



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Analysis of Operation Results According to Consolidated Financial Statement

	Year Ended 31 December					
	2021		2020		Change	
	Amount (MB)	% to Revenue	Amount (MB)	% to Revenue	Amount (MB)	% Change
Revenue from sale and rendering of services	4,492.9	100%	4,920.2	100%	(427.3)	-9%
Cost of sale and rendering of services	(1,234.6)	-27%	(1,351.6)	-27%	(117.0)	-9%
Gross profit	3,258.3	73%	3,568.6	73%	(310.3)	-9%
Other income	75.5	2%	55.5	1%	20.0	36%
Selling and distribution expenses	(9.3)	0%	(20.2)	0%	(10.9)	-54%
Administrative expenses	(255.9)	-6%	(262.0)	-5%	(6.1)	-2%
Gain (loss) on fair value measurement of derivatives	(45.7)	-1%	(0.6)	0%	(45.1)	-7517%
Gain (loss) on financial assets	11.9	0%	13.3	0%	(1.4)	-11%
Profit from operating activities	3,034.8	68%	3,354.6	68%	(319.8)	-10%
Share of profit of associate accounted for using equity method	-	0%	(2.0)	0%	2.0	100%
Finance costs	(155.2)	-3%	(207.2)	-4%	(52.0)	-25%
Profit before income tax expense	2,879.6	64%	3,145.4	64%	(265.8)	-8%
Tax (expense) income	(143.0)	-3%	(83.0)	-2%	60.0	72%
Profit (loss) for the period	2,736.6	61%	3,062.4	62%	(325.8)	-11%
Other comprehensive income	(0.6)	0%	-	0%	(0.6)	
Total comprehensive income for the period	2,736.0	61%	3,062.4	62%	(326.4)	-11%

Profit (Loss) attributable to :

Owners of the parent	2,479.2	2,731.6
Non-controlling interests	257.4	330.8
	2,736.6	3,062.4

Total comprehensive income attributable to:

Owners of the parent	2,478.6	2,731.6
Non-controlling interests	257.4	330.8
	2,736.0	3,062.4

Earnings per share

No. of shares (million shares)	1,044.1	974.0
EPS (Baht per share)	2.37	2.80

The operating results according to the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2021 presented the net profit of Baht 2,736.6 million or Baht 2.37 per share which decreased by Baht 325.8 million or 11%, compared to the net profit of Baht 3,062.4 million or Baht 2.80 per share of the year ended 31 December 2020. The significant reasons were as follows:



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1.1 Revenue from Sale and Rendering of Services

Revenue from sale and rendering of services of 2021 was Baht 4,492.9 million, decreased by Baht 427.3 million or 9%, compared to 2020 (Baht 4,920.2 million). The main reasons were as follows:

- Revenue from solar farm business of 2021 was Baht 4,015.4 million which decreased by Baht 238.8 million or 6%, compared to 2020 (Baht 4,254.2 million) although the energy output of 2021 was 387.0 million units which increasing by 1.2 million units or 0.3% from 385.8 million units but the revenue from subsidy of adders, 8 Baht per unit, for 5 solar farms had been over, detail as follows:

No.	Companies	Revenue from subsidy of adders ended
1	Solar Power (Korat 1) Co., Ltd.	20 April 2020
2	Solar Power (Sakon Nakorn 1) Co., Ltd.	8 February 2021
3	Solar Power (Nakorn Phanom 1) Co., Ltd.	21 April 2021
4	Solar Power (Korat 2) Co., Ltd.	12 September 2021
5	Solar Power (Loei 1) Co., Ltd.	14 September 2021

- Solar Power Roof Company Limited (SPR), operates the business of solar roof installation for residential, commercial and industrial customers, its revenue from sale and rendering of services of 2021 was Baht 212.9 million which decreased by Baht 313.6 million or 60% compared to 2020 (Baht 526.5 million) resulted from impacted from COVID-19 pandemic.
- Steel Roof Company Limited (SRC), operates the business of metal sheet roofing distribution and installation, the revenue from sale and rendering of services of 2021 was Baht 215.8 million which increased by Baht 126.8 million or 142%, compared to 2020 (Baht 89.0 million).

1.2 Cost of Sale and Rendering of Services and Gross Profit

Cost of sale and rendering of services of 2021 was Baht 1,234.6 million, decreased by Baht 117.0 million or 9%, compared to 2020 (Baht 1,351.6 million). The decrease in cost of sale and rendering of services was aligned to the decline revenue of solar roof business (SPR) and the company could reduce the operation and maintenance (O&M) cost of solar farm by Baht 26.1 million.

Gross profit margin of 2021 was 73%, equal to 2020 because the company could reduce the operation and maintenance (O&M) cost of solar farm by Baht 26.1 million.



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1.3 Selling and Distribution Expenses

Selling and distribution expenses of 2021 was Baht 9.3 million, decreased by Baht 10.9 million or 54%, compared to 2020 (Baht 20.2 million). The decrease in selling and distribution expenses was in line with the decline of revenue of solar roof business (SPR).

1.4 Administrative Expenses

Administrative expenses of 2021 was Baht 255.9 million, decreased by Baht 6.1 million or 2%, compared to 2020 (Baht 262.0 million). The main reasons were as follows:

- In 2021, the financial advisor fee for investing in Set Energy Co., Ltd. was Baht 23.3 million.
- In 2021, the employee expense decreased by Baht 9.8 million.
- In 2020, the company got loss on exchange rates by Baht 20.0 million.

1.5 Gain (Loss) on Fair Value Measurement of Derivatives

Loss on fair value measurement of derivatives of 2021 was Baht 45.7 million. The main reason was loss on fair value measurement of cross currency swaps on long-term loans in foreign currency due to as at 31 December 2021 the Thai currency had been appreciate from the contract date.

1.6 Gain (Loss) on Financial Assets

Gain on financial assets of 2021 was Baht 11.9 million, decreased by Baht 1.4 million or 11% compared to 2020 (Baht 13.3 million), as a result of the gain on investments in mutual funds and foreign investment.

1.7 Finance Costs

Finance costs of 2021 was Baht 155.2 million, decreased by Baht 52.0 million or 25% compared to 2020 (Baht 207.2 million). The main reason was the repayment of debentures in amount of Baht 1,700.0 million and Baht 2,200.0 million in the year 2020 and 2021, respectively.



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Analysis of Financial Position According to Consolidated Financial Statement

2.1 Analysis of Assets

As at 31 December 2021, the total assets were Baht 24,048.2 million, increased by Baht 2,330.0 million or 11%, compared to balance as of 31 December 2020 which was Baht 21,718.2 million. The details were as follows:

	31-Dec-21	31-Dec-20	Change	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	% Change
Property, plant and equipment, net	17,318.0	15,263.5	2,054.5	13%
Other assets	6,730.2	6,454.7	275.5	4%
Total assets	24,048.2	21,718.2	2,330.0	11%

- As at 31 December 2021, property, plant and equipment were Baht 17,318.0 million, increased by Baht 2,054.5 million or 13%, compared to balance as of 31 December 2020 which was Baht 15,263.5 million. The main reasons were as follows:

- SET Energy Co., Ltd acquired of land in amount of Baht 2,673.6 million.
- Depreciation in amount of Baht 651.9 million.

- As at 31 December 2021, other assets were Baht 6,730.2 million, increased by Baht 275.5 million or 4%, compared to balance as of 31 December 2020 which was Baht 6,454.7 million.

The main reasons were as follows:

- The increase in short-term fixed income funds in amount of Baht 1,208.5 million.
- The decrease in cash and cash equivalents in amount of Baht 689.4 million.
- The decrease in trade accounts receivable in amount of Baht 142.2 million.
- The decrease in inventories in amount of Baht 70.1 million.

2.2 Analysis of Liabilities and Shareholders' Equity

As at 31 December 2021, the total liabilities and shareholders' equity were Baht 24,048.2 million, increased by Baht 2,330.0 million or 11%, compared to balance as of 31 December 2020 which was Baht 21,718.2 million. The details were as follows:

	31-Dec-21	31-Dec-20	Change	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	% Change
Interest bearing debt	4,388.4	4,188.9	199.5	5%
Other liabilities	312.9	373.6	(60.7)	-16%
Shareholders' equity	19,346.9	17,155.7	2,191.2	13%
Total liabilities and shareholders' equity	24,048.2	21,718.2	2,330.0	11%



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- As at 31 December 2021, interest bearing debt was Baht 4,388.4 million, increased by Baht 199.5 million or 5%, compared to balance as of 31 December 2020 which was Baht 4,188.9 million. The main reasons were as follows:
 - The long-term loans from financial institutions in amount of Baht 1,000.0 million.
 - The repayment of the long-term loans from financial institutions in amount of Baht 70.0 million.
 - The repayment of the debentures in amount of Baht 2,200.0 million.
 - The issuance of the debenture in amount of Baht 1,500.0 million.

- As at 31 December 2021, other liabilities were Baht 312.9 million, decreased by Baht 60.7 million or 16%, compared to balance as of 31 December 2020 which was Baht 373.6 million. The main reasons were as follows:
 - The decrease in trade accounts payable in amount of Baht 60.8 million.

- As at 31 December 2021, shareholders' equity was Baht 19,346.9 million, increased by Baht 2,191.2 million or 13%, compared to balance as of 31 December 2020 which was Baht 17,155.7 million. The main reasons were as follows:
 - The net profit was Baht 2,736.6 million.
 - The payment of dividend was Baht 1,170.8 million.
 - The issuance of share capital of subsidiary in amount of Baht 626.0 million
 - The issuance of share capital in amount of Baht 81.8 million.

2.3 The Appropriateness of Financial Structure

According to statement of financial position as at 31 December 2021, debt to equity ratio was 0.24 times, there was no significant change from the ratio as at 31 December 2020 by 0.27 times.



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3. Analysis of Cash Flow According to Consolidated Financial Statement

	Year Ended 31 December		
	2021	2020	Change
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)
Net cash generated from (used in) operating activities	3,733.1	4,043.1	(310.0)
Net cash generated from (used in) investing activities	(3,947.3)	(338.4)	(3,608.9)
Net cash generated from (used in) financing activities	(475.2)	(3,429.4)	2,954.2
Net increase (decrease) in cash and cash equivalents	(689.4)	275.3	(964.7)
Cash and cash equivalents at the beginning of the period	735.4	460.1	275.3
Cash and cash equivalents at the end of the period	46.0	735.4	(689.4)

As at 31 December 2021, cash and cash equivalents were Baht 46.0 million, decreased by Baht 689.4 million from Baht 735.4 million as at 31 December 2020. The reasons were as follows:

- 1) Net cash generated from operating activities in amount of Baht 3,733.1 million, resulting in
 - Net cash generated from operating in amount of Baht 3,875.6 million.
 - Taxes paid in amount of Baht 142.5 million.
- 2) Net cash used in investing activities in amount of Baht 3,947.3 million, resulting in
 - Cash proceed from sale of investments in short-term fixed income funds in amount of Baht 9,054.0 million.
 - Cash paid for acquisition of investments in short-term fixed income funds in amount of Baht 10,308.4 million.
 - Cash paid for acquisition of property, plant and equipment in amount of Baht 2,723.9 million.
- 3) Net cash used in financing activities in amount of Baht 475.2 million, resulting in
 - Proceeds from long-term loan from financial institutions in amount of Baht 1,000.0 million.
 - Proceeds from the share subscription by non-controlling interests in amount of Baht 626.0 million.
 - Proceeds from issuance of debenture in amount of Baht 1,497.1 million.
 - Dividend paid in amount of Baht 1,170.8 million.
 - Repayment of debenture in amount of Baht 2,200.0 million.
 - Interest paid in amount of Baht 152.3 million.

Please be informed accordingly.

Yours sincerely,

(Dr. Wandee Khunchornyakong Juljarern)

Chief Executive Officer