



Management Discussion and Analysis

For the Financial Result of Quarter 3 Year 2019

Ended September 30, 2019

Note: This Management Discussion and Analysis (MD&A) was made to disclose information and the vision of the management in order to assist investors to better understand the company's financial status and operation. It also supports the "Good Corporate Governance Project" of the Securities and Exchange Commission (SEC).

An English version of the MD&A has been prepared from the Thai version. In the event of a conflict or a difference in interpretation between the two languages, the Thai version shall prevail.

The objective of this MD&A is to present the information and the explanation of financial status and operating results as of the date hereof. However, the information provided in this MD&A may vary if any factors or situation are changed in the future; the investors are, therefore, required to have their own discretion regarding the usage of this information for any purpose. For further detail, please contact Investor Relations Division of the Electricity Generating Public Company Limited (EGCO) at Tel: 662-998-5150-3 or Email: ir@egco.com

Management Discussion and Analysis

1. Significant events in the third Quarter of 2019

1.1 The progress in construction projects

1.1.1 *Project completion*

- **SBPL Project**, a project of **San Buenaventura Power Ltd., Co.**, (EGCO holds a 49% ownership interest.), is a 500 MW supercritical coal-fired power plant, in Mauban, Quezon province of Republic of the Philippines. 455 MW of the plant's capacity and energy are contracted to the Manila Electric Company (MERALCO) pursuant to a 20 years power supply agreement which is extendable for up to an additional 5 years. Construction works of the project was completed and its operation started on 26 September 2019.

1.1.2 *Process of construction*

- **Xayaburi Project**, a project of the **Xayaburi Power Company Limited**, (EGCO holds a 12.50% ownership interest.), is a hydro power plant project, Run-of-River. The project is located on the Mekong River in Xayaburi Province of the Laos People's Democratic Republic (Laos PDR). The project has entered into the PPA with Electricity Generating Authority of Thailand (EGAT) with the contracted capacity of 1,220 MW and Electricite Du Laos (EDL) with the contracted capacity of 60 MW for 29 years. The commercial operation date is scheduled on 29 October 2019.
- **NT1PC Project**, a project of **Nam Theun 1 Power Company Limited** (EGCO holds a 25% ownership interest.), is a hydro power plant project. The project is located on Nam Kading River in Bolikhamxay Province of Lao PDR. The project has entered into the PPA with EGAT with the contracted capacity of 514 MW and EDL with the contracted capacity of 130 MW for 27 years. The construction of the project has progressed 62.79% (The construction plan was 62.55%). The commercial operation date is scheduled in the second quarter of 2022.

1.2 Additional Investments in Joint Ventures

- On September 25, 2019, EGCO has entered into the Shareholder's Agreement of **Thai Pipeline Network Company Limited (TPN)** to acquired 44.60% ownership interest. TPN operates oil transportation service business with pipeline transportation system to the northeastern region of Thailand which is the extension of petroleum pipeline system to northeastern region project (the Project). The Project connects the Thai Petroleum Pipeline Co., Ltd (Thappline) Terminal in Saraburi to TPN's owned terminal with storage capacity of 142 million liters in Khon Kaen, through a newly constructed 342.80 kilometers undergrounded pipeline which has an annual transport capacity of approximately 5,443 million liters. The capacity of the Project shall potentially increase to 7,330 million liters in Phase 2. The Project is now under construction and will start operation in the fourth quarter of 2021.

1.3 Other event

- On September 3, 2019, the 21-year PPA between **Gulf Cogeneration Co., Ltd. (GCC)**, a combined cycle power plant in Saraburi Province of Gulf Electric Public Company Limited (GEC) (EGCO holds a 50% ownership interest), and EGAT expired. GCC, has entered into the PPA with EGAT with the contracted capacity of 109.60 MW, stopped its operation and electricity sales to EGAT on the same day.

2. Business overview

EGCO Group have invested in the Power Producer (PP), Independent Power Producer (IPP), Small Power Producer (SPP), Very Small Power Producer (VSPP), Coal Mining, Oil Transportation Service with pipeline transportation system (Oil Transportation Service), Operating and Maintenance (O&M), Management and Administrative Services (Management Services). Details of each plant are as follows:

(1) Subsidiaries which can be categorized into 2 businesses:

1. Power Generation

1.1 Local power generation

| | |
|---|------|
| Khanom Electricity Generating Co., Ltd. (KEGCO) | IPP |
| EGCO Cogeneration Co., Ltd. (EGCO Cogen) | SPP |
| Roi-Et Green Co., Ltd. (RG) | SPP |
| Banpong Utilities Co., Ltd. (BPU) | SPP |
| Klongluang Utilities Co., Ltd. (KLU) | SPP |
| Chaiyaphum Wind Farm Co., Ltd. (CWF) | SPP |
| SPP Two Co., Ltd. (SPP 2) | VSPP |

| | |
|---|---------------------|
| SPP Three Co., Ltd. (SPP 3) | VSPP |
| SPP Four Co., Ltd. (SPP 4) | VSPP |
| SPP Five Co., Ltd. (SPP 5) | VSPP |
| Yanhee EGCO Holding Co., Ltd. (Yanhee EGCO) | Holding Co. |
| ● Solarco Company Limited (Solarco) | VSPP |
| Theppana Wind Farm Co., Ltd. (TWF) | VSPP |
| EGCO Plus Co., Ltd. (EGCO Plus) | Holding Co. |
| 1.2 Overseas Power Generation | |
| Quezon Power (Philippines) Limited Co. (Quezon) | PP |
| Boco Rock Wind Farm Pty Ltd. (BRWF) | PP |
| 2. Other businesses | |
| 2.1 Local Other Businesses | |
| EGCO Engineering and Service Co., Ltd. (ESCO) | O&M |
| 2.2 Overseas Other Businesses | |
| Pearl Energy Philippines Operating Inc. (PEPOI) | O&M |
| Quezon Management Service Inc. (QMS) | Management Services |
| (2) Associated in overseas power generation business | |
| Star Energy Geothermal Pte. Ltd. (SEG) | PP |
| Star Energy Geothermal (Salak – Darajat) B.V. (SEGSD) | PP |
| (3) Joint Ventures which can be categorized into 2 businesses: | |
| 1. Power Generation | |
| 1.1 Local power generation | |
| Gulf Electric Public Company Limited (GEC) | Holding Co. |
| ● Gulf Cogeneration Co., Ltd. (GCC) | SPP |
| ● Nong Khae Cogeneration Co., Ltd. (NKCC) | SPP |
| ● Samutprakarn Cogeneration Co., Ltd. (SCC) | SPP |
| ● Gulf Yala Green Co., Ltd. (GYG) | SPP |
| ● Gulf Power Generation Co., Ltd (GPG) | IPP |
| BLCP Power Limited (BLCP) | IPP |
| Natural Energy Development Co., Ltd. (NED) | SPP & VSPP |
| G-Power Source Co., Ltd. (GPS) | VSPP |
| 1.2 Overseas power generation | |
| Nam Theun 2 Power Co., Ltd. (NTPC) | PP |

| | |
|---|----|
| San Buenaventura Power Ltd. Co. (SBPL) | PP |
| Nam Theun 1 Power Co., Ltd. (NT1PC) | PP |
| Paju Energy Services Co.,Ltd. (Paju ES) | PP |

2. Other businesses

2.1 Local Other Businesses

| | |
|---|----------------------------|
| Thai Pipeline Network Company Limited (TPN) | Oil Transportation Service |
|---|----------------------------|

2.2 Overseas Other Businesses

| | |
|---|-------------|
| PT Manambang Muara Enim Co., Ltd. (MME) | Coal Mining |
| E&E Engineering and Service Company Limited (E&E) | O&M |

(4) Other long-term investment

Xayaburi Power Company Limited (XPCL)

As of September 30, 2019, EGCO Group's portfolio consists of 27 operating power plants, with a total contracted capacity of 5,315 MW equity and 3 construction projects, with a total contracted capacity of 331 MW equity.

3. Report and Analysis of the Operating Results

EGCO would like to present analysis of the operation result as follows:

Summary of operating results for Q3/2019, Ended of September 30, 2019

Unit : Million Baht

| | <i>Power Generation</i> | | <i>Others</i> | | <i>Total</i> | | <i>Change Increase (Decrease)</i> | |
|---|-------------------------|--------------|------------------|-------------|------------------|--------------|-----------------------------------|--------------|
| | <i>Quarter 3</i> | | <i>Quarter 3</i> | | <i>Quarter 3</i> | | <i>Quarter 3</i> | |
| | <i>2019</i> | <i>2018</i> | <i>2019</i> | <i>2018</i> | <i>2019</i> | <i>2018</i> | <i>Amount</i> | <i>%</i> |
| Total Revenues | 10,576 | 10,140 | 143 | 203 | 10,719 | 10,343 | 376 | 4% |
| Total Expenses | (9,656) | (9,082) | (148) | (180) | (9,804) | (9,262) | 542 | 6% |
| Share of Profit (Loss) | 1,647 | 1,446 | 2 | 22 | 1,649 | 1,468 | 181 | 12% |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | 2,567 | 2,504 | (3) | 45 | 2,564 | 2,549 | 15 | 1% |
| Deferred income (expense) tax | (87) | 22 | 1 | - | (86) | 22 | (108) | (491%) |
| Profit (Loss) before the effects of foreign exchange and lease income | 2,480 | 2,526 | (2) | 45 | 2,478 | 2,571 | (93) | (4%) |
| Profit (Loss) from foreign exchange | 224 | 2,004 | - | - | 224 | 2,004 | (1,780) | (89%) |
| Net profit (Loss) before the impact of lease income | 2,704 | 4,530 | (2) | 45 | 2,702 | 4,575 | (1,873) | (41%) |
| Impact of lease income | 121 | (628) | - | - | 121 | (628) | 749 | 119% |
| Net Profit (Loss) | 2,825 | 3,902 | (2) | 45 | 2,823 | 3,947 | (1,124) | (28%) |

For focusing on the operating performance, the impact of lease income were excluded from the analysis of the operation result.

The operating profit of EGCO Group before the effects of foreign exchange, deferred income tax and lease income for Q3/2019 were Baht 2,564 million, increasing by Baht 15 million comparing to Q3/2018, which came from an increase in power generation business of Baht 63 million and a decrease in other business of Baht 48 million. See more details in 3.1 and 3.2 as follows;

3.1 The Analysis of the Operating Results in Power Generation business

Profit (loss) before the effects of foreign exchange, deferred income tax and lease income for Q3/2019 of power generation business increased by Baht 63 million, comparing to Q3/2018, mainly due to the recognition of the operating results of Paju ES and an increase in the operating results of EGCO, GPG and KEGCO. On the other hand, those of EGCO PLUS, BLCP, NTPC and Quezon decreased as follows:

Paju ES:

Unit : Million Baht

| | <u>Quarter 3</u> | | <u>Change Increase (Decrease)</u> | |
|---|-------------------------|--------------------|--|-----------------|
| | <u>2019</u> | <u>2018</u> | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | 3,794 | - | 3,794 | 100% |
| <i>Other income</i> | 62 | - | 62 | 100% |
| <i>Total revenues</i> | 3,856 | - | 3,856 | 100% |
| <i>Cost of sale</i> | (3,254) | - | 3,254 | 100% |
| <i>Other expenses</i> | (239) | - | 239 | 100% |
| <i>Total expenses</i> | (3,493) | - | 3,493 | 100% |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | 363 | - | 363 | 100% |

- **Paju ES** : The operating result was Baht 363 million. This was resulted from the acquisition 49% of Paju ES on January 15, 2019.

EGCO:

Unit : Million Baht

| | <u>Quarter 3</u> | | <u>Change Increase (Decrease)</u> | |
|---|------------------|--------------|-----------------------------------|-------------|
| | <u>2019</u> | <u>2018</u> | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | - | - | - | - |
| <i>Other income</i> | 730 | 168 | 562 | 335% |
| Total revenues | 730 | 168 | 562 | 335% |
| <i>Cost of sale</i> | - | - | - | - |
| <i>Other expenses</i> | (858) | (891) | (33) | (4%) |
| Total expenses | (858) | (891) | (33) | (4%) |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | (128) | (723) | 595 | 82% |

- **EGCO** : The operating result was increased by Baht 595 million mainly due to interest income from loan to EGCO Plus. Additionally, interest expense was decreased.

GPG:

Unit : Million Baht

| | <u>Quarter 3</u> | | <u>Change Increase (Decrease)</u> | |
|---|------------------|--------------|-----------------------------------|-------------|
| | <u>2019</u> | <u>2018</u> | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | | | | |
| - <i>Availability Payment (AP)</i> | 575 | 516 | 59 | 11% |
| - <i>Energy Payment (EP)</i> | 249 | 237 | 12 | 5% |
| <i>Other income</i> | 5 | 3 | 2 | 67% |
| Total revenues | 829 | 756 | 73 | 10% |
| <i>Cost of sale</i> | (406) | (454) | (48) | (11%) |
| <i>Other expenses</i> | (104) | (93) | 11 | 12% |
| Total expenses | (510) | (547) | (37) | (7%) |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | 319 | 209 | 110 | 53% |

- **GPG** : The operating result was increased by Baht 110 million mainly due to an increase in Availability Payment (AP) and electricity profit, caused by a scheduled maintenance in Q3/2018.

KEGCO:

Unit : Million Baht

| | <u>Quarter 3</u> | | <u>Change Increase (Decrease)</u> | |
|---|------------------|----------------|-----------------------------------|------------|
| | <u>2019</u> | <u>2018</u> | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | | | | |
| - <i>Availability Payment (AP)</i> | 968 | 964 | 4 | 1% |
| - <i>Energy Payment (EP)</i> | 2,909 | 2,738 | 171 | 6% |
| <i>Other income</i> | 8 | 6 | 2 | 34% |
| Total revenues | 3,885 | 3,708 | 177 | 5% |
| <i>Cost of sale</i> | (3,292) | (3,183) | 109 | 3% |
| <i>Other expenses</i> | (269) | (308) | (39) | (13%) |
| Total expenses | (3,561) | (3,491) | 70 | 2% |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | 324 | 217 | 107 | 49% |

- **KEGCO** : The operating result was increased by Baht 107 million mainly due to an increase in electricity profit, caused by a scheduled maintenance in Q3/2018. Additionally, interest and administrative expenses were decreased.

EGCO Plus (Include Gen Plus B.V.):

Unit : Million Baht

| | <u>Quarter 3</u> | | <u>Change Increase (Decrease)</u> | |
|---|------------------|-------------|-----------------------------------|-----------------|
| | <u>2019</u> | <u>2018</u> | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | - | - | - | - |
| <i>Other income</i> | 102 | 155 | (53) | (34%) |
| Total revenues | 102 | 155 | (53) | (34%) |
| <i>Cost of sale</i> | - | - | - | - |
| <i>Other expenses</i> | (813) | (90) | 723 | 803% |
| Total expenses | (813) | (90) | 723 | 803% |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | (711) | 65 | (776) | (1,194%) |

- **EGCO Plus** : The operating result was decreased by Baht 776 million mainly due to interest expenses on loan from EGCO and interest expenses on loans for investment in Paju ES. Additionally, interest income was decreased.

BLCP:

Unit : Million Baht

| | <u>Quarter 3</u> | | <u>Change Increase (Decrease)</u> | |
|---|------------------|----------------|-----------------------------------|--------------|
| | <u>2019</u> | <u>2018</u> | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | | | | |
| - Availability Payment (AP) | 641 | 921 | (280) | (30%) |
| - Energy Payment (EP) | 1,445 | 1,330 | 115 | 9% |
| Other income | 43 | 20 | 23 | 115% |
| Total revenues | 2,129 | 2,271 | (142) | (6%) |
| <i>Cost of sale</i> | (1,675) | (1,675) | - | - |
| <i>Other expenses</i> | (196) | (129) | 67 | 52% |
| Total expenses | (1,871) | (1,804) | 67 | 4% |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | 258 | 467 | (209) | (45%) |

- **BLCP** : The operating result was decreased by Baht 209 million mainly due to a decrease in Availability Payment (AP) according to the PPA and an increase in interest expense. Meanwhile, electricity profit was increased according to a scheduled maintenance in Q3/2018.

NTPC:

Unit : Million Baht

| | <u>Quarter 3</u> | | <u>Change Increase (Decrease)</u> | |
|---|------------------|--------------|-----------------------------------|--------------|
| | <u>2019</u> | <u>2018</u> | <u>Amount</u> | <u>%</u> |
| <i>Electricity revenue</i> | 590 | 691 | (101) | (15%) |
| Other income | 5 | 2 | 3 | 150% |
| Total revenues | 595 | 693 | (98) | (14%) |
| <i>Cost of sale</i> | (215) | (219) | (4) | (2%) |
| <i>Other expenses</i> | (126) | (143) | (17) | (12%) |
| Total expenses | (341) | (362) | (21) | (6%) |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | 254 | 331 | (77) | (23%) |

- **NTPC** : The operating result was decreased by Baht 77 million mainly due to a decrease in electricity revenue, caused by the lower amount of water, comparing to the same period of previous year.

Quezon (Include PEPOI and QMS):

Unit : Million Baht

| | <u>Quarter 3</u> | | <u>Change Increase (Decrease)</u> | |
|---|------------------|----------------|-----------------------------------|--------------|
| | <u>2019</u> | <u>2018</u> | <u>Amount</u> | <u>%</u> |
| Electricity revenue | 2,508 | 2,739 | (231) | (8%) |
| Other income | 2 | 4 | (2) | (50%) |
| Total revenues | 2,510 | 2,743 | (233) | (8%) |
| Cost of sale | (1,322) | (1,486) | (164) | (11%) |
| Other expenses | (333) | (372) | (39) | (10%) |
| Total expenses | (1,655) | (1,858) | (203) | (11%) |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | 855 | 885 | (30) | (3%) |

- **Quezon** : The operating result was decreased by Baht 30 million mainly due to lower electricity generation, comparing to the same period of previous year. Meanwhile, interest and administrative expenses were decreased.

Other Subsidiaries in Power Generation business:

Unit : Million Baht

| | <u>BPU</u> | | <u>KLU</u> | | <u>EGCO COGEN</u> | | <u>RG</u> | |
|---|------------------|----------------|------------------|--------------|-------------------|--------------|------------------|-------------|
| | <u>Quarter 3</u> | | <u>Quarter 3</u> | | <u>Quarter 3</u> | | <u>Quarter 3</u> | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Electricity revenue | 1,200 | 1,207 | 635 | 601 | 477 | 451 | 47 | 41 |
| Other income | 2 | 2 | 2 | - | 1 | 1 | - | - |
| Total revenues | 1,202 | 1,209 | 637 | 601 | 478 | 452 | 47 | 41 |
| Cost of sale | (1,035) | (1,009) | (530) | (501) | (418) | (400) | (52) | (46) |
| Other expenses | (100) | (106) | (64) | (64) | (19) | (17) | (5) | (3) |
| Total expenses | (1,135) | (1,115) | (594) | (565) | (437) | (417) | (57) | (49) |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | 67 | 94 | 43 | 36 | 41 | 35 | (10) | (8) |

Other Subsidiaries in Power Generation business (continue):

Unit : Million Baht

| | SPP 2 | | SPP 3 | | SPP 4 | | SPP 5 | |
|---|------------------|-------------|------------------|-------------|------------------|-------------|------------------|-------------|
| | <u>Quarter 3</u> | | <u>Quarter 3</u> | | <u>Quarter 3</u> | | <u>Quarter 3</u> | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Electricity revenue | 40 | 40 | 40 | 39 | 29 | 28 | 39 | 40 |
| Other income | - | 2 | - | 2 | - | 2 | - | 3 |
| Total revenues | 40 | 42 | 40 | 41 | 29 | 30 | 39 | 43 |
| Cost of sale | (13) | (13) | (13) | (12) | (10) | (10) | (13) | (13) |
| Other expenses | (9) | (11) | (7) | (10) | (6) | (8) | (8) | (10) |
| Total expenses | (22) | (24) | (20) | (22) | (16) | (18) | (21) | (23) |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | 18 | 18 | 20 | 19 | 13 | 12 | 18 | 20 |

Other Subsidiaries in Power Generation business (continue):

Unit : Million Baht

| | YEH EGCO | | BRWF | | CWF | | TWF | | Total | | Change Increase (Decrease) | |
|---|------------------|--------------|------------------|--------------|------------------|--------------|------------------|-------------|------------------|----------------|----------------------------------|-------------|
| | <u>Quarter 3</u> | | <u>Quarter 3</u> | | <u>Quarter 3</u> | | <u>Quarter 3</u> | | <u>Quarter 3</u> | | <u>Quarter 3</u> | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>Amount</u> | <u>%</u> |
| Electricity revenue | 303 | 295 | 234 | 325 | 273 | 261 | 20 | 18 | 3,337 | 3,346 | (9) | (1%) |
| Other income | 2 | 2 | 3 | 2 | 2 | 4 | - | - | 12 | 20 | (8) | (40%) |
| Total revenues | 305 | 297 | 237 | 327 | 275 | 265 | 20 | 18 | 3,349 | 3,366 | (17) | (1%) |
| Cost of sale | (77) | (84) | (103) | (114) | (82) | (82) | (7) | (7) | (2,353) | (2,291) | 62 | 3% |
| Other expenses | (76) | (83) | (69) | (89) | (49) | (55) | (4) | (5) | (416) | (461) | (45) | (10%) |
| Total expenses | (153) | (167) | (172) | (203) | (131) | (137) | (11) | (12) | (2,769) | (2,752) | 17 | 1% |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | 152 | 130 | 65 | 124 | 144 | 128 | 9 | 6 | 580 | 614 | (34) | (6%) |

Other Joint Ventures and Associated in Power Generation business

Unit : Million Baht

| | SEG (ASSO) | | SEGSD (ASSO) | | NED (JV) | | GEC (JV) | |
|---|---------------------|--------------|-----------------|--------------|-------------|-------------|--------------|--------------|
| | Quarter 3 | | Quarter 3 | | Quarter 3 | | Quarter 3 | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | Electricity revenue | 496 | 531 | 313 | 332 | 220 | 216 | 871 |
| Other income | - | 2 | - | - | - | 2 | 7 | 11 |
| Total revenues | 496 | 533 | 313 | 332 | 220 | 218 | 878 | 1,061 |
| Cost of sale | (98) | (100) | (59) | (66) | (59) | (60) | (784) | (919) |
| Other expenses | (270) | (306) | (161) | (182) | (22) | (29) | (44) | (54) |
| Total expenses | (368) | (406) | (220) | (248) | (81) | (89) | (828) | (973) |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | 128 | 127 | 93 | 84 | 139 | 129 | 50 | 88 |

Other Joint Ventures and Associated in Power Generation business (continue):

Unit : Million Baht

| | GPS (JV) | | SBPL (JV) | | NT1PC (JV) | | Total | | Change Increase (Decrease) | |
|---|---------------------|-------------|--------------|-------------|---------------|------------|----------------|----------------|----------------------------------|-----------|
| | Quarter 3 | | Quarter 3 | | Quarter 3 | | Quarter 3 | | Quarter 3 | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | Amount | % |
| | Electricity revenue | 63 | 61 | 394 | - | - | - | 2,357 | 2,190 | 167 |
| Other income | - | 1 | 4 | - | - | - | 11 | 16 | (5) | (31%) |
| Total revenues | 63 | 62 | 398 | - | - | - | 2,368 | 2,206 | 162 | 7% |
| Cost of sale | (23) | (23) | (363) | - | - | - | (1,386) | (1,168) | 218 | 19% |
| Other expenses | (8) | (10) | (20) | (13) | (4) | (5) | (529) | (599) | (70) | (12%) |
| Total expenses | (31) | (33) | (383) | (13) | (4) | (5) | (1,915) | (1,767) | 148 | 8% |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | 32 | 29 | 15 | (13) | (4) | (5) | 453 | 439 | 14 | 3% |

3.2 The Analysis of the Operating Results in Other businesses

Profit (loss) before the effects of foreign exchange, deferred income tax and lease income for Q3/2019 in other businesses decreasing by Baht 48 million comparing to Q3/2018 as follows:

Subsidiaries and Joint Ventures in Other business:

Unit : Million Baht

| | ESCO (Sub) | | MME (JV) | | Total | | Change Increase (Decrease) | |
|---|---------------|--------------|--------------|--------------|--------------|--------------|-------------------------------|---------------|
| | Quarter 3 | | Quarter 3 | | Quarter 3 | | Quarter 3 | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | Amount | % |
| | Revenue | - | - | 100 | 167 | 100 | 167 | (67) |
| Service income | 140 | 200 | - | - | 140 | 200 | (60) | (30%) |
| Other income | 3 | 3 | 8 | 2 | 11 | 5 | 6 | 120% |
| Total revenues | 143 | 203 | 108 | 169 | 251 | 372 | (121) | (33%) |
| Cost of sale | (131) | (157) | (93) | (131) | (224) | (288) | (64) | (22%) |
| Other expenses | (17) | (23) | (13) | (16) | (30) | (39) | (9) | (23%) |
| Total expenses | (148) | (180) | (106) | (147) | (254) | (327) | (73) | (22%) |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | (5) | 23 | 2 | 22 | (3) | 45 | (48) | (107%) |

Summary of operating results for 9M/2019, Ended of September 30, 2019

Unit : Million Baht

| | Power Generation | | Others | | Total | | Change Increase (Decrease) | |
|---|---------------------|---------------|-------------|------------|---------------|---------------|----------------------------------|--------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | Amount | % |
| | Total Revenues | 31,852 | 27,838 | 476 | 791 | 32,328 | 28,629 | 3,699 |
| Total Expenses | (29,211) | (26,000) | (495) | (705) | (29,706) | (26,705) | 3,001 | 11% |
| Share of Profit (Loss) | 5,454 | 5,022 | (3) | 67 | 5,451 | 5,089 | 362 | 7% |
| Gain on disposal of investment | - | 14,162 | - | - | - | 14,162 | (14,162) | (100%) |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | 8,095 | 21,022 | (22) | 153 | 8,073 | 21,175 | (13,102) | (62%) |
| Deferred income (expense) tax | 122 | (110) | 7 | - | 129 | (110) | 239 | 217% |
| Profit (Loss) before the effects of foreign exchange and lease income | 8,217 | 20,912 | (15) | 153 | 8,202 | 21,065 | (12,863) | (61%) |
| Profit (Loss) from foreign exchange | 2,131 | 574 | - | - | 2,131 | 574 | 1,557 | 271% |
| Net profit (Loss) before the impact of lease income | 10,348 | 21,486 | (15) | 153 | 10,333 | 21,639 | (11,306) | (52%) |
| Impact of lease income | 187 | 115 | - | - | 187 | 115 | 72 | 63% |
| Net Profit (Loss) | 10,535 | 21,601 | (15) | 153 | 10,520 | 21,754 | (11,234) | (52%) |

The operating profit of EGCO Group before the effects of foreign exchange, deferred income tax and lease income for 9M/2019 were Baht 8,073 million, decreasing by Baht 13,102 million comparing to 9M/2018, mainly due to recognition of the gain on disposal in MPPCL, East Water and GIDEC.

However, if excluding the gain on disposal of investment amounted Baht 14,162 million, the normal operating profit of EGCO Group before the effects of foreign exchange, deferred income tax and lease income were Baht 8,073 million, increasing by Baht 1,060 million comparing to the same period of previous year, mainly due to the acquisition 49% of Paju ES on January 15, 2019.

Summary of operating results for Q1, Q2 and Q3 of 2019

Unit : Million Baht

| | <u>2019</u> | | | <u>2018</u> | | | Change | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>Quarter 1</u> | <u>Quarter 2</u> | <u>Quarter 3</u> | <u>Quarter 1</u> | <u>Quarter 2</u> | <u>Quarter 3</u> | <u>Quarter 1</u> | <u>Quarter 2</u> | <u>Quarter 3</u> |
| Total Revenues | 10,434 | 11,175 | 10,719 | 9,216 | 9,071 | 10,343 | 1,218 | 2,104 | 376 |
| Total Expenses | (9,678) | (10,224) | (9,804) | (9,042) | (8,402) | (9,262) | 636 | 1,822 | 542 |
| Share of Profit (Loss) | 2,159 | 1,643 | 1,649 | 1,802 | 1,819 | 1,468 | 357 | (176) | 181 |
| Gain on disposal of investment | - | - | - | 14,162 | - | - | (14,162) | - | - |
| Profit (Loss) before the effects of foreign exchange, deferred income tax and lease income | 2,915 | 2,594 | 2,564 | 16,138 | 2,488 | 2,549 | (13,223) | 106 | 15 |
| Deferred income (expense) tax | 46 | 169 | (86) | 65 | (197) | 22 | (19) | 366 | (108) |
| Profit (Loss) before the effects of foreign exchange and lease income | 2,961 | 2,763 | 2,478 | 16,203 | 2,291 | 2,571 | (13,242) | 472 | (93) |
| Profit (Loss) from foreign exchange | 712 | 1,195 | 224 | 3,886 | (5,316) | 2,004 | (3,174) | 6,511 | (1,780) |
| Net profit (Loss) before the impact of lease income | 3,673 | 3,958 | 2,702 | 20,089 | (3,025) | 4,575 | (16,416) | 6,983 | (1,873) |
| Impact of lease income | 76 | (10) | 121 | 82 | 661 | (628) | (6) | (671) | 749 |
| Net Profit (Loss) | 3,749 | 3,948 | 2,823 | 20,171 | (2,364) | 3,947 | (16,422) | 6,312 | (1,124) |

4. Cash Flow Analysis

As of September 30, 2019 cash and cash equivalents were Baht 20,691 million, decreasing by Baht 14,186 million comparing to December 31, 2018. The details are as follows:

| | Unit: Million Baht |
|--|--------------------|
| Net cash <u>received from</u> operating activities | 8,108 |
| Net cash <u>payment for</u> investing activities | (16,933) |
| Net cash <u>payment for</u> financing activities | (4,018) |
| Loss from the effect of foreign exchange rate | <u>(1,343)</u> |
| Net decrease in cash | <u>(14,186)</u> |

Net cash received from operating activities was Baht 8,108 million from operating of EGCO and its subsidiaries.

Net cash payment for investing activities was Baht 16,933 million. Cash payments in investments in Paju ES, SBPL, TPN and E&E were Baht 23,022 million, Bath 2,437 million, Bath 1,980 million and Baht 8 million, respectively. Cash payments for investments and investments used as short-term and long-term collateral were Baht 893 million. Equity injection in XPCL was Baht 160 million. Cash payments for purchases of equipment and asset under construction were Bath 218 million. Cash payments for purchases of land around Rayong Power Plant was Baht 50 million. Meanwhile, the dividend received from joint ventures and other companies were Baht 11,459 million. Cash receipts from interest income was Baht 376 million.

Net cash payment for financing activities was Baht 4,018 million, resulted from the drawn down short-term and long-term loans was Baht 12,327 million. The dividend payment to shareholders amounting to Baht 3,588 million and interest payment of loans and financing fees totalling Baht 3,070 million. Meanwhile, the principle repayment of short-term and long-term loans totalling Baht 14,967 million,

5. Financial Ratios

Profitability Ratios

| | <u>Quarter 3</u> | | <u>Change</u> |
|--------------------------------------|------------------|-------------|----------------------------|
| | <u>2019</u> | <u>2018</u> | <u>Increase/(Decrease)</u> |
| Gross Profit Ratio (%) | 28.03 | 32.94 | (4.91) |
| Operating Profit Ratio before FX (%) | 27.49 | 29.28 | (1.79) |
| Profit Ratio before FX (%) | 12.02 | 15.64 | (3.62) |
| Profit before FX per share (Baht) | 4.70 | 4.88 | (0.18) |

Leverage Ratio and Liquidity Ratio

| | <u>Quarter 3</u> | <u>Quarter 2</u> | <u>Change</u> |
|--------------------------------|------------------|------------------|----------------------------|
| | <u>2019</u> | <u>2019</u> | <u>Increase/(Decrease)</u> |
| Debt to Equity Ratio (Time) | | | |
| - Consolidated | 1.01 | 1.03 | (0.02) |
| - Company | 0.67 | 0.65 | 0.02 |
| Book Value per Share (Baht) | | | |
| - Consolidated | 195.59 | 194.75 | 0.84 |
| - Company | 123.24 | 123.02 | 0.22 |
| Current Ratio (Time) | | | |
| - Consolidated | 1.83 | 2.10 | (0.27) |
| - Company | 1.36 | 1.72 | (0.36) |
| Interest Coverage Ratio (Time) | | | |
| - Company | 7.00 | 7.51 | (0.51) |