

No TTW/046/67

22 February 2024

Subject Explanation of the 2023 operating result as compared that of 2022

To The President
The Stock Exchange of Thailand

Significant Events in the 2023

- On 1 February 2023, the Company redeemed bonds with a maturity of 5 years Baht 1,000 million, interest rate 2.33% per annum, by the company's remaining cash.
- On 11 April 2023, the 2023 Annual General Meeting of Shareholders approved the dividend payment from 2022 performance which will be paid at the rate of Baht 0.60 per share or amount of Baht 2,394 million. The interim dividend payment was made from the first half of 2022 performance paid to shareholders at the rate of Baht 0.30 per share on 21 September 2022. The remaining dividends payment was made from the second half performance of 2022 paid another Baht 0.30 per share, which has been paid on 25 April 2023.
- On 22 August 2023, the Board of Directors meeting has a resolution to approve the interim dividend payment from the performance period during 1 January 2023 to 30 June 2023 to the shareholders at the rate of Baht 0.30 per share or total amount of Baht 1,197 million. The dividend was made on 21 September 2023.
- On 29 November 2023, TRIS Rating Co., Ltd. ("TRIS Rating") affirmed credit rating of the Company at "AA-" (with Stable outlook) and credit rating for all Company's unsecured and unsubordinated debentures at "AA-" (with Stable outlook).
- In 2023, the Company installed solar panels to produce solar electricity at the wastewater treatment plant at Bang Pa-in Industrial Estate to reduce the amount of greenhouse gas emissions and installed the aerators and other equipment to restore water quality in Bang Sue Canal to conserve the Tha Chin River.

Performance analysis of year 2023 and 2022

(Unit : MB)

Description	2023	2022	Changes	
			+ / (-)	%
Total revenue	5,848.3	5,701.2	147.1	2.6
Total expenses	2,535.2	2,509.4	25.8	1.0
Profit sharing from investment in associated company	365.2	608.6	(243.4)	(40.0)
Net profit for the year of TTW	2,932.3	2,967.0	(34.7)	(1.2)

The operating results of TTW Public Company Limited (“the Company”) and its subsidiaries for the year 2023 and 2022 are Baht 2,932.3 million and Baht 2,967.0 million, respectively. As compared with the operating results for the same period of last year, the operating results of the Company and its subsidiaries decreased by Baht 34.7 million or representing a decrease of 1.2% mainly due to the decrease in the profit sharing from investment in associated company. The Company hereby clarified the significant changes as follows:

1) Revenues

(Unit : MB)

Description	2023	2022	Changes	
			+ / (-)	%
Sales of treated water and Net management income from production of treated water	5,709.0	5,574.9	134.1	2.4
Service income	117.6	116.6	1.0	0.9
Other income	21.7	9.7	12.0	123.7
Total revenues	5,848.3	5,701.2	147.1	2.6

Total revenues increased by Baht 147.1 million or representing an increase of 2.6%, mainly due to the increase in sales of treated water and net management income from production of treated water.

Description	2023	2022	Changes	
			+ / (-)	%
PWA sales volume (million m ³)				
TTW	139.3	141.9	(2.6)	(1.8)
PTW	138.9	133.5	5.4	4.0
PWA sales and net management income from production of treated water (MB)				
TTW	3,843.5	3,670.1	173.4	4.7
PTW	1,679.1	1,708.0	(28.9)	(1.7)
Total	5,522.6	5,378.1	144.5	2.7
Sales of treated water to private sector agencies	186.4	196.8	(10.4)	(5.3)
Total sales of treated water and net management income from production of treated water	5,709.0	5,574.9	134.1	2.4

2) Cost of sales of treated water and services

(Unit : MB)

Description	2023	2022	Changes	
			+ / (-)	%
Depreciation and amortization	990.2	1,047.7	(57.5)	(5.5)
Cost of production, distribution of treated water and other service costs	1,073.4	977.4	96.0	9.8
Total cost of sales of treated water and services	2,063.6	2,025.1	38.5	1.9

The cost of sales of treated water and services increased by Baht 35.8 million or representing an increase of 1.9% mainly due to the increase of Ft charge rate of electricity cost. As the result, the cost of production, distribution of treated water and other service cost increased by Baht 96.0 million or representing an increase of 9.8% from the same period of last year.

3) The administrative expenses increased by Baht 28.9 million or representing an increase of 10.0% mainly due to the operating expenses of the subsidiary i.e. fees of transferred assets, duty stamp, and legal fees.

4) The sharing of profit from investment in associated company decreased by Baht 243.4 million or representing a decrease of 40.0% mainly due to the decreased performance of CKP's associated companies.

5) The financial costs decreased by Baht 21.9 million or representing a decrease of 13.0% due to repayment of long-term loans and redemption of debentures.

Statement of financial position

(Unit : MB)

Description	31 Dec 2023	31 Dec 2022	Change	
			Amount	%
Total assets	20,277.4	21,489.9	(1,212.5)	(5.6)
Total liabilities	4,995.5	6,739.6	(1,744.1)	(25.9)
Total shareholders' equities	15,281.9	14,750.3	531.6	3.6

As at 31 December 2023, the Company and its subsidiaries have the total assets, total liabilities and total shareholders' equities of Baht 20,277.4 million, Baht 4,995.5 million and Baht 15,281.9 million respectively. As compared with 31 December 2022, the total assets decreased by Baht 1,212.5 million or decreased by 5.6% mainly due to the sale of financial assets for debentures redemption. The total liabilities decreased by Baht 1,744.1 million or decreased by 25.9% mainly due to the redemption of debentures by Baht 1,000 million and loan repayment of Baht 660 million. The total shareholders' equities increase by Baht 531.6 million or increase by 3.6% due to the net profit from operations and dividend payment.

Explanation of cash flows

(Unit : MB)

Description	2023	2022
Net cash flows from the operating activities	3,745.2	3,669.8
Net cash flows from the investing activities	871.5	305.4
Net cash flows used in the financing activities	(4,084.1)	(3,980.0)
Net increase (decrease) of cash and cash equivalent	532.6	(4.8)
Cash and cash equivalent - beginning of the period	61.9	66.7
Cash and cash equivalent - ending of the period	594.5	61.9

For the year ended 31 December 2023, the Company and its subsidiaries have the net cash flow from the operating activities, net cash flow from the investing activities, and net cash

flow used in the financing activities of Baht 3,745.2 million, Baht 871.5 million, and Baht 4,084.1 million, respectively.

- Net cash flows from operating activities are mainly from the Company and its subsidiaries' operation.

- Net cash flows from investing activities are mainly from the change in the investments in financial assets.

- Net cash flows used in financing activities are mainly from the redemption of debentures and repayments of long-term loans from financial institutions and dividend payment.

Please be informed accordingly.

Yours Faithfully,

(Mr. Somkiat Pattamamongkolchai)
Deputy Managing Director of Finance