



MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

1. Analysis of Operation Results According to Consolidated Financial Statement

	January - June					
	2021		2020		Change	
	Amount (MB)	% to Revenue	Amount (MB)	% to Revenue	Amount (MB)	% Change
REVENUES	2,360.6	100%	2,629.2	100%	(268.6)	-10%
COST OF SALES	(620.9)	-26%	(755.5)	-29%	(134.6)	-18%
GROSS PROFIT	1,739.7	74%	1,873.7	71%	(134.0)	-7%
OTHER INCOME	27.7	1%	13.5	1%	14.2	105%
SELLING EXPENSES	(5.8)	0%	(17.4)	-1%	(11.6)	-67%
ADMINISTRATIVE EXPENSES	(143.9)	-6%	(142.8)	-5%	1.1	1%
GAIN (LOSS) ON DERIVATIVES	21.5	1%	32.2	1%	(10.7)	-33%
GAIN (LOSS) ON FINANCIAL ASSETS	7.1	0%	(2.4)	0%	9.5	396%
SHARE OF GAIN (LOSS) OF ASSOCIATE ACCOUNTED	-	0%	(0.9)	0%	0.9	100%
EBIT	1,646.3	70%	1,755.9	67%	(109.6)	-6%
FINANCE COSTS	(94.1)	-4%	(136.6)	-5%	(42.5)	-31%
EBT	1,552.2	66%	1,619.3	62%	(67.1)	-4%
INCOME TAX EXPENSE	(68.6)	-3%	(35.0)	-1%	33.6	96%
NET PROFIT (LOSS)	1,483.6	63%	1,584.3	60%	(100.7)	-6%

Net Profit (Loss) attributable to :

Owners of the parent	1,337.1	1,412.3
Non-controlling interests	146.5	172.0
	1,483.6	1,584.3

EARNINGS PER SHARE

NO. OF SHARES (Million shares)	1,032.3	974.0
EPS (Baht per share)	1.30	1.45

The operating results according to the consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2021 presented the net profit of Baht 1,483.6 million or Baht 1.30 per share which decreased by Baht 100.7 million or 6%, compared to the net profit of Baht 1,584.3 million or Baht 1.45 per share of the year ended 31 December 2020. The significant reasons were as follows:



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1.1 Revenue from Sales and Services

Revenue from sales and services for 1H 2021 was Baht 2,360.6 million, decreased by Baht 268.6 million or 10%, compared to period of 1H 2020 (Baht 2,629.2 million). The main reasons were as follows:

- Revenue from solar farm business for 1H 2021 was Baht 2,109.1 million which decreased by Baht 131.3 million or 6%, compared to period of 1H 2020 (Baht 2,240.4 million) due to the energy output for 1H 2021 was 199.2 million units which decreasing by 1.1 million units or 1% from 200.3 million units and the revenue from subsidy of adders, 8 Baht per unit, for 3 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.	19 April 2021

- 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 1H 2021 was Baht 121.4 million which decreased by Baht 187.5 million or 61% compared to period of 1H 2020 (Baht 308.9 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 sales and services for 1H 2021 was Baht 105.5 million which increased by Baht 48.3 million or 84%, compared to period of 1H 2020 (Baht 57.2 million)

1.2 Cost of Sales and Services and Gross Profit

Cost of sales and services of 1H 2021 was Baht 620.9 million, decreased by Baht 134.6 million or 18%, compared to period of 1H 2020 (Baht 755.5 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 (O&M) cost of solar farm by Baht 26.1 million.

Gross profit margin of 1H 2021 was 74%, increased from the period of 1H 2020 (71%) 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 Expenses

Selling expenses for 1H 2021 was Baht 5.8 million, decreased by Baht 11.6 million or 67%, compared to period of 1H 2020 (Baht 17.4 million). The decrease in selling expenses was in line with the decline of revenue of solar roof business (SPR).

1.4 Administrative Expenses

Administrative expenses for 1H 2021 was Baht 143.9 million, increased by Baht 1.1 million or 1%, compared to period of 1H 2020 (Baht 142.8 million). The main reason was the financial advisor fee for investing in Set Energy Co., Ltd. was Baht 23.4 million while the company got loss on exchange rates by Baht 21.2 million in 2020.

1.5 Gain (Loss) on Derivatives

Gain on derivatives of interest rate swaps for 1H 2021 was Baht 21.5 million, decreased by Baht 10.7 million or 33% compared to period of 1H 2020 (Baht 32.2 million) due to the interest rate had an upward trend in the money market.

1.6 Gain (Loss) on Financial Assets

Gain on financial assets for 1H 2021 was Baht 7.1 million due to the gain on investments in short-term fixed income funds.

Loss on financial assets for 1H 2020 was Baht 2.4 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 1H 2021 was Baht 94.1 million, decreased by Baht 42.5 million or 31% compared to period of 1H 2020 (Baht 136.6 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 SIX-MONTH PERIOD ENDED 30 JUNE 2021

2. Analysis of Financial Position According to Consolidated Financial Statement

2.1 Analysis of Assets

As at 30 June 2021, the total assets were Baht 23,459.4 million, increased by Baht 1,741.2 million or 8%, compared to balance as of 31 December 2020 which was Baht 21,718.2 million. The details were as follows:

	30-Jun-21	31-Dec-20	Change	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	% Change
Property, plant and equipment, net	17,248.3	15,263.5	1,984.8	13%
Other assets	6,211.1	6,454.7	(243.6)	-4%
Total assets	23,459.4	21,718.2	1,741.2	8%

- As at 30 June 2021, property, plant and equipment were Baht 17,248.3 million, increased by Baht 1,984.8 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 2,006.3 million
 - Depreciation in amount of Baht 322.6 million.

- As at 30 June 2021, other assets were Baht 6,211.0 million, decreased by Baht 243.7 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 653.1 million.
 - The decrease in cash and cash equivalents in amount of Baht 631.2 million.
 - The decrease in trade accounts receivable in amount of Baht 156.1 million.
 - The decrease in inventories in amount of Baht 52.4 million.
 - The decrease in prepaid warranty extension in amount of Baht 25.0 million.



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

2.2 Analysis of Liabilities and Shareholders' Equity

As at 30 June 2021, the total liabilities and shareholders' equity were Baht 23,459.4 million, increased by Baht 1,741.2 million or 8%, compared to balance as of 31 December 2020 which was Baht 21,718.2 million. The details were as follows:

	30-Jun-21	31-Dec-20	Change	
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)	% Change
Interest bearing debt	4,677.1	4,188.9	488.2	12%
Other liabilities	333.8	373.6	(39.8)	-11%
Shareholders' equity	18,448.5	17,155.7	1,292.8	8%
Total liabilities and shareholders'	23,459.4	21,718.2	1,741.2	8%

- As at 30 June 2021, interest bearing debt was Baht 4,677.1 million, increased by Baht 488.2 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 increase short-term loans from financial institutions in amount of Baht 997.0 million.
- The repayment of the debentures in amount of Baht 500.0 million.

- As at 30 June 2021, other liabilities were Baht 333.8 million, decreased by Baht 39.8 million or 11%, 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 30.3 million.
- The decrease in derivatives liabilities of interest rate swaps in amount of Baht 20.6 million.

- As at 30 June 2021, shareholders' equity was Baht 18,448.5 million, increased by Baht 1,292.8 million or 8%, 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 1H 2021 was Baht 1,483.6 million.
- The payment of dividend was Baht 816.9 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 30 June 2021, debt to equity ratio equal to 0.27 times, there was no significant change from 2020.



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3. Analysis of Cash Flow According to Consolidated Financial Statement

	January - June		
	2021	2020	Change
	Amount (Million Baht)	Amount (Million Baht)	Amount (Million Baht)
Net cash generated from (used in) operating activities	2,118.4	2,211.6	(93.2)
Net cash generated from (used in) investing activities	(2,947.0)	(1,517.1)	(1,429.9)
Net cash generated from (used in) financing activities	197.4	(992.9)	1,190.3
Net increase (decrease) in cash and cash equivalents	(631.2)	(298.4)	(332.8)
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	104.2	161.7	(57.5)

As at 30 June 2021, cash and cash equivalents were Baht 104.2 million, decreased by Baht 631.2 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 2,118.4 million, resulting in
 - Net cash generated from operating profit in amount of Baht 2,184.1 million
 - Taxes paid in amount of Baht 65.7 million
- 2) Net cash used in investing activities in amount of Baht 2,947.0 million, resulting in
 - Cash proceed from sale of investments in short-term fixed income funds in amount of Baht 4,694.5 million
 - Cash paid for acquisition of investments in short-term fixed income funds in amount of Baht 5,345.8 million
 - Cash paid for acquisition of property, plant and equipment in amount of Baht 2,316.7 million
- 3) Net cash generated from financing activities in amount of Baht 197.4 million.
 - Proceeds from short-term loan from financial institutions in amount of Baht 1,000 million
 - Proceeds from the share capital increase in amount of Baht 626.0 million
 - Repayment of debenture in amount of Baht 500.0 million
 - Dividend paid in amount of Baht 816.9 million
 - Interest paid in amount of Baht 97.8 million

Please be informed accordingly.

Yours sincerely,

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Chief Executive Officer