

Sernsang Power Corporation Public Company Limited

Results of 3rd Quarter 2018

19 November 2018



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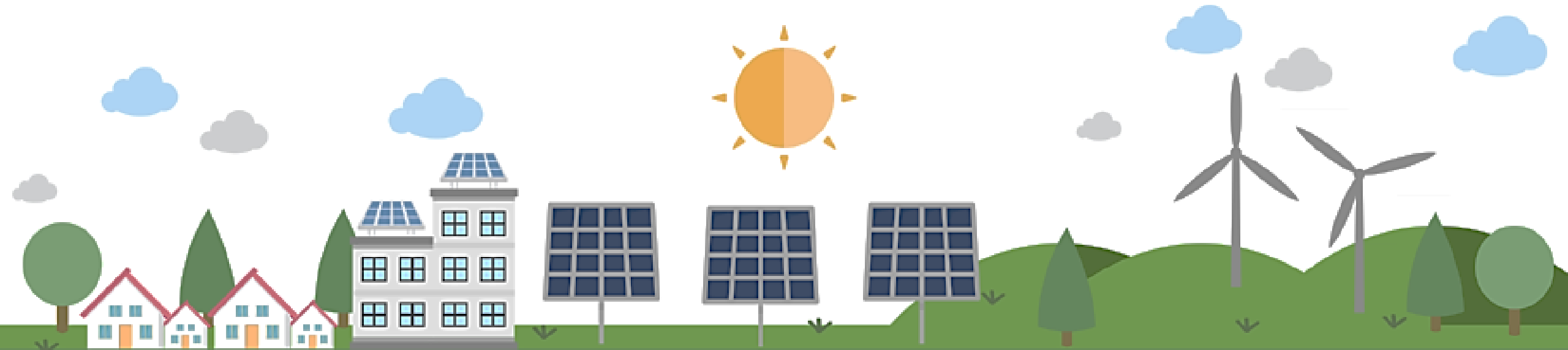
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Key Highlights

- 9M18 results are at satisfactory level; sale and EBITDA growth of around 21-22%, NI growth 41.5%, and COP growth 8.4%.
- Contribution from 2 JP solar projects achieved COD (Hidaka from Mar-18 and Zouen from Aug-18)
 - Revenue contribution: approx. 25% in 3Q18 and approx. 20% for 9M18.
 - Transmission line interruption affected Hidaka project of approx. 9 days during 3Q18 but no major damage to the plant.
 - August: 4 days, maintenance by local electricity authority.
 - September: 5 days, earth quake.
- SPN's volume continued to be lower than last year: -5.2% for 9M18 (-6.1% for 6M18).
- Seasonality effect for 3Q (rainy) vs. 2Q (summer) on both Thailand and Japan solar projects.
- WVO solar is expected to reach COD end Nov – early Dec.
- Leo project closed financing and started construction during 3Q18.
- Khunsight Khundi project (Mongolia): construction progress is more than 90%.
- Binh Nguyen project (Vietnam): PPA signed; EPC signed and construction started



Progress Report of Projects under Construction/Development

SSP Group Portfolio - Over 200 Equity MWp under Operation and Construction

Installed MWp / SSP Installed Equity MWp

Mongolia – total 12.3 MWp

Construction

▪ **Khunshight Kundi** 16.4/12.3 MWp

Japan – total 97.32 MWp

Operational

▪ **Hidaka** 21/18.27 MWp
 ▪ **Zouen** 8/8 MWp

Construction

▪ **Yamaga** 34.5/31.05 MWp
 ▪ **Leo** 40/40 MWp

Thailand – total 62 MWp

Operational

▪ **SPN** 52/52 MWp
 ▪ **SNNP1** 0.384/0.384 MWp
 ▪ **SNNP2** 0.998/0.998 MWp
 ▪ **Do Home 1** 3/3 MWp

Construction

▪ **Solar WVO** 5/5 MWp
 ▪ **SNNP 3 & 4** 0.6/0.6 MWp

Vietnam – total 39.68 MWp

Construction

▪ **Binh Nguyen** 49.6/39.68 MWp



Zouen 8MW: COD 1st August 2018



Yamaga 34.5MW: Construction Progress (Site Preparation)

As of Oct-18



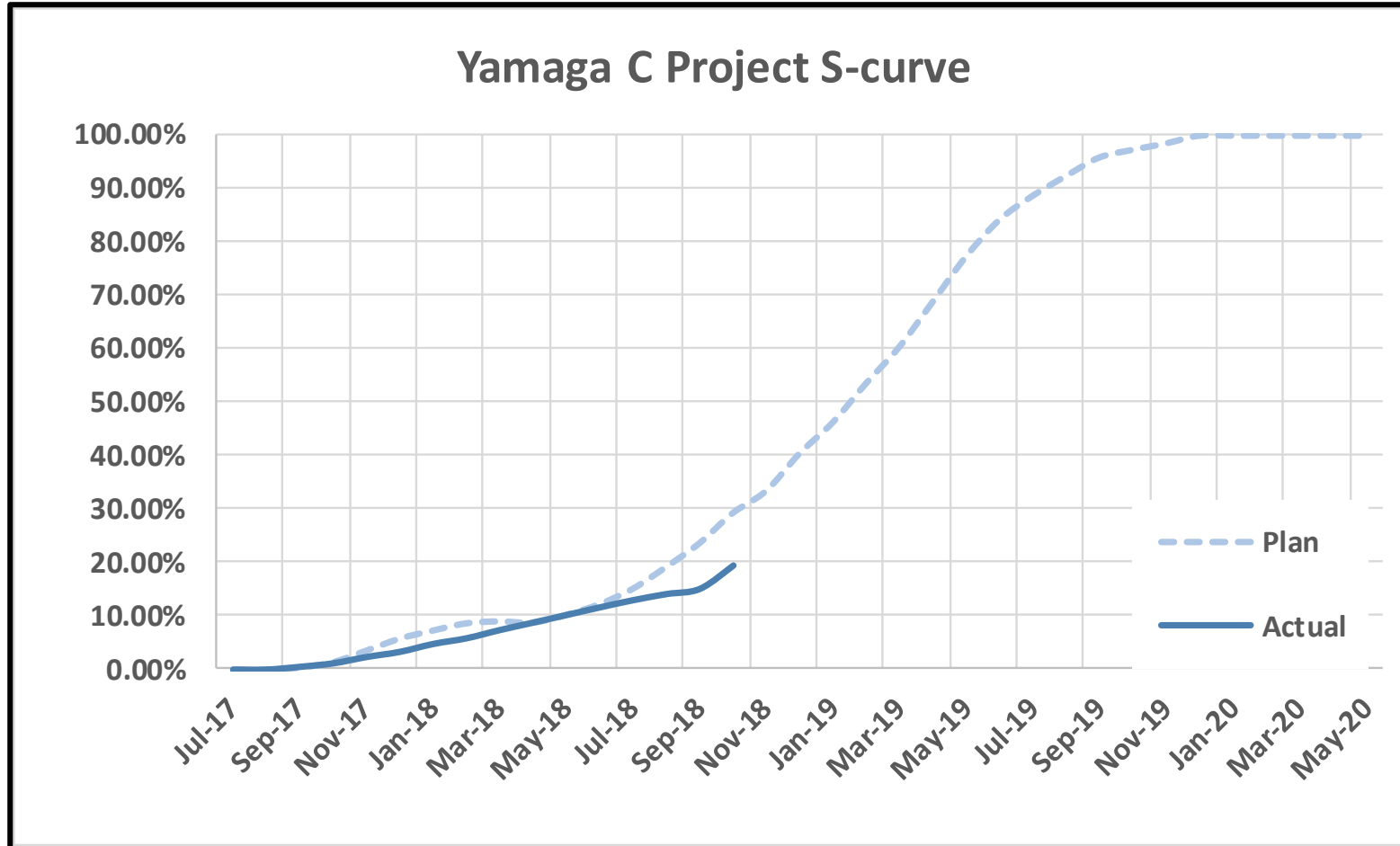
Yamaga 34.5MW: Construction Progress (Site Preparation)

As of Oct-18



Construction Progress (Yamaga)

As of Oct-18



Current & Next Progress: Yamaga



Current Progress (As of Oct.2018)

| | | |
|--------------------------------|---|------------------|
| Material Delivery | : | TBD |
| Site Preparation | : | 19.37% Completed |
| Civil Work | : | TBD |
| Piling Work | : | TBD |
| Mounting Assembly | : | TBD |
| PV Panel Installation | : | TBD |
| Wiring Work | : | TBD |
| Security and Monitoring System | : | TBD |
| Substation Work | : | TBD |

Next Progress

| | | |
|------------------|---|-------------------------------------|
| Site Preparation | : | 33.50% Completed by end of Nov 2018 |
|------------------|---|-------------------------------------|

Khunsight Kundi: Construction Progress



Khunsight Kundi: Construction Progress

As of Nov-18



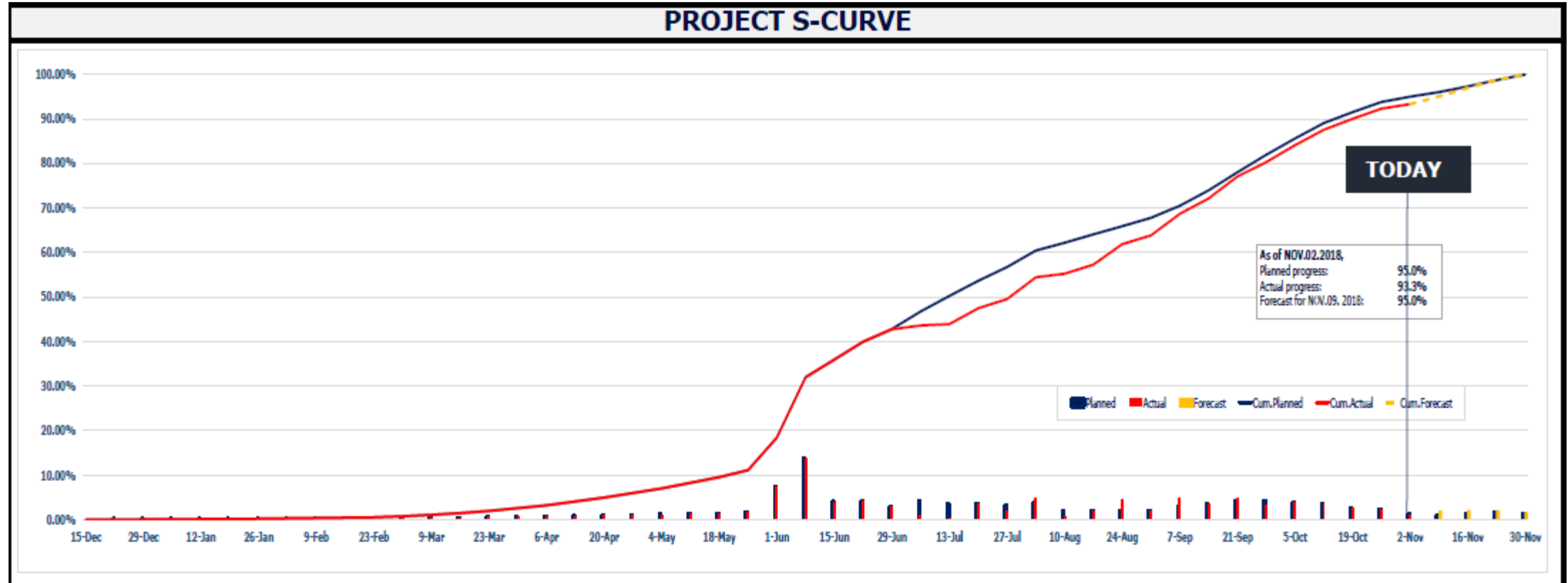
Khunsight Kundi: Construction Progress

As of Nov-18



Khunsight Kundi: Construction Progress

OVER ALL Progress 93.30% (As of 2 Nov 2018)



WVO Solar 5MW : Construction Progress

As of Nov-18



WVO Solar 5MW : Construction Progress

As of Nov-18



Current & Next Progress: WVO Solar

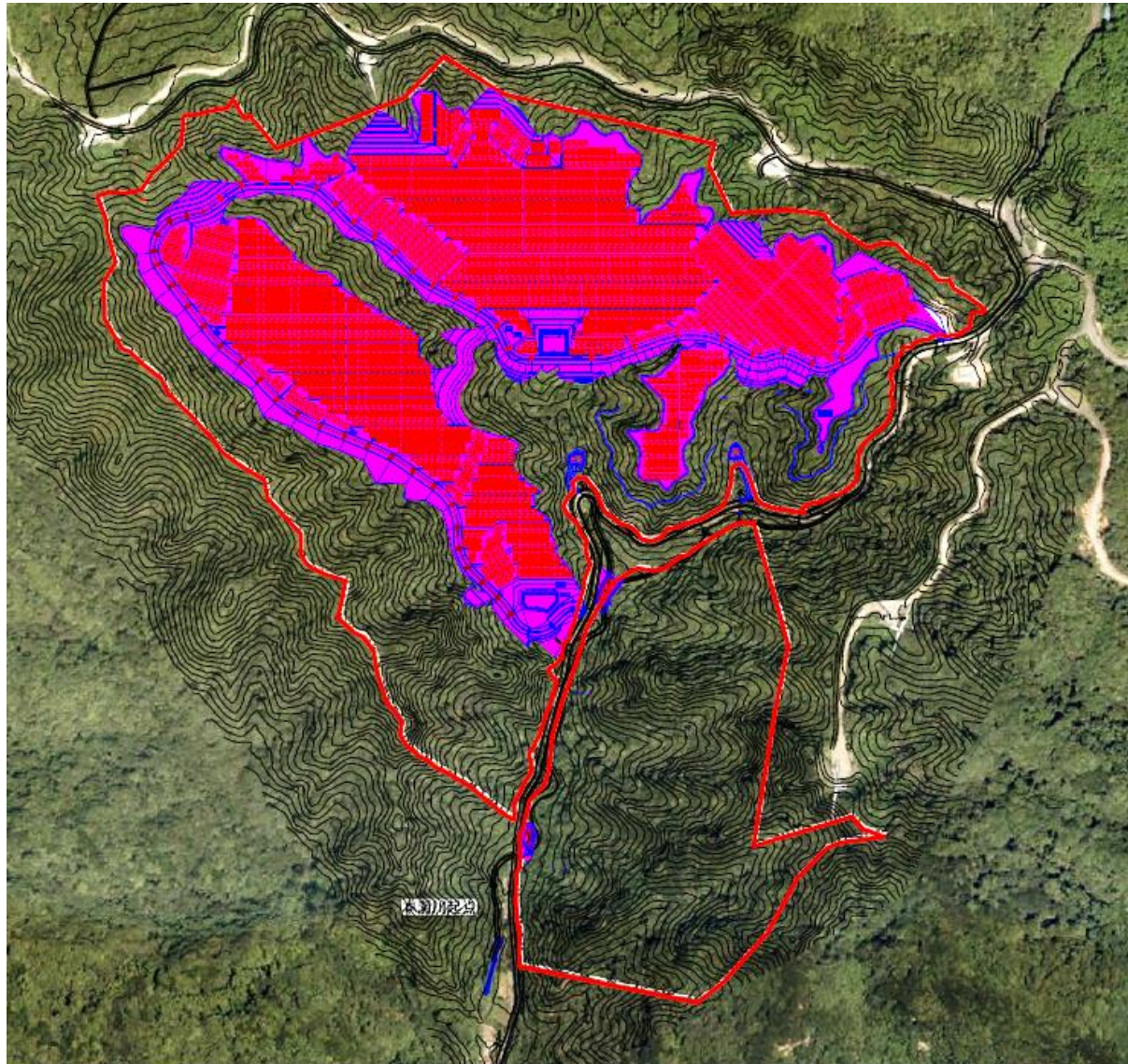
Current Progress (As of Oct.2018) OVER ALL Progress 85.97%

| | | |
|--------------------------------|---|-----------------|
| Material Delivery | : | 95.2% Completed |
| Site Preparation | : | 100% Completed |
| Civil Work | : | 80% Completed |
| Piling Work | : | 100% Completed |
| Mounting Assembly | : | 100% Completed |
| PV Panel Installation | : | 100% Completed |
| Wiring Work | : | 90% Completed |
| Security and Monitoring System | : | 60% Completed |
| Control Building Work | : | 90% Completed |

Next Progress

SCOD : 22nd November 2018

Leo (Ashita 1) 26MW: Construction Progress



三井住友信託銀行
SUMITOMO MITSUI TRUST BANK



- Leo:
 - EPC contract signed (Daiwa House)
 - Construction commenced in September 2018
 - Financing closed (SMTB) in September 2018

Binh Nguyen Solar (Vietnam) 49.61MW: Construction Progress



- **Binh Nguyen:**

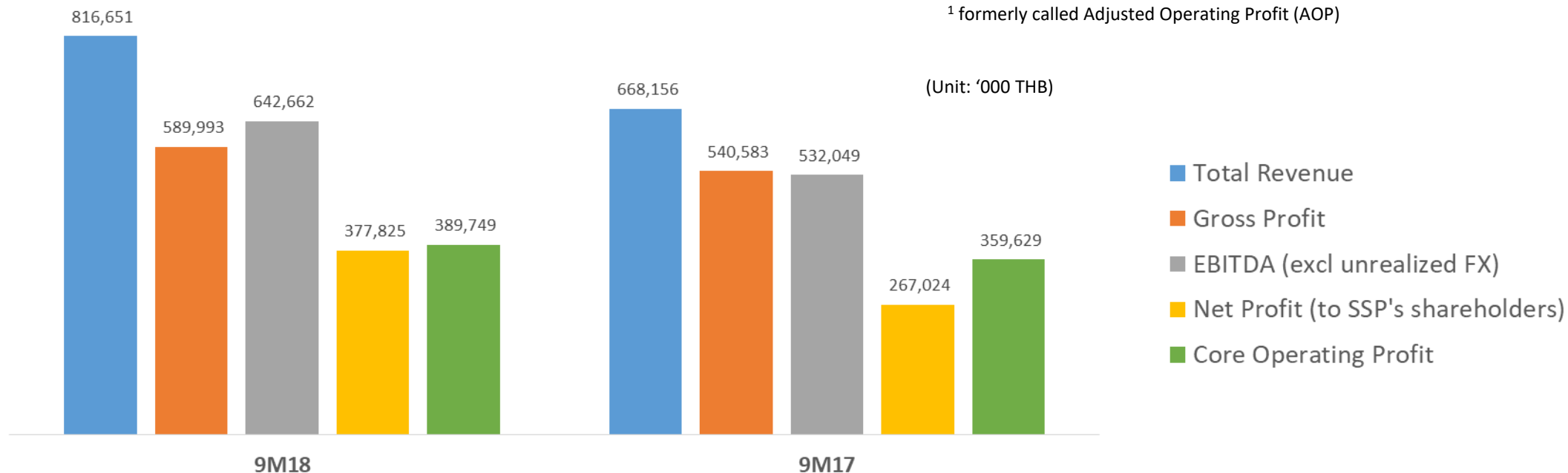
- EPC contract and Power Purchase Agreement signed
- Construction commenced in October 2018
- Expect to close financing in early 2019

3rd Quarter of 2018 Results

Key Financial Highlights (9M18 vs 9M17)

9M18 vs 9M17

- Total Revenue and Gross Profit was +22.4% and +9.1%:
 - Contribution from new projects, including Hidaka (COD @ Mar'18), Zouen (COD @ Aug'18), DoHome solar rooftop (COD @ Jul'18), despite lower SPN's volume by -5.2% (YTD)
- EBITDA (excluded unrealized FX gain/loss) is +20.8%, mainly driven from new projects starting COD during the year.
- While Net Profit is +41.5%, Core Operating Profit is +8.4%.



| | 9M (YTD) |
|------------------------------------|----------|
| Total Revenue | 22.4% |
| Gross Profit | 9.1% |
| EBITDA (excl. unrealized FX) | 20.8% |
| Net Profit (to SPP's shareholders) | 41.5% |
| Core Operating Profit ¹ | 8.4% |

¹ formerly called Adjusted Operating Profit (AOP)

Key Financial Highlights (Quarterly YoY and QoQ)

3Q18 vs 3Q17 (YoY)

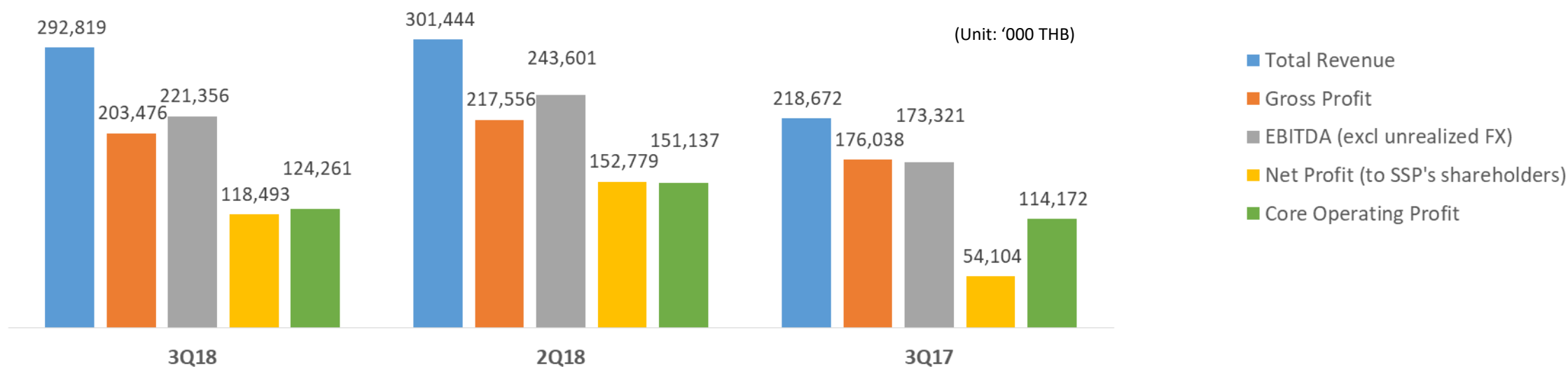
- Total Revenue and Gross profit was +33.9% and +15.6%
 - Lower SPN's volume by -3.4%
 - Contribution from new projects starting COD during the year
- EBITDA (excluded unrealized FX gain/loss) is +27.7%, mainly driven by contribution from new projects.
- While Net Profit is +119.0% (higher unrealized FX loss in Q3-17), while Core Operating Profit is +8.8%.

3Q18 vs 2Q18 (QoQ)

- Total Revenue and Gross profit was -2.9% and -6.5%
 - Seasonality effect for both SPN and Japanese projects; SPN's volume -6.0% from 2Q18
 - Lower Hidaka's volume as a result of transmission line disruption (maintenance by local electricity authority and earthquake) for 9 days.
- EBITDA (excluded unrealized FX gain/loss) is -9.1%
- Net Profit is -22.4% and Core Operating Profit -17.8%

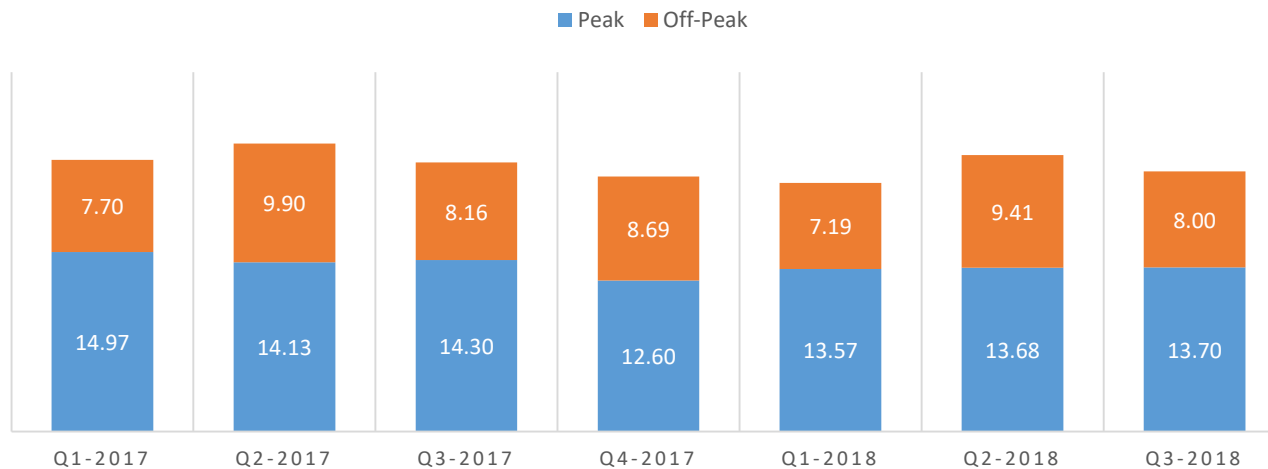
| | QoQ | YoY |
|---------------------------------------|--------|--------|
| Total Revenue | -2.9% | 33.9% |
| Gross Profit | -6.5% | 15.6% |
| EBITDA (excl. unrealized FX) | -9.1% | 27.7% |
| Net Profit (to SPP's shareholders) | -22.4% | 119.0% |
| Core Operating Profit ¹ | -17.8% | 8.8% |

¹ formerly called Adjusted Operating Profit (AOP)

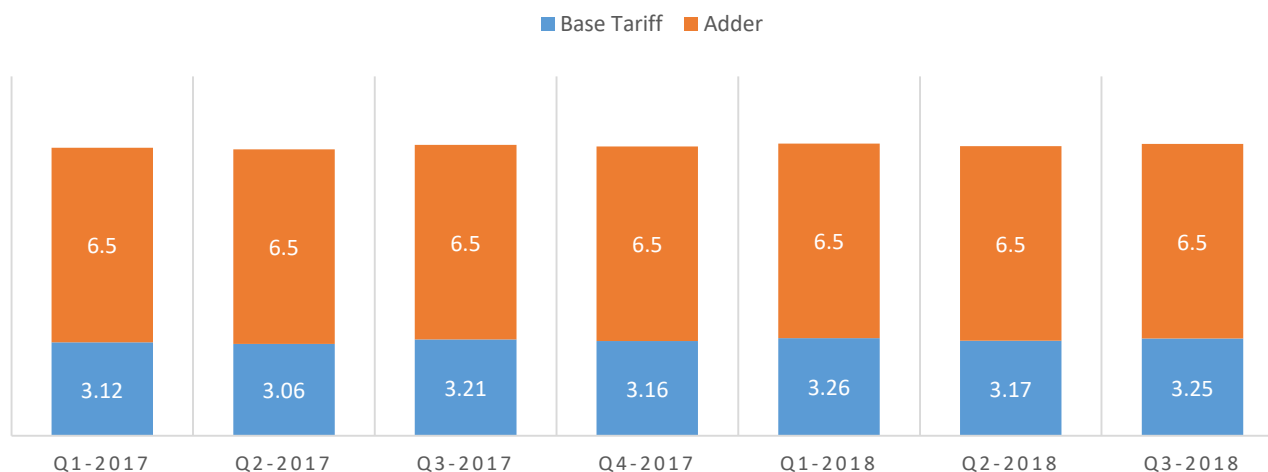


SPN: lower sale volume while average tariff is slightly increased

TOTAL PRODUCTION-SPN (GWH)



AVERAGE TARIFF (THB/KWH)



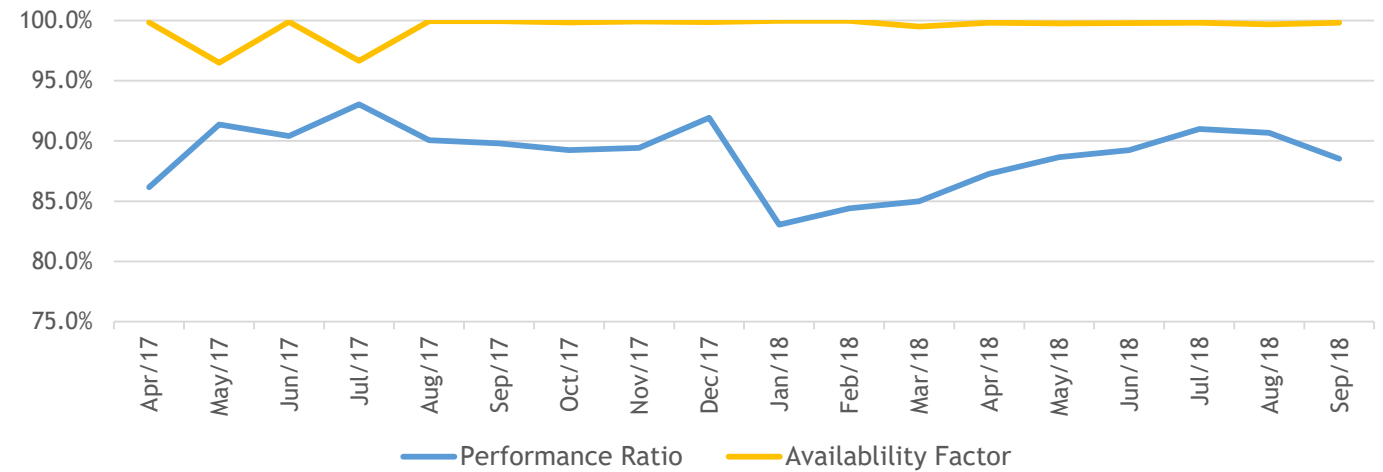
| | YTD | QoQ | YoY |
|----------------|-------|-------|-------|
| Production | -5.2% | -6.0% | -3.4% |
| Average Tariff | 1.0% | 0.8% | 0.3% |

| Ft rate adjustment (satang/kWh) | | | |
|---------------------------------|--------|----------|-------|
| Jan'16 - Apr'16 | -0.159 | Change : | -0.16 |
| May'16 - Aug'16 | -0.397 | Change : | -0.24 |
| Sep'16 - Dec'16 | -0.428 | Change : | -0.03 |
| Jan'17 - Apr'17 | -0.472 | Change : | -0.04 |
| May'17 - Aug'17 | -0.348 | Change : | 0.12 |
| Sep'17 - Dec'17 | -0.302 | Change : | 0.05 |
| Jan'18 - Mar'18 | -0.319 | Change : | -0.02 |
| Apr'18 - Jun'18 | -0.293 | Change : | 0.03 |
| July'18 - Sep'18 | -0.289 | Change : | 0.004 |

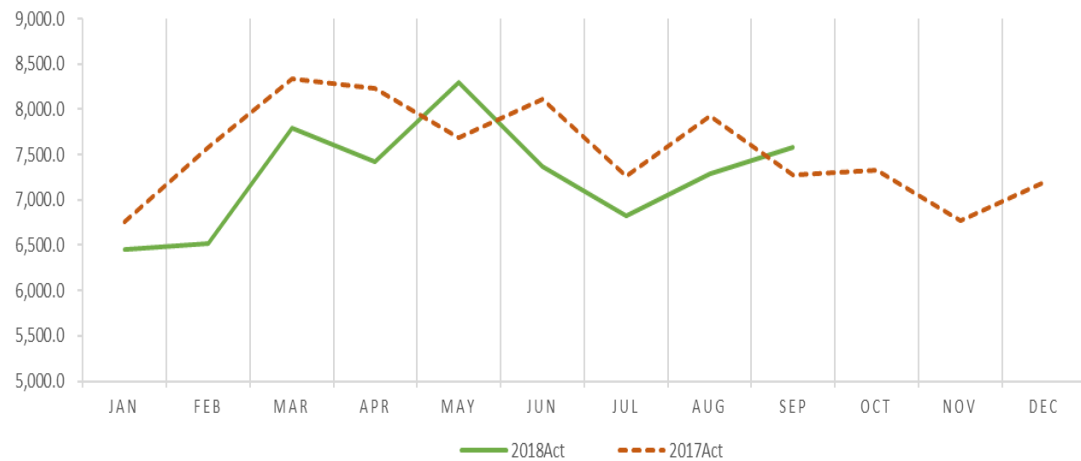
SPN 52MW (Thailand) : Operation performance (3Q18)



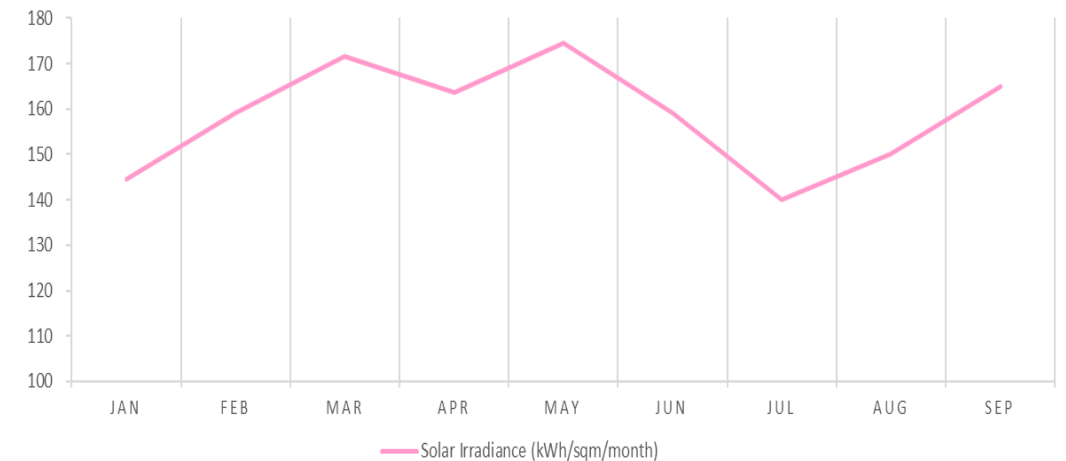
SPN-Operation Performance (YTD)



TOTAL PRODUCTION-SPN (MWH)



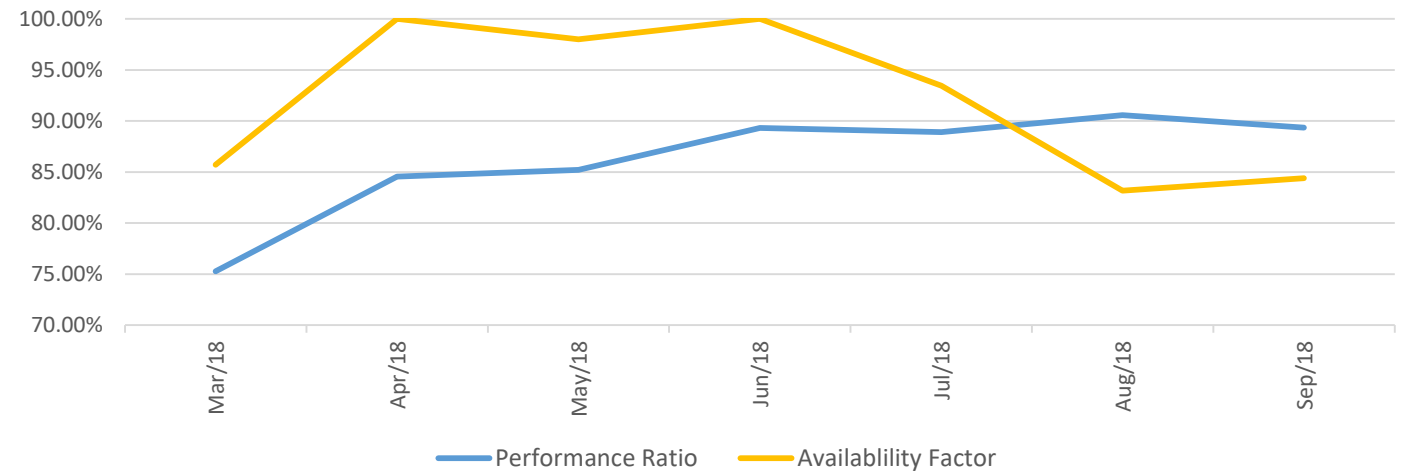
SOLAR IRRADIANCE-SPN



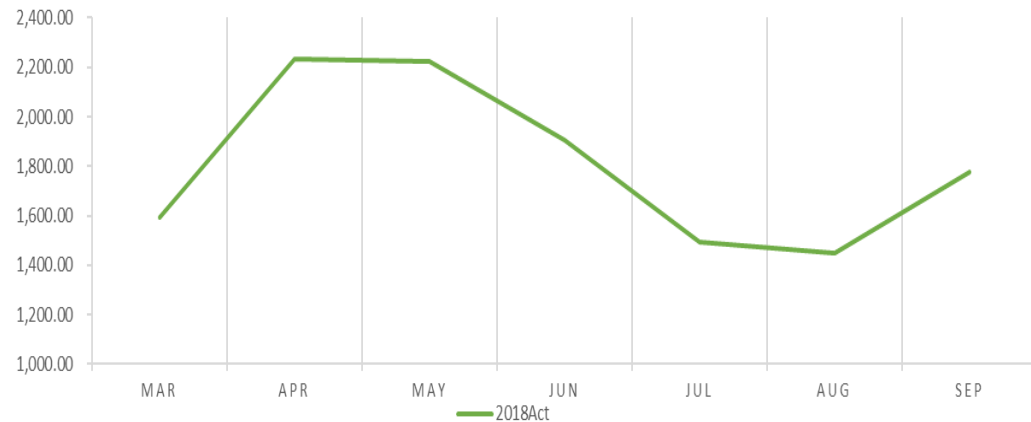
Hidaka 21MW: Operation performance (3Q18)



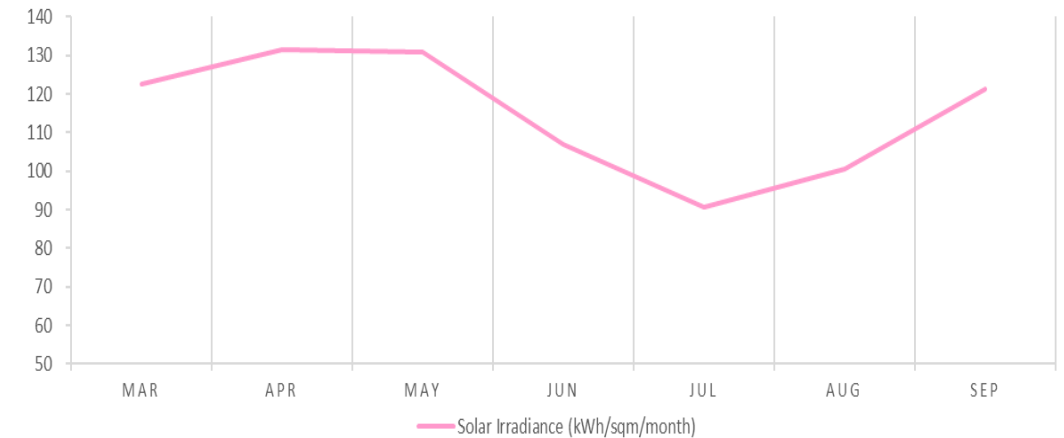
Operation Performance - Hidaka (YTD)



TOTAL PRODUCTION-HIDAKA (MWH)

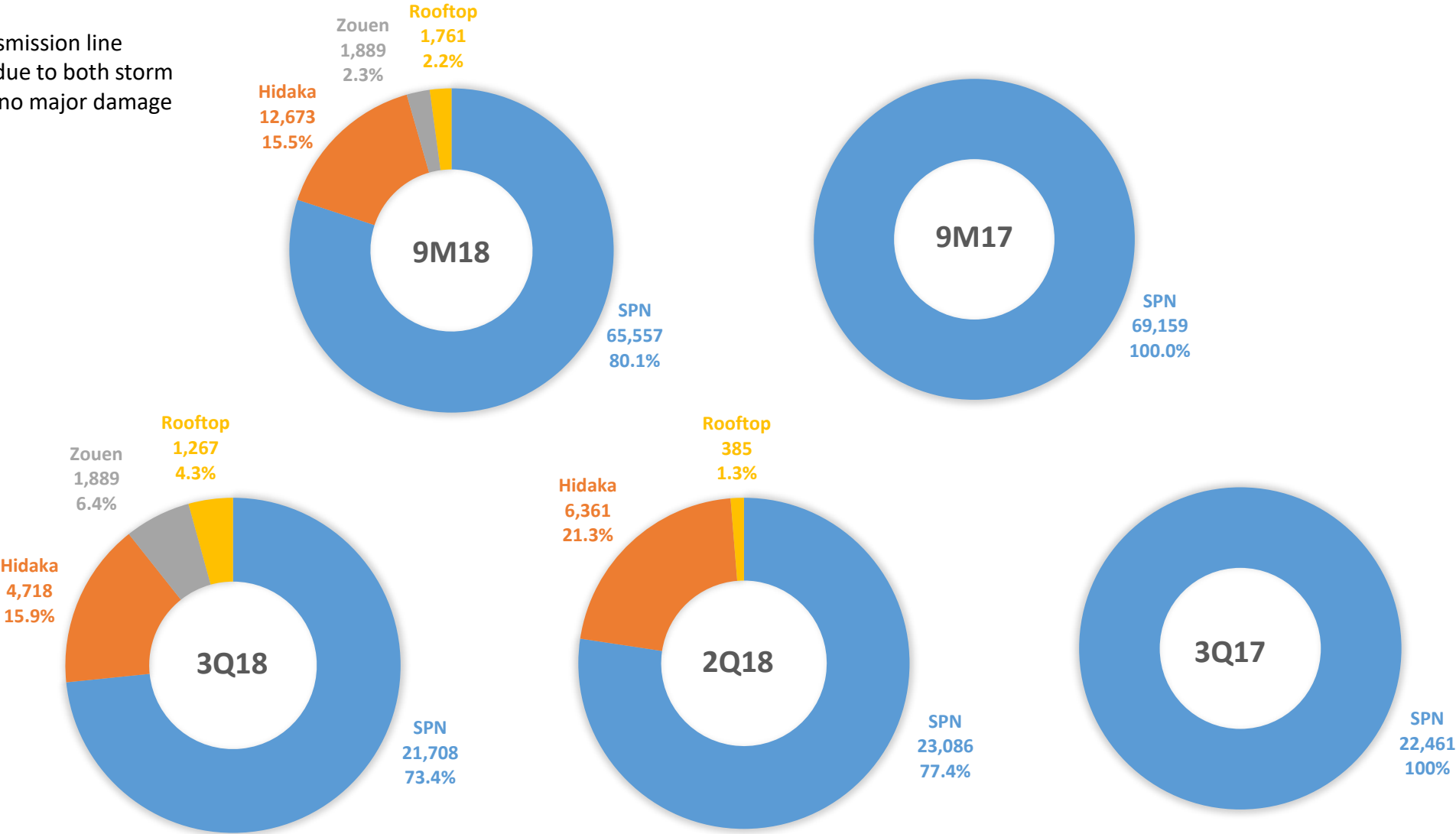


SOLAR IRRADIANCE-HIDAKA

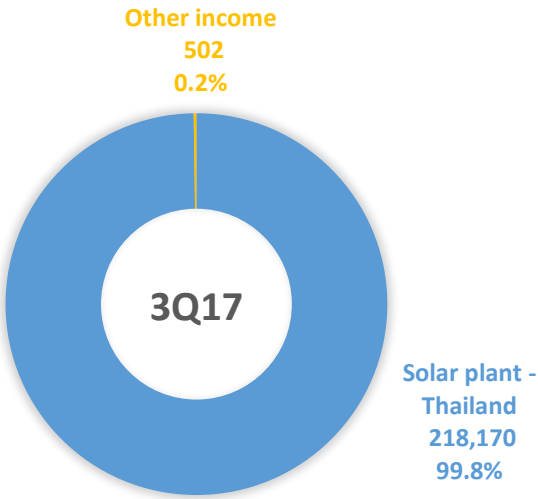
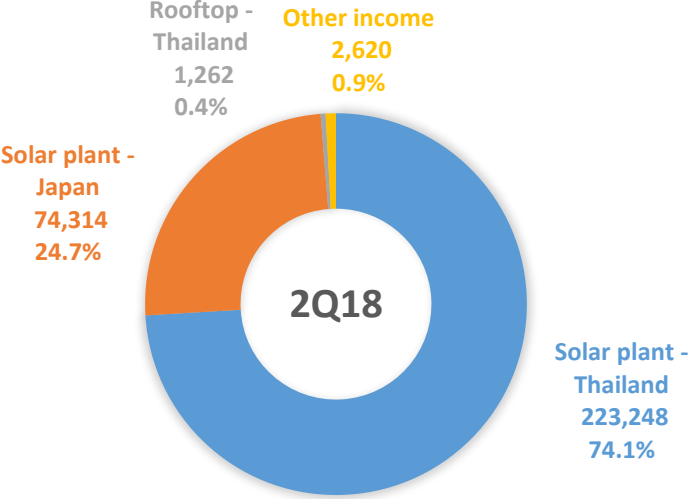
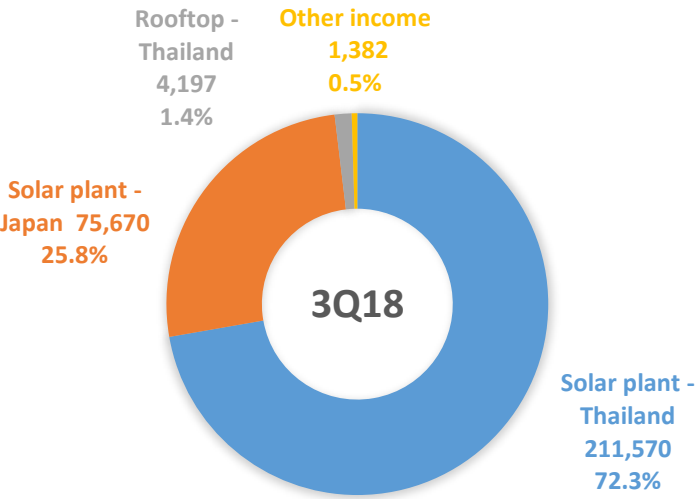
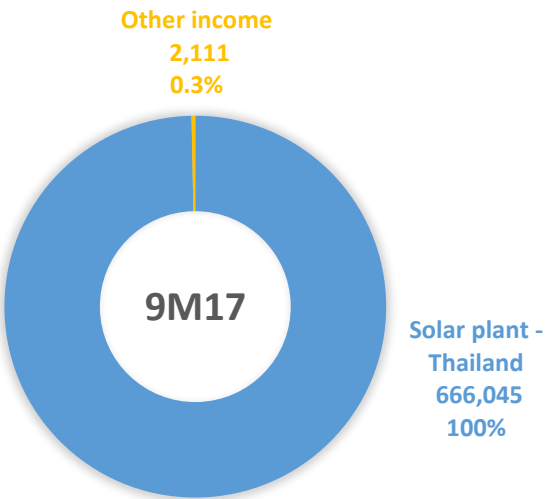
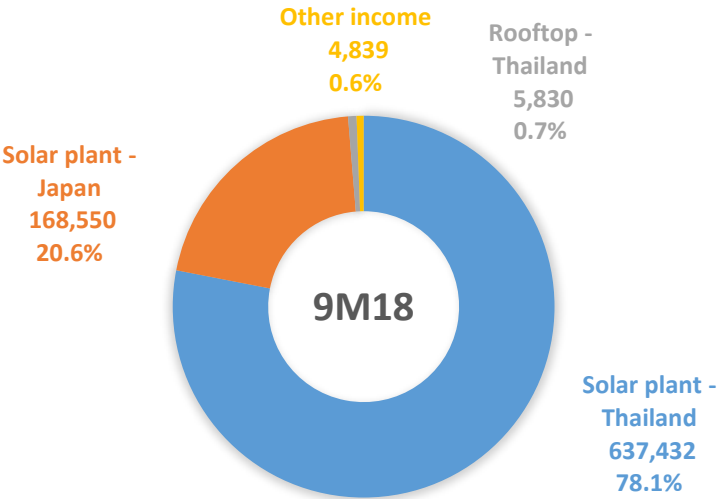


Sale Volume (MWh)

- Hidaka: in 3Q18 transmission line disrupted for 9 days due to both storm and earthquake, but no major damage to the plant.

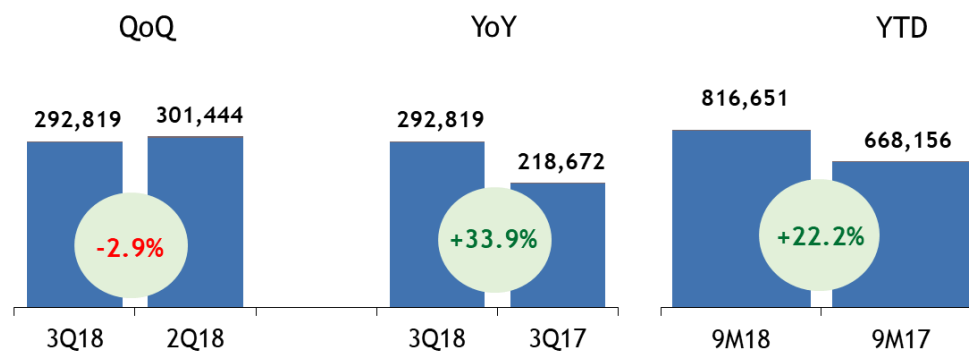


Sale Revenue (kTHB)



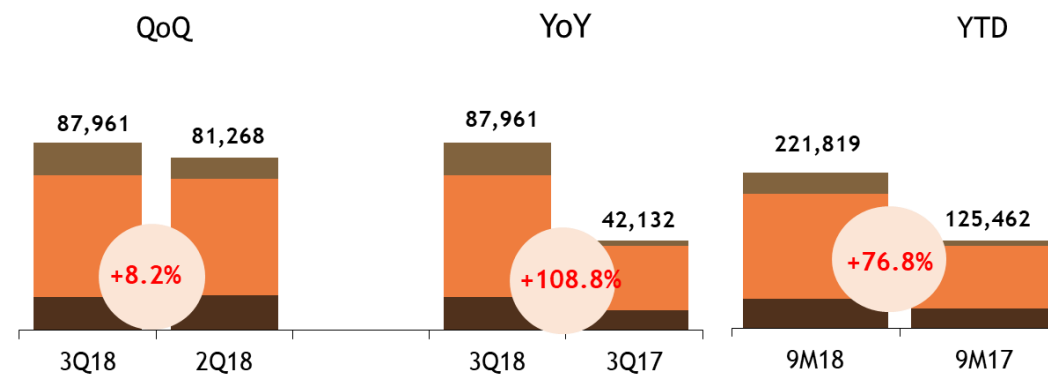
Revenue/COGS/Gross Profit

Revenue ■ Sale Revenue ■ Other Revenue (Unit: '000 THB)



- Higher YoY and YTD
 - Contribution from new projects Hidaka, Zouen, and Rooftop projects.
 - SPN's volume lower by -3.4% YoY and -5.2% YTD.
- Slightly decreased in QoQ
 - Seasonality effect and Hidaka's transmission disruption.

COGS ■ O&M Costs ■ Depreciation and Amortization ■ Others (Unit: '000 THB)

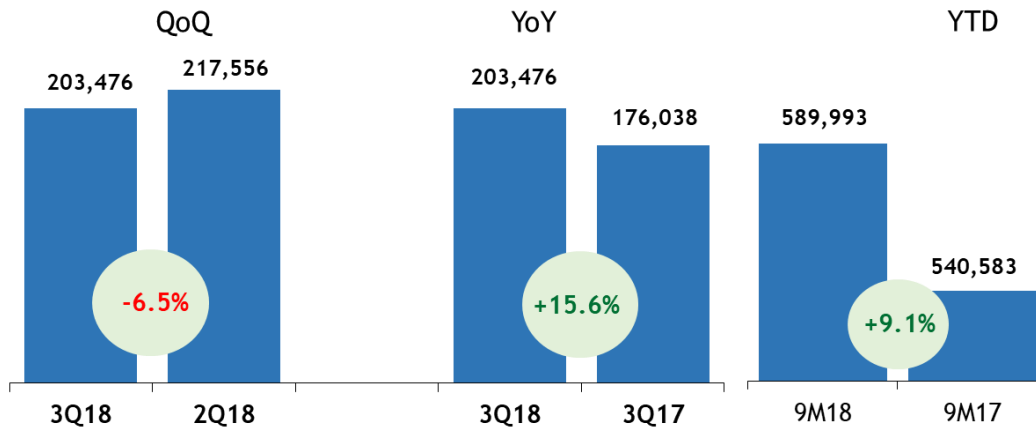


- Higher COGS YTD, resulted from new projects entered COD throughout the year.

Revenue/COGS/Gross Profit

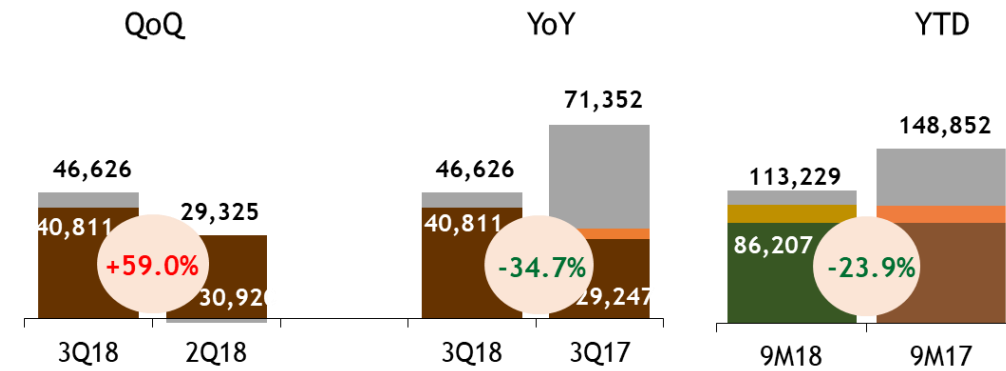
Gross Profit

(Unit: '000 THB)



SG&A

(Unit: '000 THB)



- Higher YoY and YTD mainly driven from contribution of new projects.

■ General G&A expense - TH
 ■ General G&A expense - JP
 ■ Unrealized FX loss
 ■ Land lease during construction
 ■ Total General G&A expense

SG&A and Core Operating Profit

EBITDA

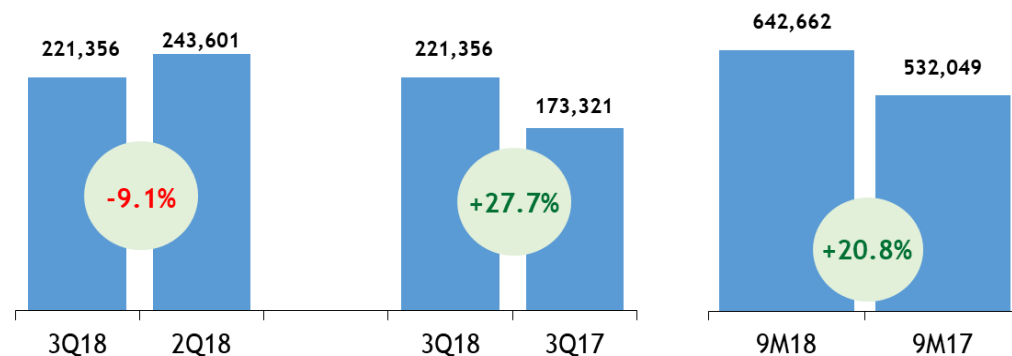
(Unit: '000 THB)

(Unit: '000 THB)

QoQ

YoY

YTD



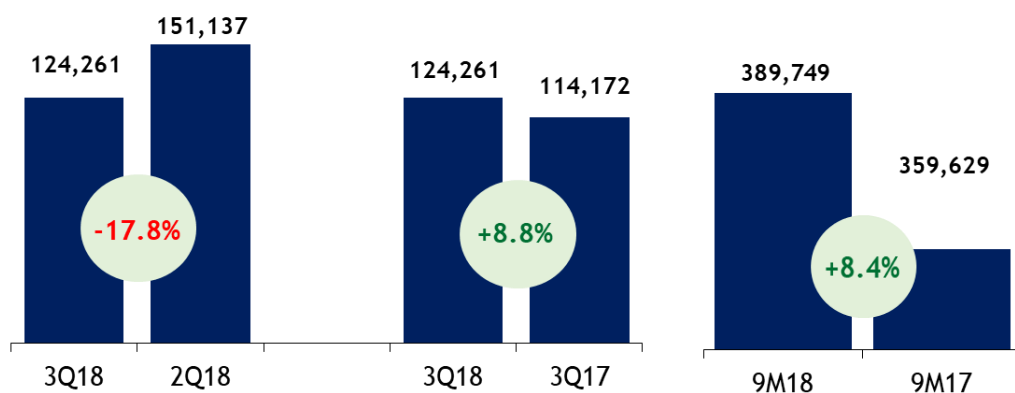
Core Operating Profit

(Unit: '000 THB)

QoQ

YoY

YTD



| | 3Q18 | 2Q18 | 3Q17 | 9M18 | 9M17 |
|---|---------|---------|---------|---------|---------|
| Net Profit Distribution to SSP's Shareholders | 118,493 | 152,779 | 54,104 | 377,825 | 267,024 |
| Adjustment Items (after minority interest) | | | | | |
| Unrealized FX (gain)/loss | 5,815 | (1,595) | 37,998 | 12,066 | 48,800 |
| Uncapitalized land lease during construction | 0 | 0 | 3,569 | 0 | 10,899 |
| Uncapitalized interest for SSP's equity loan | 0 | 0 | 10,482 | 0 | 24,952 |
| Deferred tax expenses | (47) | (47) | 8,019 | (142) | 7,954 |
| Core Operating Profit (to SSP's shareholders) | 124,261 | 151,137 | 114,172 | 389,749 | 359,629 |

- Core operating profit is increase with mixture of main factors (YTD):
 - Positive: Hidaka and Zouen commercial operation and contribution from Solar rooftop projects (SNNP1&2 and DoHome)
 - Negative: lower SPN volume and seasonality effect (3Q18 vs 2Q18)

Consolidated P&L

| P&L Statement ('000 THB) | 3Q18 | 2Q18 | 3Q17 | 9M18 | 9M17 |
|--|----------------|----------------|----------------|----------------|----------------|
| Sale Revenue | 291,437 | 298,824 | 218,170 | 811,812 | 666,045 |
| Unrealized FX gain | - | - | - | - | - |
| Other Revenue | 1,382 | 2,620 | 502 | 4,839 | 2,111 |
| Total Revenue | 292,819 | 301,444 | 218,672 | 816,651 | 668,156 |
| Cost of Goods Sold | 87,961 | 81,268 | 42,132 | 221,819 | 125,462 |
| Gross Profit (Sale rev. - COGS) | 203,476 | 217,556 | 176,038 | 589,993 | 540,583 |
| Gross Profit Margin | 69.82% | 72.80% | 80.69% | 72.68% | 81.16% |
| SG&A | 46,626 | 29,325 | 71,352 | 113,229 | 148,852 |
| Land lease during construction | - | - | 4,107 | - | 14,246 |
| Unrealized FX loss | 5,815 | (1,595) | 37,998 | 12,066 | 48,800 |
| General G&A expenses | 40,811 | 30,920 | 29,247 | 101,163 | 85,806 |
| EBITDA (excluding unrealized FX gain/loss) | 221,356 | 243,601 | 173,321 | 642,662 | 532,049 |
| EBITDA margin | 75.59% | 80.81% | 79.26% | 78.69% | 79.63% |
| Financial Expenses | 41,446 | 35,842 | 43,846 | 103,767 | 121,200 |
| Tax | 347 | (26) | 8,018 | 370 | 7,985 |
| Net Profit | 116,439 | 155,035 | 53,324 | 377,466 | 264,657 |
| Net Profit Distribution | | | | | |
| To SSP's Shareholders | 118,493 | 152,779 | 54,104 | 377,825 | 267,024 |
| Minority Shareholders of Subsidiaries | (2,054) | 2,256 | (780) | (359) | (2,367) |
| Adjustment Items (after minority interest) | | | | | |
| Unrealized FX (gain)/loss | 5,815 | (1,595) | 37,998 | 12,066 | 48,800 |
| Uncapitalized land lease during construction | - | - | 3,569 | - | 10,899 |
| Uncapitalized interest for SSP's equity loan | - | - | 10,482 | - | 24,952 |
| Deferred tax expenses | (47) | (47) | 8,019 | (142) | 7,954 |
| Core Operating Profit (to SSP's shareholders) | 124,261 | 151,137 | 114,172 | 389,749 | 359,629 |

- SPNSale growth is mainly driven by contribution from new projects
- COGS and SG&A is higher mainly from new projects (both Thailand and Japan projects).
- Unrealized FX loss for 3Q18 = 5.8 MTHB (vs FX gain 1.6 MTHB for 2Q18 and vs. FX loss 38.0 MTHB for 3Q17)

Consolidated Balance Sheet

| Balance Sheet Statement ('000 THB) | 30/Sep/18 | 31/Dec/17 |
|--------------------------------------|-------------------|------------------|
| Cash and Cash Equivalent | 1,860,909 | 1,603,392 |
| Trade and other receivables | 474,863 | 151,364 |
| Other Current Assets | 47,621 | 45,729 |
| Total Current Assets | 2,383,393 | 1,800,485 |
| Long-term restricted bank deposits | 109,211 | - |
| Revenue department receivable | 242,964 | 246,378 |
| Property, plant and equipment | 7,582,223 | 5,427,213 |
| Intangible Assets | 717,355 | 654,207 |
| Other Fixed Assets | 147,280 | 141,560 |
| Total Fixed Assets | 8,799,033 | 6,469,358 |
| Total Assets | 11,182,426 | 8,269,843 |
| Account Payables | 296,279 | 256,696 |
| Current Portion of Long-Term loan | 492,868 | 510,313 |
| Other Current Liabilities | 244,656 | 15,516 |
| Total Current Liabilities | 1,033,803 | 782,525 |
| Long-Term Loan | 6,416,744 | 4,061,676 |
| Other Non-Current Liabilities | 4,591 | 3,973 |
| Total Non-Current Liabilities | 6,421,335 | 4,065,649 |
| Total Liabilities | 7,455,138 | 4,848,174 |
| Paid-up capital | 922,000 | 922,000 |
| Premium on ordinary shares | 1,511,210 | 1,511,210 |
| Legal Reserve | 40,714 | 40,714 |
| Unappropriated Retained Earnings | 1,003,956 | 814,990 |
| Others | (16,701) | 18,916 |
| Total Equity of Company | 3,461,179 | 3,307,830 |
| Minority interest | 266,109 | 113,839 |
| Total Equity | 3,727,288 | 3,421,669 |

- Majority of the cash and cash equivalent is from IPO, SPN and new loan.
- PP&E gradually increased along with construction of projects under development.
- Even though SSP has repaid pre-ipo financing (with Kbank) with proceeds from IPO since the end of 3Q/17, more loan was drawn for Japanese solar farm under construction. Hence. total long-term loan increased.
- Consolidated D/E ratio as of 30/09/18 = 2.16x increased from 1.82x as of 30/06/18.
- SSP's company only D/E ratio is stable at around 0.38x.

Q&A



Appendix

Group Structure

