

7UP001/67

February 27, 2024

Subject: Management Discussion and Analysis for the year 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 the year 2023, ended December 31, 2023 are as follows:

Statement of profit or loss

(Unit: Thousand Baht)

Statement of comprehensive income	Consolidated financial statements					
	31 Dec 23	%	31 Dec 22	%	YOY	%YOY
Sales	916,162	84.20%	806,932	83.92%	109,230	13.54%
Service income	143,483	13.19%	105,764	11.00%	37,719	35.66%
Other income	28,381	2.61%	48,838	5.08%	(20,457)	41.89%
Total revenues	1,088,026	100.00%	961,534	100.00%	126,492	13.16%
Cost of sales	(856,555)	78.73%	(745,735)	77.56%	(110,820)	14.86%
Cost of services	(106,771)	9.81%	(88,276)	9.18%	(18,495)	20.95%
Selling expenses	(22,736)	2.09%	(21,085)	2.19%	(1,651)	7.83%
Administrative expenses	(280,029)	25.74%	(257,159)	26.74%	(22,870)	8.89%
Gain on disposal and write off assets	119	0.01%	38,144	3.97%	(38,025)	99.69%
Finance cost	(30,154)	2.77%	(25,882)	2.69%	(4,272)	16.51%
Reversal of expected credit loss for loans and interest	-	0.00%	5,595	0.58%	(5,595)	100.00%
Share of loss from investment in associates	(26,873)	2.47%	(8,469)	0.88%	(18,404)	217.31%
Loss before income tax income	(234,973)	21.60%	(141,333)	14.70%	(93,640)	66.25%
Income tax income	17,687	1.63%	14,300	1.49%	3,387	23.69%
Net loss for the years	(217,286)	19.97%	(127,033)	13.21%	(90,253)	71.05%

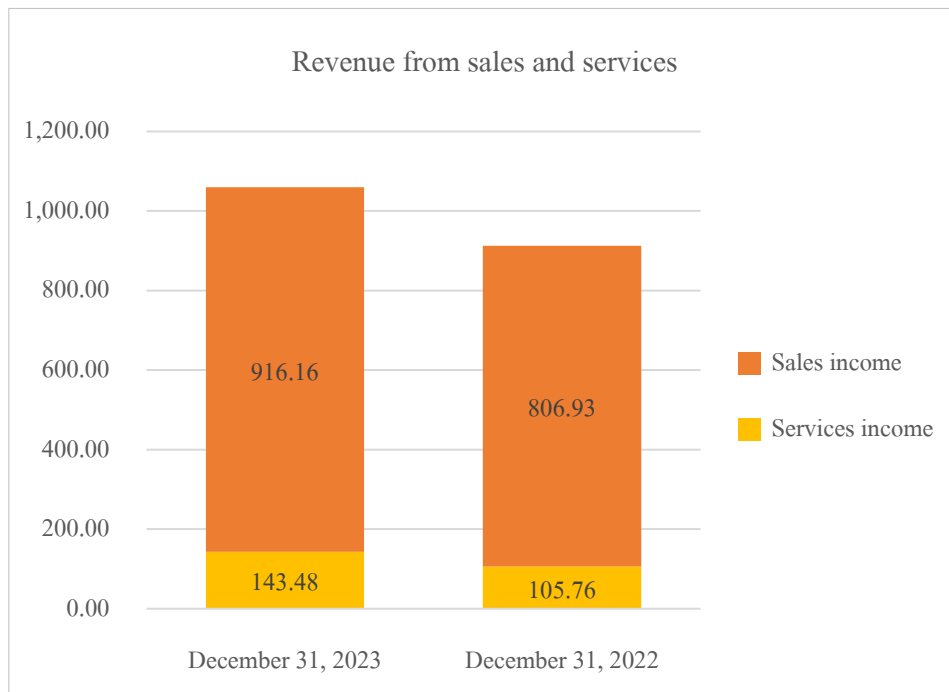
Remark: Financial ratio is based on common-size analysis to total revenue

Overall business operation 12 months

For the year 2023, Seven Utilities and Power Public Company Limited and its subsidiaries has net loss amounting to Baht 217.29 million. Loss increased from the year 2022 by Baht 90.25 million or 71.05%. By revenue from sales increased from last year 13.54%, while cost of sales higher increased 14.86% which cause gross profit from sales decreased from 7.58% to 6.51% and revenue from services increased from last year 35.66%, while cost of services higher increased 20.95% which cause gross profit from services increased from 16.53% to 25.59%

Revenue 12 months

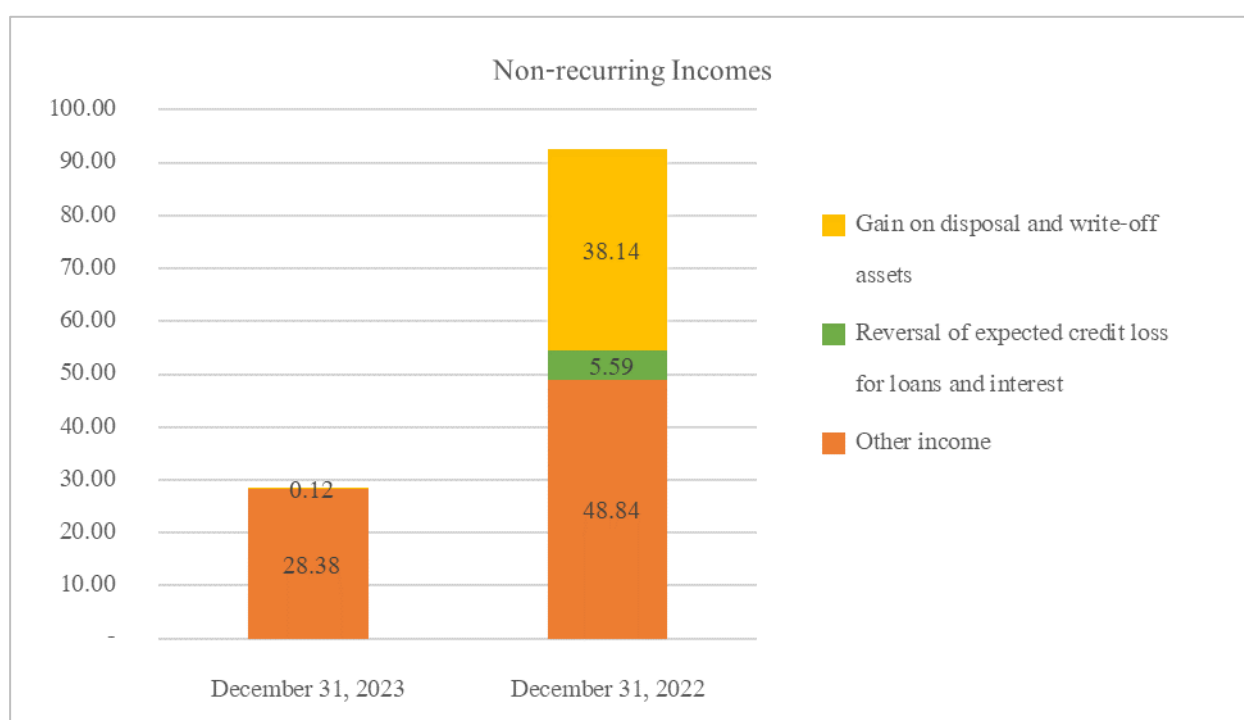
(Unit: Million Baht)



For the year 2023, the Company has sales and services income amounting to Baht 1,059.64 million, which increased from the year 2022 by Baht 146.95 million or 16.10%. Sales income amounting to Baht 916.16 million, consists of revenue from the sale of LPG and oil amounting to Baht 895.91 million and revenue from the sale of electricity amounting to Baht 17.84 million and revenue from the sale of sand amounting to Baht 2.41 million. Services income amounting to Baht 143.48 million, consists of revenue from waste water management services amounting to Baht 73.09 million and revenues from water production management amounting to Baht 50.32 million and revenue from LPG and oil station management amounting to Baht 20.07 million.

Sales and services income increased by Baht 146.95 million mostly came from revenue from LPG and oil station business was increased by Baht 111.46 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 40.39 million, mostly came from the revenue from waste water management services was increased by Baht 24.54 million and revenue from water production management was increased by Baht 15.85 million.

(Unit: Million Baht)



For the year 2023, the Company has other incomes and non-recurring incomes amounting to Baht 28.50 million which decreased from the year 2022 by Baht 64.07 million or 69.21%. By other incomes and non-recurring incomes amounting to Baht 28.50 million, mostly consists the following;

- Other incomes amounting to Baht 28.38 million, mostly consists of interest income amounting to Baht 4.01 million, Revenue from reversal of litigation estimates amounting to Baht 3.64 million, dividend income amounting to Baht 3.12 million, revenues from sublease-service station and land amounting to Baht 2.69 million, revenues from space rental amounting to Baht 2.26 million, revenues from the return of deposits to inspect the business before purchasing the business amounting to Baht 2.25 million, revenues from sales engine oil amounting to Baht 1.80 million,

revenues from reversal of allowance of inventories amounting to Baht 1.34 million and revenues from meter installation fees amounting to Baht 1.03 million.

- Revenues from gain on disposal and write off assets amounting to 0.12 million.

Revenue, Cost and Operation by Segment

(Unit: Million Baht)

Gross Profit by Segment	31 Dec 23	%	31 Dec 22	%	Changes	
					YOY	%YOY
<u>LPG and oil station business</u>						
Revenues from sales and rendering of services	915.98	86.44%	804.52	88.15%	111.46	13.85%
Cost of sales and rendering of services	845.63	87.78%	736.48	88.38%	109.15	14.82%
Gross Profit by Segment	70.35	73.04%	68.04	86.38%	2.31	3.40%
Gross Profit Margin	7.68%		8.46%			
<u>Utilities business</u>						
Revenues from sales and rendering of services	125.82	11.87%	85.43	9.36%	40.39	47.28%
Cost of sales and rendering of services	99.23	10.30%	79.10	9.49%	20.13	25.45%
Gross Profit by Segment	26.59	27.61%	6.33	8.04%	20.26	320.06%
Gross Profit Margin	21.13%		7.41%			
<u>Renewable energy business</u>						
Revenues from sales and rendering of services	17.84	1.68%	22.74	2.49%	(4.90)	21.55%
Cost of sales and rendering of services	18.46	1.92%	18.34	2.20%	0.12	0.65%
Gross Profit by Segment	(0.62)	-0.64%	4.40	5.59%	(5.02)	114.09%
Gross Profit Margin	-3.48%		19.35%			
Total Revenues from sales and rendering of services	1,059.64	100.00%	912.69	100.00%	146.95	16.10%
Total Cost of sales and rendering of services	963.32	100.00%	833.92	100.00%	129.40	15.52%
Total Gross Profit before Eliminations	96.32		78.77		17.55	22.28%
Less Eliminate transactions	-		(0.08)		0.08	100.00%
Total Gross Profit	96.32	100.00%	78.69	100.00%	17.63	22.40%
Gross Profit Margin	9.09%		8.62%			

Revenue from sales and services 12 months

From all proportion of revenue from sales and services for the year 2023 amounting to Baht 1,059.64 million, the Company has revenue from sales and services in each group business the following;

- LPG and oil station business amounting to Baht 915.98 million or 86.44%.
- Utilities business amounting to Baht 125.82 million or 11.87%.
- Renewable energy business amounting to Baht 17.84 million or 1.68%.

When compared with the year 2022 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 111.46 million or 13.85%, revenue from sales and services of Utilities business increased from the previous year amounting to Baht 40.39 million or 47.28%, while revenue from sales and services of Renewable energy business decreased from the previous year amounting to Baht 4.90 million or 21.55%.

Cost of sales and services 12 months

Cost of sales and services for the year 2023 amounting to Baht 963.32 million, consists of cost of sales amounting to Baht 856.55 million and cost of services amounting to Baht 106.77 million, which increased from the year 2022 by Baht 129.32 million or 15.51%, consists of cost of sales increased amounting to Baht 110.82 million or 14.86% and cost of services increased amounting to Baht 18.50 million or 20.95%.

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

- LPG and oil station business amounting to Baht 845.63 million or 87.78% which is cost from purchasing LPG and oil amounting to Baht 836.63 million and cost from sales management amounting to Baht 9.00 million.
- Utilities business amounting to Baht 99.23 million or 10.30% which is cost of water distribution management amounting to Baht 59.72 million and waste water management services amounting to Baht 39.51 million.
- Renewable energy business amounting to Baht 18.46 million or 1.92% which is cost of electricity production in whole amount.

Gross Profit 12 months

Gross profit for the year 2023 and year 2022 were amounting to Baht 96.32 million and Baht 78.69 million, respectively. Gross profit increased from the previous year by Baht 17.63 million or 22.40%. Consists of Gross profit mostly came from the following;

- LPG and oil station business amounting to Baht 70.35 million or 73.04% of all gross profit of the Company which consists gross profit from sale of LPG and oil amounting to Baht 59.28 million and gross profit from sales management amounting to Baht 11.07 million.
- Utilities business amounting to Baht 26.59 million or 27.61% of all gross profit of the Company which gross profit from waste water management services amounting to Baht 33.57 million and loss from water distribution management amounting to Baht 6.98 million
- Renewable energy business has gross loss amounting to Baht 0.62 million which loss from electricity production which cause total gross profit of the Company decreased 0.64%

Selling and Administrative Expenses 12 months

Selling and administrative expenses for the year 2023 were amounting to Baht 302.77 million, which increased from the year 2022 by Baht 24.52 million, or 8.81%. By being selling expenses amounting to Baht 22.74 million, which is selling expenses from LPG and oil business and administrative expenses amounting to Baht 280.03 million, mainly due to management expenses, employee expenses, utilities, land rent expense, audit fees, depreciations and amortizations.

Financial Cost 12 months

For the year 2023, the Company's finance cost is amounting to Baht 30.15 million, which increased from the year 2022 by Baht 4.27 million, or 16.51%, which mostly resulted from borrowings from financial institutions and long-term loan by financial cost increased caused by interest on long-term loan.

Profit (Loss) for the year 2023

Results of operations for the year 2023, the Company has a net loss of Baht 217.29 million, which the Company decreased in operation from the year 2022 by Baht 90.25 million, or 71.05%.

Statement of Financial Position

(Unit: Thousand Baht)

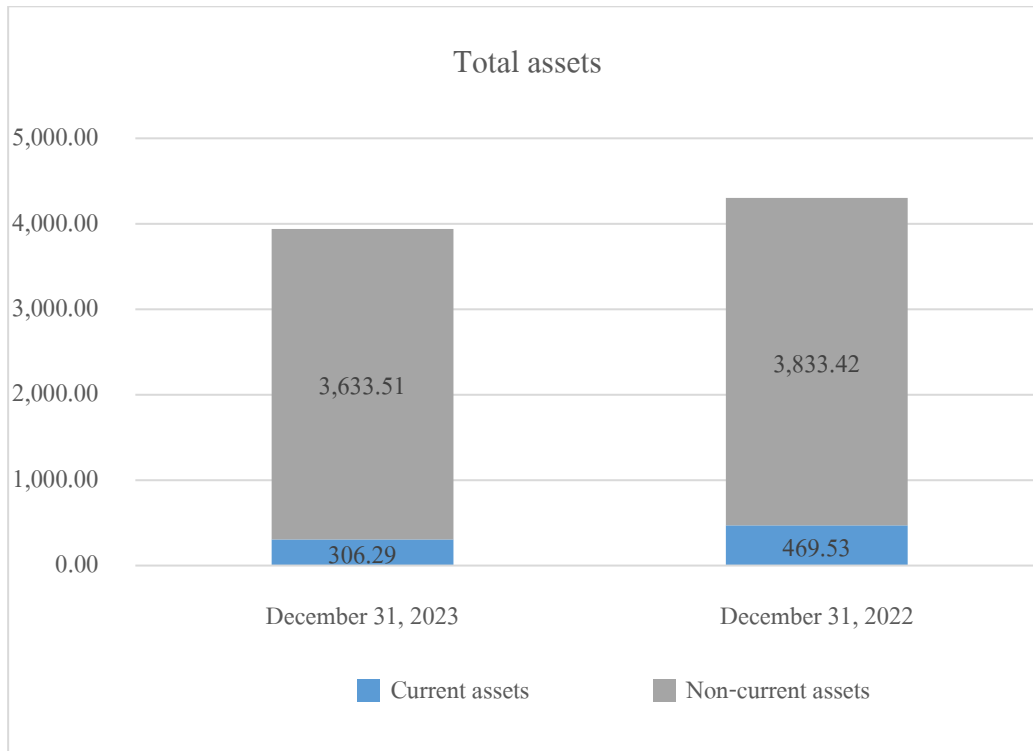
Statement of Financial Position	Consolidated Financial Statements as of		Changes	Changes %
	31 Dec 23	31 Dec 22		
Total Assets	3,939,802	4,302,951	(363,149)	8.44%
Total Liabilities	874,132	1,022,463	(148,331)	14.51%
Equity Attributable to Owners of the Company	2,397,355	2,572,162	(174,807)	6.80%
Non-Controlling Interests	668,315	708,326	(40,011)	5.65%
Total Shareholders' Equity	3,065,670	3,280,488	(214,818)	6.55%

Total assets of the Company as at December 31, 2023 amounting to Baht 3,939.80 million, as at December 31, 2022 of Baht 4,302.95 million, decreased by Baht 363.15 million or 8.44%. Total assets mostly consist of property, plant and equipment amounting to Baht 1,540.54 million, intangible assets amounting to Baht 1,363.13 million, investment in associated amounting to Baht 329.49 million, goodwill amounting to Baht 165.47 million, right-of-use assets amounting to Baht 130.25 million, trade and other current receivables amounting to Baht 127.29 million, and cash and cash equivalents amounting to Baht 114.83 million.

The total liabilities of the Company as at December 31, 2023 was Baht 874.13 million and as at December 31, 2022, was Baht 1,022.46 million, which decreased by Baht 148.33 million or 14.51%. Total liabilities mostly came from deferred tax liabilities amounting Baht 289.62 million, Long-term loans from related person and parties Baht 144.05 million, liabilities under lease agreements amounting of Baht 134.50 million, trade and other payables amounting Baht 107.75 million, and Short-term loans from non-related person and parties Baht 96.91 million

Shareholders' equity as at December 31, 2023 amounting to Baht 3,065.67 million, while balance as at December 31, 2022, amounting to Baht 3,280.49 million, decreased by Baht 214.82 million or 6.55%.

(Unit: Million Baht)

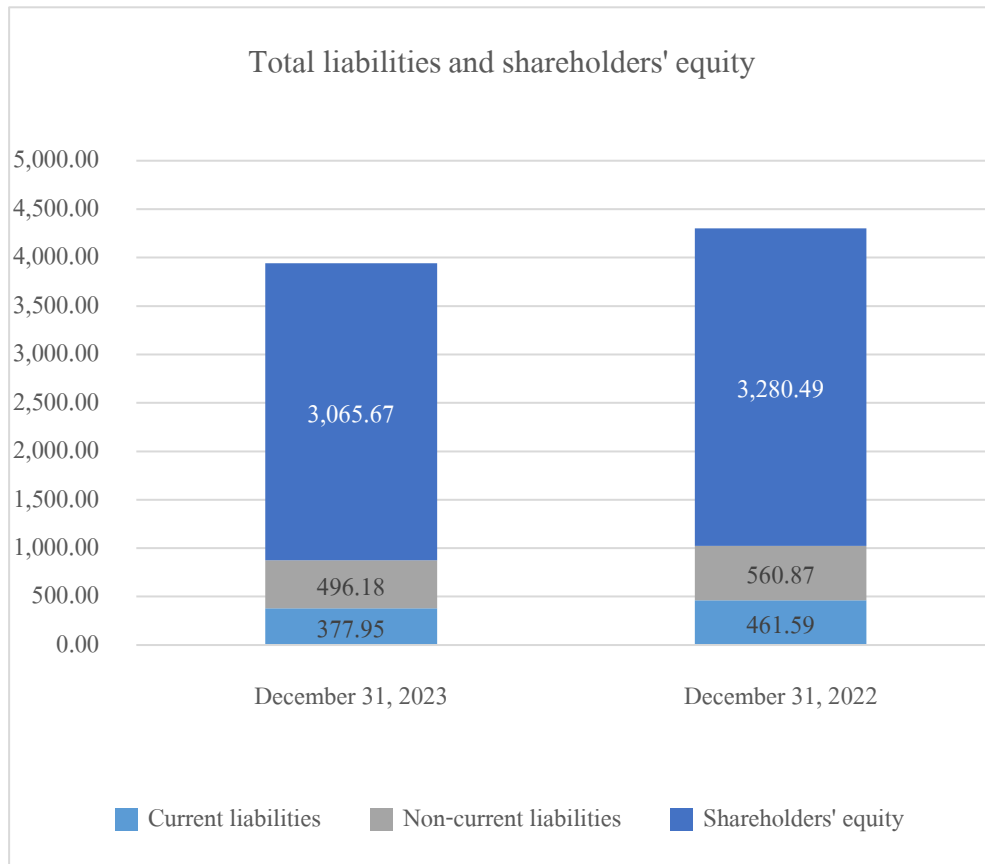


As at December 31, 2023, the Company has total assets by Baht 3,939.80 million which decreased from December 31, 2022 by Baht 363.15 million, or 8.44% mostly came from

- Trade and other receivables decreased by Baht 94.08 million which mostly came from get refund from advance payment for feasibility study by Baht 63.70 million, amortization for the period in prepaid expenses by Baht 21.51 million, decrease in input tax refundable by Baht 4.22 million, decrease in suspense input tax by Baht 4.12 million, decrease in accrued income - non-related parties by Baht 2.11 million, decrease in accrued interest - related parties by Baht 2.09 million, and increase in trade receivables non-related parties by Baht 6.14 million.
- Short-term loans to non-related person and parties decreased by Baht 75.48 million came from get received from short-term loans to non-related person and parties by Baht 75.48 million.
- Property, plant and equipment decreased by Baht 67.71 million which came from depreciation for the period by Baht 93.01 million, disposals and amortize by Baht 9.77 million, and additions during the period by Baht 40.22 million.
- Restricted bank deposits decreased by Baht 53.82 million came from release of guarantee obligation by Baht 53.82 million.
- Intangible assets decreased by Baht 49.21 million which came from amortization for the period by Baht 75.48 million and additions during the period by Baht 28.82 million.

- Cash and cash equivalents increased by Baht 11.30 million which cash and cash equivalents at the beginning of the period by Baht 103.53 million, therefore, cash and cash equivalents at the period ended amounting to Baht 114.83 million. The increasing in cash by Baht 11.30 million mainly came from cash received from short-term loans from non-related person and parties by Baht 136.81 million, cash received from debt repayment by Baht 93.56 million, cash received from short-term loans to non-related person and parties by Baht 75.48 millions, cash received from restricted bank deposits by Baht 53.82 million, dividend received by Baht 5.36 million, cash received from loans from financial institutions by Baht 5.00 million, cash received from interest by Baht 4.98 million, and there are cash payment for short-term loans from non-related person and parties by Baht 124.31 million, cash payments for short-term loans from financial institutions by Baht 75.00 million, cash payments for trade and other current payables by Baht 55.08 million, cash payments for long-term loans from financial institutions by Baht 45.82 million, cash payments for purchase of equipment and construction in progress by Baht 39.11 million, cash payments for interest by Baht 29.79 million.

(Unit: Million Baht)



As at December 31, 2023, the Company has total liabilities by Baht 874.13 million which decreased from December 31, 2022 by Baht 148.33 million, or 14.51%, 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 13.07 million which mostly came other payables -non-related parties decreased by Baht 10.07 million, and from trade payables-non-related parties decreased by Baht 3.09 million.
- Long-term loans from financial institutions decreased by Baht 40.82 million which came from repayment for long-term loans from financial institutions by Baht 45.82 million and additional loans from financial institutions by Baht 5.00 million.

- Short-term loans from non-related person and parties increased by Baht 13.91 million which came from additional loans from non-related person and parties by Baht 135.40 million, and repayment for loans from non-related person and parties by Baht 122.90 million also additional from reclassify from Short-term loans from related person and parties to Short-term loans from non-related person and parties by Baht 1.41 million.

As at December 31, 2023, shareholders' equity of the Company amounting to Baht 3,065.67 million, which decreased from December 31, 2022 by Baht 214.82 million or 6.55% due to net loss for the year of equity attributable to owners of the Company by Baht 179.79 million, net loss for the year of non-controlling interests by Baht 37.49 million, changes in ownership interest in subsidiary without a change in control by Baht 5.22 million, and other comprehensive gain for the year by Baht 7.69 million.

Company's liquidity

(Unit: Thousand Baht)

Details	Consolidate financial statements	
	For the period ended	For the period ended
	December 31, 2023	December 31, 2022
Net cash provided by (used in) operating activities	85,541	(66,019)
Net cash provided by (used in) investing activities	67,005	408,758
Net cash provided by (used in) financing activities	(141,253)	(404,981)
Net increase (decrease) in cash and cash equivalents	11,293	(62,242)
Cash and cash equivalents at the beginning of the period	103,534	165,776
Cash and cash equivalents at the ending of the period	114,827	103,534

The Company's liquidity for the year ended December 31, 2023 has net increase in cash and cash equivalents by Baht 11.30 million, while cash and cash equivalents 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 114.83 million, cash flow activities are as follows:

Net cash inflow provided by operating activities amounting to Baht 85.54 million due to the Company has loss before income tax by Baht 234.97 million and while add back by non-cash transactions by Baht 241.54 million, mostly came from depreciation expense by Baht 109.67 million, amortization - intangible assets by Baht 75.48 million, interest expenses by Baht 30.15 million, etc. Moreover, cash inflow provided by operating activities by Baht 81.88 million and the Company cash outflow on payment for income tax by Baht 2.91 million.

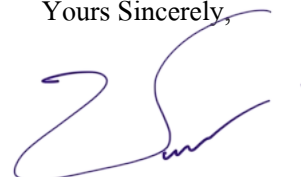
Net cash inflow provided by investing activities amounting to Baht 67.00 million mostly came from cash received from short-term loans to non-related person and parties by Baht 75.48 million, cash received from restricted bank deposits by Baht 53.82 million, cash received from interest by Baht 4.98 million, dividend received by Baht 3.11 million, and cash payments for purchase of equipment and construction in progress by Baht 36.06 million, cash payments for purchase of intangible by Baht 21.19 million, cash payment for providing short-term loans to related person and parties by Baht 8.10 million, cash payment from increased in ownership interest in subsidiary company by Baht 5.22 million.

Net cash used in financing activities amounting to Baht 141.25 million mostly came from cash payment for short-term loans from non-related person and parties by Baht 122.90 million, cash payment for short-term loans from financial institutions by Baht 75.00 million, cash payment for long-term loans from financial institutions by Baht 45.82 million, cash payments for interest by Baht 29.79 million, cash payments for liabilities under finance lease agreements by Baht 8.14 million, and cash received from short-term loans from non-related person and parties 135.40 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