



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED 31 DECEMBER 2023

1. Analysis of Operation Results According to Consolidated Financial Statement

	Year Ended 31 December					
	2023		2022		Change	
	Amount (MB)	% to Revenue	Amount (MB)	% to Revenue	Amount (MB)	% Change
Revenue from sale and rendering of services	4,125.6	100%	4,358.2	100%	(232.6)	-5%
Cost of sale and rendering of services	(1,641.9)	-40%	(1,353.3)	-31%	288.6	21%
Gross profit	2,483.7	60%	3,004.9	69%	(521.2)	-17%
Other income	86.4	2%	41.2	1%	45.2	109%
Selling and distribution expenses	(55.4)	-1%	(19.0)	0%	36.4	192%
Administrative expenses	(236.3)	-6%	(214.4)	-5%	21.9	10%
Gain (loss) on derivatives	4.5	0%	8.0	0%	(3.5)	-44%
Gain (loss) on financial assets	2.3	0%	5.1	0%	(2.8)	-55%
Profit (loss) from operating activities	2,285.2	55%	2,825.8	65%	(540.6)	-19%
Finance costs	(53.2)	-1%	(103.9)	-2%	(50.7)	-49%
Profit (loss) before income tax expense	2,232.0	54%	2,721.9	62%	(489.9)	-18%
Tax (expense) income	(258.1)	-6%	(257.6)	-6%	0.5	0%
Net profit (loss)	1,973.9	48%	2,464.3	57%	(490.4)	-20%
Other comprehensive income	0.7	0%	-	0%	0.7	
Total comprehensive income for the period	1,974.6	48%	2,464.3	57%	(489.7)	-20%

Net profit (Loss) attributable to :

Owners of the parent	1,838.0	2,320.5
Non-controlling interests	135.9	143.8
	1,973.9	2,464.3

Total comprehensive income attributable to:

Owners of the parent	1,838.7	2,320.5
Non-controlling interests	135.9	143.8
	1,974.6	2,464.3

Basic earnings per share (EPS) :

Number of shares (million shares)	1,055.8	1,055.8
Basic earnings per share (in Baht)	1.74	2.20

The operating results according to the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2023 presented the net profit of Baht 1,973.9 million or Baht 1.74 per share which decreased by Baht 490.4 million or 20%, compared to the net profit of Baht 2,464.3 million or Baht 2.20 per share of the year ended 31 December 2022. 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 2023 was Baht 4,125.6 million, decreased by Baht 232.6 million or 5%, compared to 2022 (Baht 4,358.2 million). The main reasons were as follows:

- Revenue from solar farm business of 2023 was Baht 2,981.5 million which decreased by Baht 739.3 million or 20%, compared to 2022 (Baht 3,720.8 million) due to the energy output of 2023 was 372.5 million units which decreasing by 1.8 million units or 0.5% from 374.3 million units and the revenue from subsidy of adders, 8 Baht per unit, for 23 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
6	Solar Power (Khon Kaen 1) Co., Ltd.	14 February 2022
7	Solar Power (Korat 3) Co., Ltd.	8 March 2022
8	Solar Power (Korat 4) Co., Ltd.	13 May 2022
9	Solar Power (Korat 7) Co., Ltd.	29 May 2022
10	Solar Power (Korat 5) Co., Ltd.	14 January 2023
11	Solar Power (Korat 8) Co., Ltd.	14 January 2023
12	Solar Power (Korat 9) Co., Ltd.	15 January 2023
13	Solar Power (Khon Kaen 3) Co., Ltd.	16 January 2023
14	Solar Power (Khon Kaen 4) Co., Ltd.	16 January 2023
15	Solar Power (Khon Kaen 5) Co., Ltd.	17 January 2023
16	Solar Power (Khon Kaen 8) Co., Ltd.	17 January 2023
17	AJ Technology Co., Ltd.	24 June 2023
18	Tipayanarai Co., Ltd.	24 June 2023
19	Solar Power (Korat 6) Co., Ltd.	25 June 2023
20	Solar Power (Bureerum 1) Co., Ltd.	25 June 2023



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21	Solar Power (Bureerum 2) Co., Ltd.	25 June 2023
22	Solar Power (Khon Kaen 2) Co., Ltd.	28 July 2023
23	Solar Power (Khon Kaen 7) Co., Ltd.	30 September 2023

- 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 2023 was Baht 1,058.2 million which increased by Baht 545.5 million or 106% compared to 2022 (Baht 512.7 million) as a result of electricity rate was higher. Therefore, many businesses turned to install solar roof to reduce electricity cost.

1.2 Cost of Sale and Rendering of Services and Gross Profit

Cost of sale and rendering of services of 2023 was Baht 1,641.9 million, increased by Baht 288.6 million or 21%, compared to 2022 (Baht 1,353.3 million). The increase in cost of sale and rendering of services was aligned to the revenue of solar roof business (SPR).

Gross profit margin of 2023 was 60%, decreased from the period of 2022 (69%). The main reason was the decreasing in the proportion of solar farm business, which higher gross profit margin decreased from 85% to 72% of total revenue.

1.3 Selling and Distribution Expenses

Selling and distribution expenses of 2023 was Baht 55.4 million, increased by Baht 36.4 million or 192%, compared to 2022 (Baht 19.0 million). The increase in selling and distribution expenses was aligned to the revenue of solar roof business (SPR)

1.4 Administrative Expenses

Administrative expenses of 2023 was Baht 236.3 million, increased by Baht 21.9 million or 10%, compared to 2022 (Baht 214.4 million). The main reasons were as follows:

- In 2023, the employee expense increased by Baht 8.4 million.
- In 2023, the donation increased by Baht 6.8 million.

1.5 Other Income

Other income of 2023 was Baht 86.4 million, increased by Baht 45.2 million or 109%, compared to 2022 (Baht 41.2 million). The main reason was interest income on deposits with financial institutions as a result of interest rate was higher.



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1.6 Finance Costs

Finance costs of 2023 was Baht 53.2 million, decreased by Baht 50.7 million or 49% compared to 2022 (Baht 103.9 million). The main reason was the repayment of debentures in amount of Baht 1,250.0 million and Baht 650.0 million in the year 2022 and 2023, respectively.

2. Analysis of Financial Position According to Consolidated Financial Statement

2.1 Analysis of Assets

As at 31 December 2023, the total assets were Baht 23,896.9 million, increased by Baht 178.7 million or 1%, compared to balance as of 31 December 2022 which was Baht 23,718.2 million. The details were as follows:

	31-Dec-23	31-Dec-22	Change	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	% Change
Property, plant and equipment, net	16,231.4	16,746.9	(515.5)	-3%
Other assets	7,665.5	6,971.3	694.2	10%
Total assets	23,896.9	23,718.2	178.7	1%

- As at 31 December 2023, property, plant and equipment were Baht 16,231.4 million, decreased by Baht 515.5 million or 3%, compared to balance as of 31 December 2022 which was Baht 16,746.9 million. The main reasons were as follows:
 - Depreciation in amount of Baht 638.6 million.
 - SET Energy Co., Ltd developed the land of EEC project in amount of Baht 83.5 million.
- As at 31 December 2023, other assets were Baht 7,665.5 million, increased by Baht 694.2 million or 10%, compared to balance as of 31 December 2022 which was Baht 6,971.3 million. The main reasons were as follows:
 - The increase in cash and deposits with financial institutions in amount of Baht 1,209.7 million.
 - The decrease in trade accounts receivable in amount of Baht 300.6 million.
 - The decrease in inventories in amount of Baht 103.7 million.

2.2 Analysis of Liabilities and Shareholders' Equity

As at 31 December 2023, the total liabilities and shareholders' equity were Baht 23,896.9 million, increased by Baht 178.7 million or 1%, compared to balance as of 31 December 2022 which was Baht 23,718.2 million. The details were as follows:



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	31-Dec-23	31-Dec-22	Change	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	% Change
Interest bearing debt	1,556.7	2,196.8	(640.1)	-29%
Other liabilities	491.8	547.5	(55.7)	-10%
Shareholders' equity	21,848.4	20,973.9	874.5	4%
Total liabilities and shareholders' equity	23,896.9	23,718.2	178.7	1%

- As at 31 December 2023, interest bearing debt was Baht 1,556.7 million, decreased by Baht 640.1 million or 29%, compared to balance as of 31 December 2022 which was Baht 2,196.8 million. The main reasons were as follows:
 - The repayment of the debentures in amount of Baht 650.0 million.
- As at 31 December 2023, other liabilities were Baht 491.8 million, decreased by Baht 55.7 million or 10%, compared to balance as of 31 December 2022 which was Baht 547.5 million. The main reasons were as follows:
 - The decrease in construction payable of SET Energy Co., Ltd in amount of Baht 37.7 million.
- As at 31 December 2023, shareholders' equity was Baht 21,848.4 million, increased by Baht 874.5 million or 4%, compared to balance as of 31 December 2022 which was Baht 20,973.9 million. The main reasons were as follows:
 - The net profit was Baht 1,973.9 million.
 - The payment of dividend was Baht 1,152.9 million.
 - The proceed from call for additional paid-up capital of SET Energy Co., Ltd in amount of Baht 52.8 million.

2.3 The Appropriateness of Financial Structure

According to statement of financial position as at 31 December 2023, debt to equity ratio was 0.09 times, decreased from the ratio as at 31 December 2022, 0.13 times. The main reasons were as follows:

- The repayment of the debentures in amount of Baht 650.0 million.
- The net profit was Baht 1,973.9 million.
- The payment of dividend was Baht 1,152.9 million.



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3. Analysis of Cash Flow According to Consolidated Financial Statement

	Year Ended 31 December		
	2023	2022	Change
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)
Net cash generated from (used in) operating activities	3,073.3	3,424.3	(351.0)
Net cash generated from (used in) investing activities	1,464.6	1,425.8	38.8
Net cash generated from (used in) financing activities	(1,828.2)	(3,162.7)	1,334.5
Net increase (decrease) in cash and cash equivalents	2,709.7	1,687.4	1,022.3
Cash and cash equivalents at the beginning of the period	1,733.5	46.1	1,687.4
Cash and cash equivalents at the end of the period	4,443.2	1,733.5	2,709.7

As at 31 December 2023, cash and cash equivalents were Baht 4,443.2 million, increased by Baht 2,709.7 million from Baht 1,733.5 million as at 31 December 2022. The reasons were as follows:

- 1) Net cash generated from operating activities in amount of Baht 3,073.3 million, resulting in
 - Net cash generated from operating in amount of Baht 3,317.5 million.
 - Taxes paid in amount of Baht 244.2 million.
- 2) Net cash generated from investing activities in amount of Baht 1,464.6 million, resulting in
 - Cash proceed from fixed deposit with financial institution in amount of Baht 1,500.0 million.
 - Cash paid for acquisition of property plant and equipment in amount of Baht 134.6 million.
- 3) Net cash used in financing activities in amount of Baht 1,828.2 million, resulting in
 - Repayment of debentures in amount of Baht 650.0 million.
 - Dividend paid in amount of Baht 1,152.9 million.

Please be informed accordingly.

Yours sincerely,

(Dr. Wandee Khunchornyakong Juljarearn)

Chief Executive Officer