

7UP017/66

November 13, 2023

Subject: Management Discussion and Analysis for quarter 3/2023 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 3/2023, ended September 30, 2023 are as follows:

Statement of profit or loss

(Unit: Thousand Baht)

Statement of comprehensive income	Consolidated financial statements					
	30 Sep 23	%	30 Sep 22	%	YOY	%YOY
Sales	693,711	84.86%	588,879	85.16%	104,832	17.80%
Service income	109,715	13.42%	77,296	11.18%	32,419	41.94%
Other income	14,058	1.72%	25,287	3.66%	(11,229)	44.41%
Total revenues	817,484	100.00%	691,462	100.00%	126,022	18.23%
Cost of sales	(648,799)	79.37%	(541,705)	78.34%	(107,094)	19.77%
Cost of services	(77,968)	9.54%	(64,993)	9.40%	(12,975)	19.96%
Selling expenses	(17,378)	2.13%	(15,497)	2.24%	(1,881)	12.14%
Administrative expenses	(191,778)	23.46%	(174,168)	25.19%	(17,610)	10.11%
Gain on disposal and write-off of assets	76	0.01%	-	-	76	100.00%
Finance cost	(23,021)	2.82%	(18,413)	2.66%	(4,608)	25.03%
Reversal of allowance for loans and interest	-	-	5,595	0.81%	(5,595)	100.00%
Reversal of provision	3,545	0.43%	-	-	3,545	100.00%
Share of loss from investment in associates	(12,493)	1.53%	(3,090)	0.45%	(9,403)	304.30%
Loss before income tax income	(150,332)	18.39%	(120,809)	17.47%	(29,523)	24.44%
Income tax income	11,836	1.45%	6,080	0.88%	5,756	94.67%
Net loss for the periods	(138,496)	16.94%	(114,729)	16.59%	(23,767)	20.72%

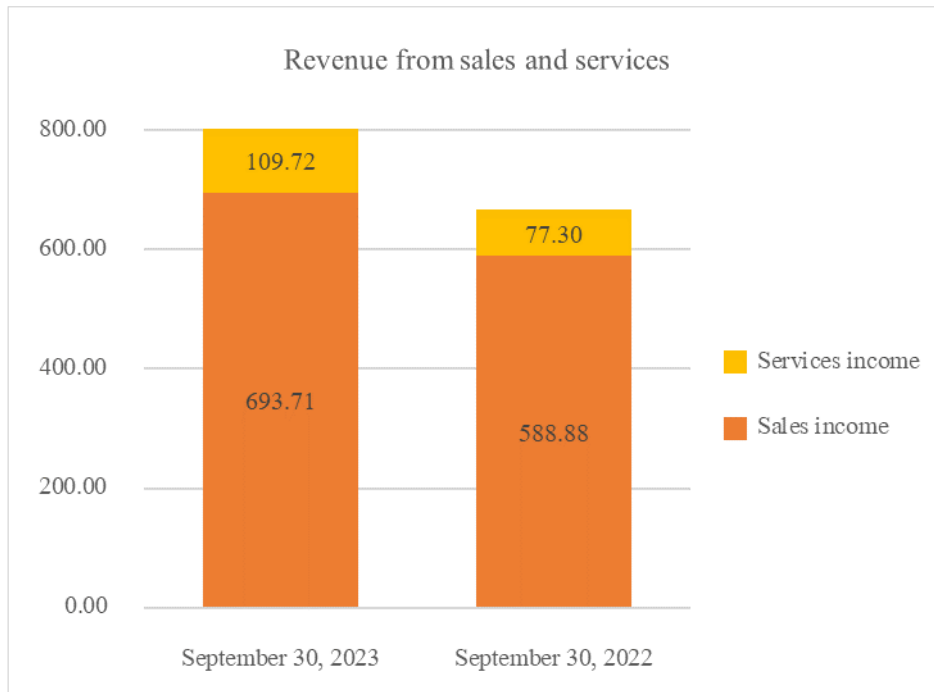
Remark: Financial ratio is based on common-size analysis to total revenue

Overall business operation 9 months

For quarter 3/2023, Seven Utilities and Power Public Company Limited and its subsidiaries has net loss amounting to Baht 138.50 million. Loss increased from quarter 3/2022 by Baht 23.77 million or 20.72%. By revenue from sales increased from last year 17.80%, while cost of sales higher increased 19.77% which cause gross profit from sales decreased from 8.01% to 6.47% and revenue from services increased from last year 41.94%, while cost of services higher increased 19.96% which cause gross profit from services increased from 15.92% to 28.94%

Revenue 9 months

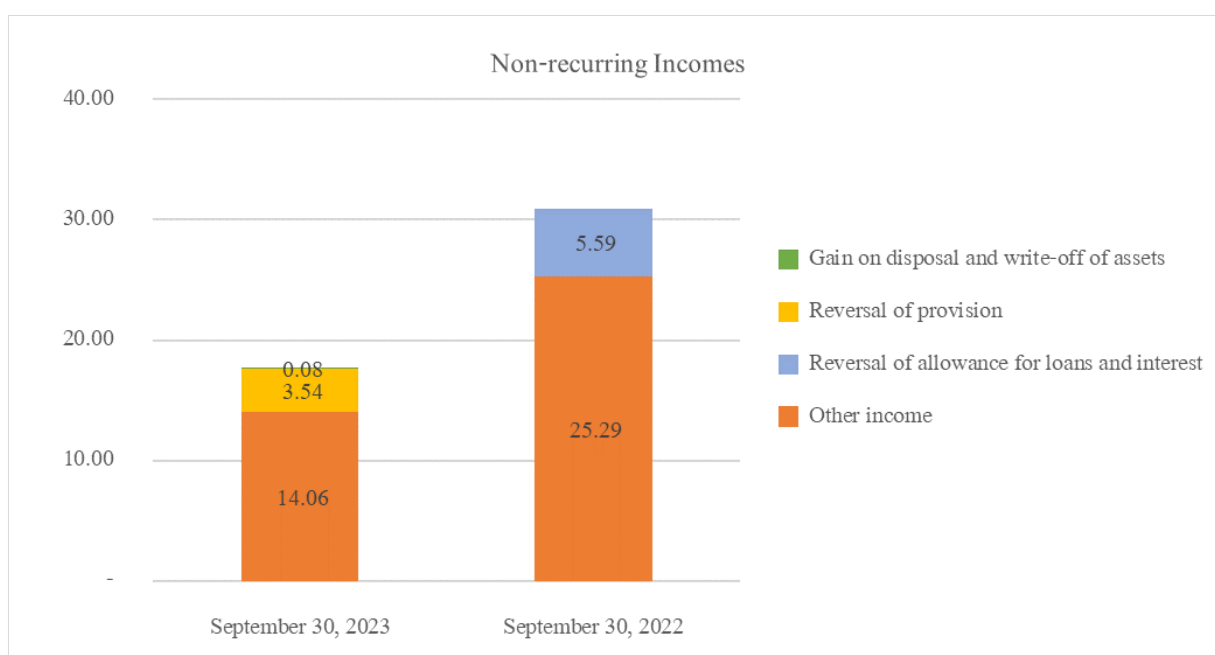
(Unit: Million Baht)



For quarter 3/2023, the Company has sales and services income amounting to Baht 803.43 million, which increased from quarter 3/2022 by Baht 137.25 million or 20.60%. Sales income amounting to Baht 693.71 million, consists of revenue from the sale of LPG and oil amounting to Baht 678.84 million and revenue from the sale of electricity amounting to Baht 13.92 million and revenue from the sale of sand amounting to Baht 0.95 million. Services income amounting to Baht 109.72 million, consists of revenue from waste water management services amounting to Baht 58.12 million and revenues from water production management amounting to Baht 36.20 million and revenue from LPG and oil station management amounting to Baht 15.40 million.

Sales and services income increased by Baht 137.25 million mostly came from revenue from LPG and oil station business was increased by Baht 106.84 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 33.51 million, mostly came from the increase three farms in revenue from waste water management services when compared with quarter 3/2022 by Baht 24.39 million and revenue from water production management was increased by Baht 8.17 million.

(Unit: Million Baht)



For quarter 3/2023, the Company has other incomes and non-recurring incomes amounting to Baht 17.68 million which decreased from quarter 3/2022 by Baht 13.20 million or 42.75%. By other incomes and non-recurring incomes amounting to Baht 17.68 million, mostly consists the following;

- Other incomes amounting to Baht 14.06 million, mostly consists of interest income amounting to Baht 3.51 million, dividend income amounting to Baht 2.10 million, revenues from sublease-service station and land amounting to Baht 2.00 million, revenues from space rental amounting to Baht 1.69 million, revenues from sales engine oil amounting to Baht 1.36 million and revenues from reversal of allowance of inventories amounting to Baht 1.34 million.
- Revenue from reversal of litigation estimates amounting to Baht 3.54 million.

Revenue, Cost and Operation by Segment

(Unit: Million Baht)

Gross Profit by Segment	30 Sep 23	%	30 Sep 22	%	Changes	
					YOY	%YOY
<u>LPG and oil station business</u>						
Revenues from sales and rendering of services	694.24	86.41%	587.40	88.17%	106.84	18.19%
Cost of sales and rendering of services	641.51	88.27%	534.87	88.17%	106.64	19.94%
Gross Profit by Segment	52.73	68.79%	52.53	88.32%	0.20	0.38%
Gross Profit Margin	7.60%		8.94%			
<u>Utilities business</u>						
Revenues from sales and rendering of services	95.27	11.86%	61.76	9.27%	33.51	54.26%
Cost of sales and rendering of services	71.27	9.81%	57.77	9.52%	13.50	23.37%
Gross Profit by Segment	24.00	31.31%	3.99	6.71%	20.01	501.50%
Gross Profit Margin	25.19%		6.46%			
<u>Renewable energy business</u>						
Revenues from sales and rendering of services	13.92	1.73%	17.02	2.55%	(3.10)	18.21%
Cost of sales and rendering of services	14.00	1.93%	13.98	2.30%	0.02	0.14%
Gross Profit by Segment	(0.08)	-0.10%	3.04	5.11%	(3.12)	102.63%
Gross Profit Margin	-0.57%		17.86%			
Total Revenues from sales and rendering of services	803.43	100.00%	666.18	100.00%	137.25	20.60%
Total Cost of sales and rendering of services	726.78	100.00%	606.62	100.00%	120.16	19.81%
Total Gross Profit before Eliminations	76.65		59.56		17.09	28.69%
Less Eliminate transactions	-		(0.08)		0.08	100.00%
Total Gross Profit	76.65	100.00%	59.48	100.00%	17.17	28.87%
Gross Profit Margin	9.54%		8.93%			

Revenue from sales and services 9 months

From all proportion of revenue from sales and services for quarter 3/2566 amounting to Baht 803.43 million, the Company has revenue from sales and services in each group business the following;

- LPG and oil station business amounting to Baht 694.24 million or 86.41%.
- Utilities business amounting to Baht 95.27 million or 11.86%.
- Renewable energy business amounting to Baht 13.92 million or 1.73%.

When compared with quarter 3/2565 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 amounting to Baht 106.84 million or 18.19%, revenue from sales and services of Utilities business increased from same quarter of the previous year amounting to Baht 33.51 million or 54.26%, while revenue from sales and services of Renewable energy business decreased from same quarter of the previous amounting to Baht 3.10 million or 18.21%.

Cost of sales and services 9 months

Cost of sales and services for quarter 3/2023 amounting to Baht 726.78 million, consists of cost of sales amounting to Baht 648.81 million and cost of services amounting to Baht 77.97 million, which increased from quarter 3/2022 by Baht 120.16 million or 19.81%, consists of cost of sales increased amounting to Baht 107.18 million or 19.79% and cost of services increased amounting to Baht 12.98 million or 19.96%.

From all proportion of cost of sales and services in quarter 3/2023, the Company has cost of sales and services in each group business the following;

- LPG and oil station business amounting to Baht 641.51 million or 88.27% which is cost from purchasing LPG and oil amounting to Baht 634.33 million and cost from sales management amounting to Baht 7.18 million.
- Utilities business amounting to Baht 71.27 million or 9.81% which is cost of water distribution management amounting to Baht 40.93 million and waste water management services amounting to Baht 30.34 million.
- Renewable energy business amounting to Baht 14.00 million or 1.93% which is cost of electricity production in whole amount.

Gross Profit 9 months

Gross profit for quarter 3/2023 and quarter 3/2022 were amounting to Baht 76.65 million and Baht 59.48 million, respectively. Gross profit increased by Baht 17.17 million or 28.87%. Consists of Gross profit mostly came from the following;

- LPG and oil station business amounting to Baht 52.73 million or 68.79% of all gross profit of the Company which consists gross profit from sale of LPG and oil amounting to Baht 44.51 million and gross profit from sales management amounting to Baht 8.22 million.

- Utilities business amounting to Baht 24.00 million or 31.31% of all gross profit of the Company which gross profit from waste water management services amounting to Baht 27.78 million and loss from water distribution management amounting to Baht 3.78 million
- Renewable energy business has gross loss amounting to Baht 0.08 million which loss from electricity production which cause total gross profit of the Company decreased 0.10%

Selling and Administrative Expenses 9 months

Selling and administrative expenses for quarter 3/2023 were amounting to Baht 209.16 million, which increased from quarter 3/2022 by Baht 19.49 million, or 10.28%. By being selling expenses amounting to Baht 17.38 million, which is selling expenses from LPG and oil business and administrative expenses amounting to Baht 191.78 million, mainly due to management expenses, employee expenses, utilities, land rent expense, audit fees, depreciations and amortizations.

Financial Cost 9 months

For quarter 3/2023, the Company's finance cost is amounting to Baht 23.02 million, which increased from quarter 3/2022 by Baht 4.61 million, or 25.03%, which mostly resulted from borrowings from financial institutions and long-term loan by financial cost increased caused by interest on long-term loan.

Net Profit (Loss) for the period 9 months

Results of operations for quarter 3/2023, the Company has a net loss of Baht 138.50 million, which the Company decreased in operation from quarter 3/2022 by Baht 23.77 million, or 20.72%.

Statement of Financial Position

(Unit: Thousand Baht)

Statement of Financial Position	Consolidated Financial Statements as of		Changes	Changes %
	30 Sep 23	31 Dec 22		
Total Assets	4,060,854	4,302,951	(242,097)	5.63%
Total Liabilities	924,114	1,022,463	(98,349)	9.62%
Equity Attributable to Owners of the Company	2,456,369	2,572,162	(115,793)	4.50%
Non-Controlling Interests	680,371	708,326	(27,955)	3.95%
Total Shareholders' Equity	3,136,740	3,280,488	(143,748)	4.38%

Total assets of the Company as at September 30, 2023 amounting to Baht 4,060.85 million, as at December 31, 2022 of Baht 4,302.95 million, decreased by Baht 242.10 million or 5.63%. Total assets mostly consist of property, plant and equipment amounting to Baht 1,512.38 million, intangible assets amounting to Baht 1,411.89 million, investment in associated amounting to Baht 343.87 million, goodwill amounting to Baht 165.47 million, trade and other current receivables amounting to Baht 133.07 million, right-of-use assets amounting to Baht 127.69 million, and cash and cash equivalents amounting to Baht 76.18 million.

The total liabilities of the Company as at September 30, 2023 was Baht 924.11 million and as at December 31, 2022, was Baht 1,022.46 million, which decreased by Baht 98.35 million or 9.62%. Total liabilities mostly came from deferred tax liabilities amounting Baht 293.76 million, liabilities under lease agreements amounting of Baht 145.54 million, Long-term loans from non-related person and parties Baht 144.05 million, Short-term loans from non-related person and parties Baht 124.00 million, and trade and other payables amounting Baht 119.30 million.

Shareholders' equity as at September 30, 2023 amounting to Baht 3,136.74 million, while balance as at December 31, 2022, amounting to Baht 3,280.49 million, decreased by Baht 143.75 million or 4.38%.

(Unit: Million Baht)

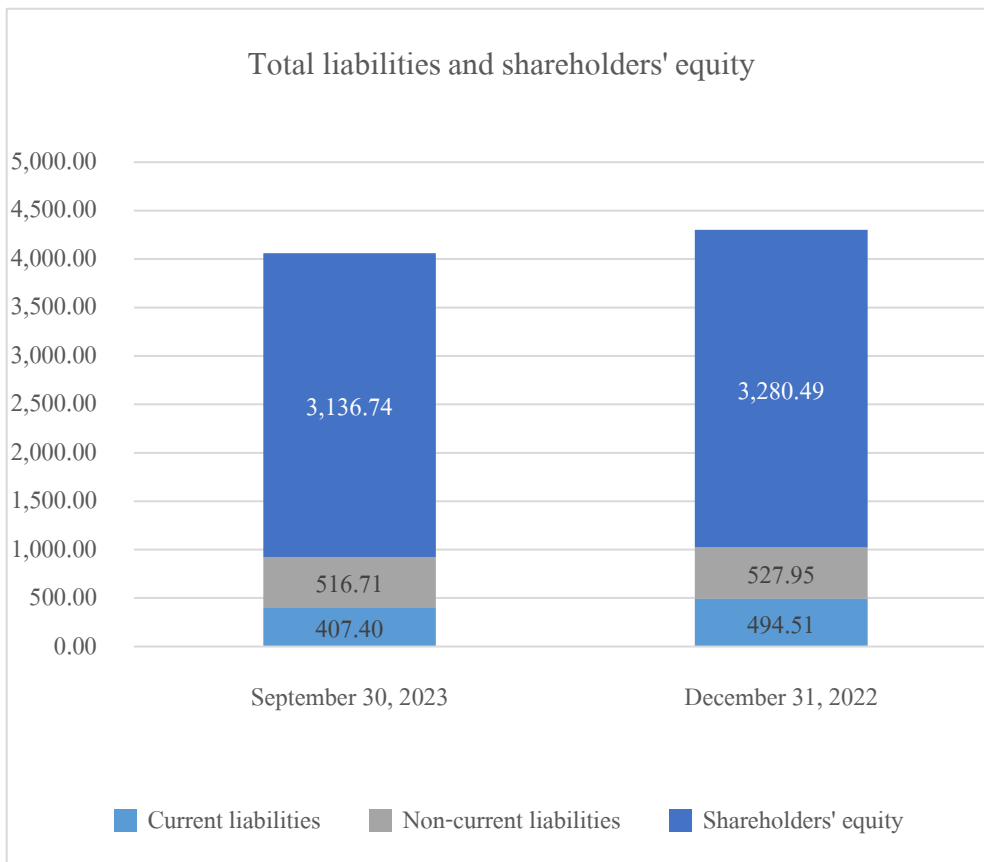


As at September 30, 2023, the Company has total assets by Baht 4,060.85 million which decreased from December 31, 2022 by Baht 242.10 million, or 5.63% mostly came from

- Trade and other receivables decreased by Baht 88.31 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 13.54 million, decrease in input tax refundable by Baht 4.15 million, decrease in suspense input tax by Baht 3.35 million, and decrease in accrued income - non-related parties by Baht 1.67 million
- Intangible assets decreased by Baht 53.50 million which came from amortization for the period by Baht 56.45 million and additions during the period by Baht 2.97 million
- Property, plant and equipment decreased by Baht 42.81 million which came from depreciation for the period by Baht 69.28 million and additions during the period by Baht 26.58 million

- Cash and cash equivalents decreased by Baht 27.35 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 76.18 million. The decreasing in cash by Baht 27.35 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 trade and other current payables by Baht 34 million, cash payments for long-term loans from financial institutions by Baht 30.41 million, cash payments for purchase of equipment and construction in progress by Baht 26.22 million, cash payments for liabilities under finance lease agreements by Baht 10.61 million, and there are cash received from debt repayment by Baht 88.53 million, cash received from short-term loans from non-related person and parties by Baht 86.00 million, cash received from restricted bank deposits by Baht 8.73 million, cash received from short-term loans to non-related person and parties by Baht 5.48 millions, cash received from loans from financial institutions by Baht 5.00 million.

(Unit: Million Baht)



As at September 30, 2023, the Company has total liabilities by Baht 924.11 million which decreased from December 31, 2022 by Baht 98.35 million, or 9.62%, 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 34.43 million which mostly came other payables -non-related parties decreased by Baht 11.28 million, and from trade payables-non-related parties decreased by Baht 9.10 million, cash payment for penalties from the Revenue Department by Baht 3.91 million.
- Long-term loans from financial institutions decreased by Baht 25.41 million which came from repayment for long-term loans from financial institutions by Baht 30.41 million and additional loans from financial institutions by Baht 5.00 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 September 30, 2023, shareholders' equity of the Company amounting to Baht 3,136.74 million, which decreased from December 31, 2022 by Baht 143.75 million or 4.38% due to net loss for the period of equity attributable to owners of the Company by Baht 115.76 million, net loss for the period of non-controlling interests by Baht 22.74 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 September 30, 2023	For the period ended September 30, 2022
Net cash provided by (used in) operating activities	85,708	31,871
Net cash provided by (used in) investing activities	(20,452)	244,129
Net cash provided by (used in) financing activities	(92,607)	(394,346)
Net increase (decrease) in cash and cash equivalents	(27,351)	(118,346)
Cash and cash equivalents at the beginning of the period	103,534	165,776
Cash and cash equivalents at the ending of the period	76,183	47,430

The Company's liquidity for the period ended September 30, 2023 has net decrease in cash and cash equivalents by Baht 27.35 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 76.18 million, cash flow activities are as follows:

Net cash inflow provided by operating activities amounting to Baht 85.71 million due to the Company has loss before income tax by Baht 150.33 million and while add back by non-cash transactions by Baht 168.04 million, mostly came from depreciation expense by Baht 81.79 million, amortization - intangible assets by Baht 56.45 million, interest expenses by Baht 23.02 million, etc. Moreover, cash inflow provided by operating activities by Baht 70.28 million and the Company cash outflow on payment for income tax by Baht 2.28 million.

Net cash used in investing activities amounting to Baht 20.45 million mostly came from cash payments for purchase of equipment and construction in progress by Baht 26.22 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, cash received from restricted bank deposits by Baht 8.73 million, 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 92.61 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 30.41 million, cash payments for interest by Baht 22.59 million, cash payments for liabilities under finance lease agreements by Baht 10.82 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