



MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

1. Analysis of Operation Results According to Consolidated Financial Statement

	January - March					
	2021		2020		Change	
	Amount (MB)	% to Revenue	Amount (MB)	% to Revenue	Amount (MB)	% Change
REVENUES	1,172.7	100%	1,454.7	100%	(282.0)	-19%
COST OF SALES	(242.6)	-21%	(449.2)	-31%	(206.6)	-46%
GROSS PROFIT	930.1	79%	1,005.5	69%	(75.4)	-7%
OTHER INCOME	6.1	1%	6.9	0%	(0.8)	-12%
SELLING EXPENSES	(0.1)	0%	(16.1)	-1%	(16.0)	-99%
ADMINISTRATIVE EXPENSES	(85.3)	-7%	(63.9)	-4%	21.4	33%
GAIN (LOSS) ON DERIVATIVES	11.1	1%	16.4	1%	(5.3)	-32%
GAIN (LOSS) ON FINANCIAL ASSETS	2.4	0%	(29.5)	-2%	31.9	108%
SHARE OF GAIN (LOSS) OF ASSOCIATE ACCOUNTED	-	0%	0.2	0%	(0.2)	-100%
EBIT	864.3	74%	919.5	63%	(55.2)	-6%
FINANCE COSTS	(45.6)	-4%	(69.1)	-5%	(23.5)	-34%
EBT	818.7	70%	850.4	58%	(31.7)	-4%
INCOME TAX EXPENSE	(36.4)	-3%	(12.6)	-1%	23.8	189%
NET PROFIT (LOSS)	782.3	67%	837.8	58%	(55.5)	-7%

Net Profit (Loss) attributable to :

Owners of the parent	700.1	749.0
Non-controlling interests	82.2	88.8
	782.3	837.8

EARNINGS PER SHARE

NO. OF SHARES (Million shares)	1,008.5	974.0
EPS (Baht per share)	0.69	0.77

The operating results according to the consolidated financial statements of the Company and its subsidiaries for the three-month period ended 31 March 2021 presented the net profit of Baht 782.3 million or Baht 0.69 per share which decreased by Baht 55.5 million or 7.0%, compared to the net profit of Baht 837.8 million or Baht 0.77 per share of the year ended 31 December 2020. The significant reasons were as follows:



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

1.1 Revenue from Sales and Services

Revenue from sales and services for 3M 2021 was Baht 1,172.7 million, decreased by Baht 282.0 million or 19%, compared to period of 3M 2020 (Baht 1,454.7 million). The main reasons were as follows:

- Revenue from solar farm business for 3M 2021 was Baht 1,131.6 million which decreased by Baht 21.1 million or 2%, compared to period of 3M 2020 (Baht 1,152.7 million). due to the revenue from subsidy of adders, 8 Baht per unit, of Solar Power (Korat 1) Co., Ltd. had already expired on 20 April 2020 and Solar Power (Sakon nakorn 1) Co., Ltd. had already expired on 9 February 2021. However the energy output for 3M 2021 was 105.1 million units which increasing by 3.2 million units or 3% from 101.9 million units.
- Solar Power Roof Company Limited (SPR), operates the business of solar roof installation for residential, commercial and industrial customers, its revenue from sales and services for period of 3M 2021 was Baht 4.1 million which decreased by Baht 253.8 million or 98% compared to period of 3M 2020 (Baht 257.9 million).
- Steel Roof Company Limited (SRC), operates the business of metal sheet roofing distribution and installation, the revenue from sales and services for 3M 2021 was Baht 23.3 million which decreased by Baht 10.9 million or 32%, compared to period of 3M 2020. (Revenue was 34.2 million)

1.2 Cost of Sales and Services and Gross Profit

Cost of sales and services of 3M 2021 was Baht 242.6 million, decreased by Baht 206.6 million or 46%, compared to period of 3M 2020 (Baht 449.2 million). The decrease in cost of sales and services was aligned to the decline revenue of solar roof business (SPR) and the company could reduce the operation and maintenance cost of solar farm by Baht 23.7 million.

Gross profit margin of 3M 2021 was 79%, increased from the period of 3M 2020 (gross profit was 69%) because the company could reduce the operation and maintenance cost of solar farm by Baht 23.7 million.

1.3 Selling Expenses

Selling expenses for 3M 2021 was Baht 0.1 million, decreased by Baht 16.0 million or 99%, compared to period of 3M 2020 (Baht 16.1 million). The decrease in selling expenses was in line with the decline revenue of solar roof business (SPR).



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

1.4 Administrative Expenses

Administrative expenses for 3M 2021 was Baht 85.3 million, increased by Baht 21.4 million or 33%, compared to period of 3M 2020 (Baht 63.9 million). The main reason was the financial advisor fee for investing in Set Energy Co., Ltd. was Baht 23.4 million.

1.5 Gain on Derivatives

Gain on derivatives of interest rate swaps for 3M 2021 was Baht 11.1 million, decreased by Baht 5.3 million or 32% compared to period of 3M 2020 (Baht 16.4 million) due to the higher interest rate in money market.

1.6 Gain on Financial Assets

Gain on financial assets for 3M 2021 was Baht 2.4 million due to the gain on investments in short-term fixed income funds.

Loss on financial assets for 3M 2020 was Baht 29.5 million due to the loss on investments in short-term fixed income funds as a result of volatility in the bond market, impacted from COVID-19.

1.7 Finance Costs

Finance costs for 3M 2021 was Baht 45.6 million, decreased by Baht 23.5 million or 34% compared to period of 3M 2020 (Baht 69.1 million). The main reason was the Company paid for debentures principle of Baht 1,700.0 million and Baht 500 million in the year 2020 and 2021, respectively.



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

2. Analysis of Financial Position According to Consolidated Financial Statement

2.1 Analysis of Assets

As at 31 March 2021, the total assets were Baht 21,958.8 million, increased by Baht 240.6 million or 1%, compared to balance as of 31 December 2020 which was Baht 21,718.2 million. The details were as follows:

	31-Mar-21	31-Dec-20	Change	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	% Change
Property, plant and equipment, net	16,242.1	15,263.5	978.6	6%
Other assets	5,716.7	6,454.7	(738.0)	-11%
Total assets	21,958.8	21,718.2	240.6	1%

- As at 31 March 2021, property, plant and equipment were Baht 16,242.1 million, increased by Baht 978.6 million or 6%, compared to balance as of 31 December 2020 which was Baht 15,263.5 million. The main reason was the acquisition of land in amount of Baht 1,044.7 million and the depreciation in amount of Baht 160.5 million.
- As at 31 March 2021, other assets were Baht 5,716.7 million, decreased by Baht 738.0 million or 11%, compared to balance as of 31 December 2020 which was Baht 6,454.7 million. The main reasons were as follows:
 - The decrease in short-term fixed income funds in amount of Baht 310.4 million.
 - The decrease in cash and cash equivalents in amount of Baht 267.4 million.
 - The decrease in trade accounts receivable in amount of Baht 161.1 million.

2.2 Analysis of Liabilities and Shareholders' Equity

As at 31 March 2021, the total liabilities and shareholders' equity were Baht 21,958.8 million, increased by Baht 240.6 million or 1%, compared to balance as of 31 December 2020 which was Baht 21,718.2 million. The details were as follows:

	31-Mar-21	31-Dec-20	Change	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	% Change
Interest bearing debt	3,681.7	4,188.9	(507.2)	-12%
Other liabilities	421.0	373.6	47.4	13%
Shareholders' equity	17,856.1	17,155.7	700.4	4%
Total liabilities and shareholders'	21,958.8	21,718.2	240.6	1%



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

- As at 31 March 2021, interest bearing debt was Baht 3,681.7 million, decreased by Baht 507.2 million or 12%, compared to balance as of 31 December 2020 which was Baht 4,188.9 million.

The main reasons were as follows:

- The repayment of the debentures in amount of Baht 500.0 million.
- As at 31 March 2021, other liabilities were Baht 421.0 million, increased by Baht 47.4 million or 13%, compared to balance as of 31 December 2020 which was Baht 373.6 million. The main reasons were as follows:

- The increase in income tax payable in amount of Baht 30.0 million.
 - The increase in trade and other accounts payable in amount of Baht 25.0 million.
 - The increase in derivatives liabilities of interest rate swaps in amount of Baht 11.1 million.
- As at 31 March 2021, shareholders' equity was Baht 17,856.1 million, increased by Baht 700.4 million or 4%, compared to balance as of 31 December 2020 which was Baht 17,155.7 million.

The main reasons were as follows:

- The net profit for Q1'2021 was Baht 782.3 million.
- The issuance of share capital in amount of Baht 81.8 million.
- The payment of dividend was Baht 82.0 million

2.3 The Appropriateness of Financial Structure

According to statement of financial position as at 31 March 2021, debt to equity ratio equal to 0.23 times, decreased from the ratio as at 31 December 2020 by 0.27 times mainly due to

- The repayment of the debentures in amount of Baht 500.0 million.
- The net profit for Q1'2021 was Baht 782.3 million.
- The issuance of share capital in amount of Baht 81.8 million.
- The payment of dividend was Baht 82.0 million.



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

3. Analysis of Cash Flow According to Consolidated Financial Statement

	January - March		
	2021	2020	Change
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)
Net cash generated from (used in) operating activities	1,173.9	1,165.8	8.1
Net cash generated from (used in) investing activities	(833.8)	(8.8)	(825.0)
Net cash generated from (used in) financing activities	(607.5)	(52.0)	(555.5)
Net increase (decrease) in cash and cash equivalents	(267.4)	1,105.0	(1,372.4)
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	468.0	1,565.1	(1,097.1)

As at 31 March 2021, cash and cash equivalents were Baht 468.0 million, decreased by Baht 267.4 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 1,173.9 million, resulting in
 - Net cash generated from operating profit in amount of Baht 1,181.2 million
 - Taxes paid in amount of Baht 7.3 million
- 2) Net cash used in investing activities in amount of Baht 833.8 million, resulting in
 - Cash proceed from sale of investments in short-term fixed income funds in amount of Baht 2,381.9 million
 - Cash paid for acquisition of investments in short-term fixed income funds in amount of Baht 2,071.0 million
 - Cash paid for acquisition of property, plant and equipment in amount of Baht 1,147.4 million
- 3) Net cash used in financing activities in amount of Baht 607.5 million.
 - Repayment of debenture in amount of Baht 500.0 million
 - Dividend paid in amount of Baht 82.0 million
 - Interest paid in amount of Baht 16.8 million

Please be informed accordingly.

Yours sincerely,

(Dr. Wandee Khunchornyakong Juljareem)

Chief Executive Officer