Process Water and Clarified Water

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

3.2 Power Business

In Q2/2023, Total Revenue, Share of Profit and Dividend Income from investment in Power Business was THB 301.4 million tremendous increased by 333.0% year-on-year from THB 69.6 million in Q2/2022. For the Company's Normalized total Revenue, Share of Profit and Dividend income from investment in Power Business was THB 392.1 million increased by 31.6% year-on-year. The primary reason is due to the installation of solar panels (EPC) compared to the same period last year and the growth in power generation capacity (MW) from the gradual commercial operation date (COD) of solar power plants. Additionally, the Normalized Share of Profit from 8 SPPs business has seen significant improvement driven by Ft adjustment. This has led to higher profits from the sale of electricity to industrial customers.

In 6M/2023, the Company had Total Revenue, Share of Profit and Dividend Income from Investments in Power Business of THB 664.1 million increased by 219.7% from THB 207.7 million in 6M/2022. While Normalized Total Revenue, Share of Profit and Dividend income from investment in Power Business was THB 692.5 million increased by 65.5% compared to 6M/2022. The key driver to the major improvement were the renewable energy business from solar rooftop and Normalized Share of Profit driven by SPP from the Ft adjustment.

(Unit: Million Baht)

Power Business	Quarter 2	Quarter 1	% Change	YTD	YTD	%
	2023	2022	YoY	2023	2022	Change
Revenue from Power Business	116.5	51.3	127.2%	227.3	103.2	120.1%
Share of Profit from Power Business	184.9	18.3	909.1%	436.8	79.5	449.6%
Dividend Income	0.0	0.0	N/A	0.0	25.0	-100.0%
Total Revenue, Share of Profit and Dividend Income from Investments in Power Business	301.4	69.6	333.0%	664.1	207.7	219.7%
Normalized Total Revenue, Share of Profit and Dividend Income from Investments in Power Business¹:	392.1	297.9	31.6%	692.5	418.4	65.5%
- Revenue from Power Business	116.5	51.3	127.2%	227.3	103.2	120.1%
- Normalized Share of Profit	275.6	246.7	11.7%	465.3	290.1	60.4%
- IPP	44.0	109.4	-59.7%	46.6	34.1	36.6%
- SPP	222.0	125.7	76.7%	396.9	238.8	66.2%
- Others ³	9.5	11.6	-18.1%	21.8	17.2	26.7%
- Dividend Income	0.0	0.0	N/A	0.0	25.0	-100.0%

¹ Normalized Share of Profit is excluding Foreign Exchange Gain/Loss² Renewable Energy consists of Solar rooftop projects and Chonburi Clean Energy project (CCE)³ WHA Natural Gas Distribution Projects (WHA NDGPs) is a collaboration among WHAUP, GULF and MITG

4. Financial Position

The Consolidated Balance Sheet as of 30 June 2023 is summarized as follows.



Assets

As of 30 June 2023, the Company's total assets were THB 30,297 million, increased by THB 2,652 million from THB 27,645 million at year-end 2022, mainly due to

- 1) An increased in Cash and Cash Equivalents of THB 1,954 million are as details below,
 - Cash generated in Financing activities: + THB 1,817 million mainly due to new bond issuance of THB 3,500 million partly offset by debentures repayment of THB -1,290 million
 - Cash generated from operating activities: + THB 576 million.
 - Cash used in investing activities: - THB 440 million. The major account was cash paid for purchase of Lands, Property, Plant and Equipment by THB 437 million.
- 2) An increased Investment in Joint Ventures of THB 202 million was mainly from changes in FX translation.
- 3) An increased in Other Assets of THB 496 million were mainly from increase of Property, Plant and Equipment of THB 337 million and increase of Account Receivables of THB 176 million.

The key elements of Assets in the Company's Consolidated Financial Statements consisted of (1) Investments in Associates amounted THB 14,523 million (2) Property, Plant and Equipment amounted THB 6,586 million (3) Goodwill amounted THB 2,773 million (4) Cash and Cash Equivalents amounted THB 2,675 million and (5) Intangible Asset amounted THB 1,889 million.

Liabilities

As of 30 June 2023, the Company's total liabilities were THB 17,310 million, increased by THB 2,286 million from THB 15,024 million at year-end 2022 which mainly due to an issuance of debenture amounted THB 3,500 million in June. In addition, the debentures maturing within one year have decreased by an amount of THB 1,290 million.

As of 30 June 2023, the Company's Interest-bearing Debt was THB 15,707 million, increased by THB 2,208 million from year-end 2022.

Total Liabilities mainly consisted of (1) Debentures amounted THB 14,108 million (2) Loan from financial institutions amounted THB 1,599 million

Shareholders' Equity

As of 30 June 2023, the Company's total Shareholders' Equity was THB 12,987 million, increased by THB 365 million from THB 12,621 million at year-end 2022 which mainly due to an increase of THB 356 million in Retained Earnings and increase of THB 10 million in Other Components of Equity.

5. Key Financial Ratio

	Quarter 2 2023	FY 2022
Return on Equity (%)	7.04%	5.12%
Debt/Equity Ratio (times)	1.33x	1.19x
Net Interest-bearing Debt/Equity Ratio (times)	1.04x	1.05x

As of 30 June 2023, the Company's Debt-to-Equity ratio was 1.33, increased from 1.19 at year-end 2022. The Net interest-bearing Debt/Equity ratio was 1.04, decreased from 1.05 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	63	63	Q3/2023 – Q2/2024
Total				63	63	

Please be informed accordingly,

Sincerely

(Mr. Prapon Chinudomsub)
Chief Financial Officer