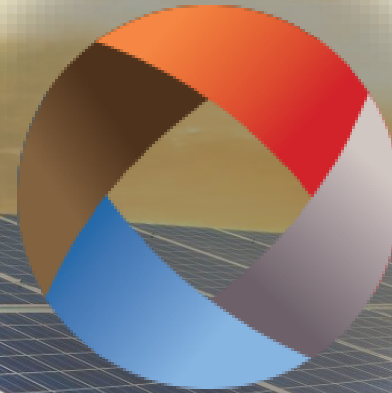


# Sermsang Power Corporation

Public Company Limited

Opportunity Day  
Results of 2Q23

7 Sep 2023



**SERMSANG**  
POWER CORPORATION

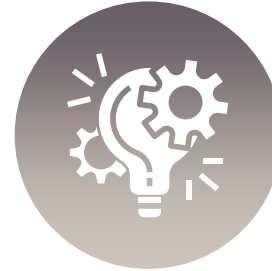
# Agenda



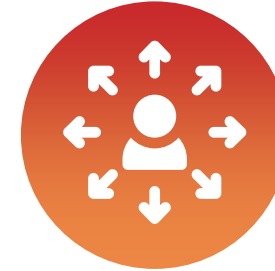
Company  
overview



Financial  
Performance



Projects  
Update



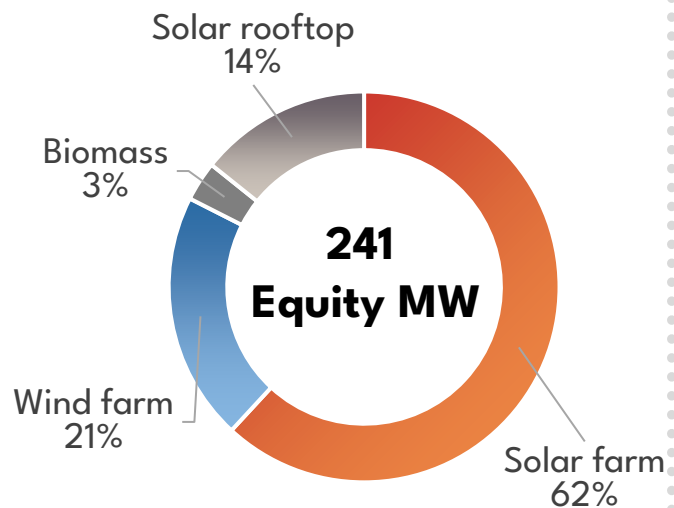
Future  
Opportunity







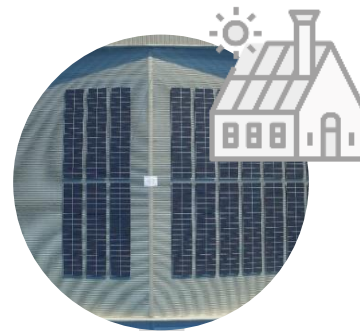
# Company overview



Solar



Solar rooftop



Wind



Biomass



Operating Project

7



149.3

Country

97



34.4

2



49.7

1



7.9

PPA Equity MW

# KEY HIGHLIGHTS 6M23



Even Hikada divestment in Jun 2022, new projects offset some of its contribution- **full period profit sharing** from Winchai and **purchase 13% of TTQN**



**Healthy balance sheet,**  
D/E maintain at 1.59x strong balance sheet and cash position maintained.



EBITDA from **SPN 14.6%** and **Winchai 336.8%** overcome negative impact from solar farm in Japan



**Project update**

- award of renewable energy in Thailand total of 170.5 MW
- establish subsidiary in Taiwan
- develop Leo2 project in japan total of 17.0MW



**However,** core operating EBITDA slightly decrease YoY and COP decrease YoY from finance cost and tax expense



**New business**  
Investment in flexible packaging business







# Financial Performance



## KEY HIGHLIGHTS



| Consolidated Financial Statement<br>(unit:mTHB) | 2Q22    | 1Q23  | 2Q23  | QoQ    | YoY     | 6M22    | 6M23    | YoY     |
|---|---------|-------|-------|--------|---------|---------|---------|---------|
| Total Revenues                                  | 1,180.3 | 777.0 | 783.3 | 0.8%   | (33.6)% | 2,040.7 | 1,560.4 | (23.6)% |
| Revenue from sales and services                 | 824.7   | 761.3 | 762.1 | 0.1%   | (7.6)%  | 1,679.7 | 1,523.4 | (9.3)%  |
| EBITDA  | 986.6   | 654.4 | 603.5 | (7.8)% | (38.8)% | 1,673.7 | 1,257.9 | (24.8)% |
| Core operating EBITDA                           | 655.8   | 661.0 | 605.5 | (8.4)% | (7.7)%  | 1,342.9 | 1,266.4 | (5.7)%  |
| Net Profit (to SSP's Shareholders)              | 641.1   | 239.6 | 228.1 | (4.8)% | (64.4)% | 897.9   | 467.7   | (47.9)% |
| Core Operating Profit                           | 290.1   | 249.9 | 225.4 | (9.8)% | (22.3)% | 584.7   | 475.3   | (18.7)% |
| EBITDA margin (%)                               | 83.6%   | 84.2% | 77.0% |        |         | 82.0%   | 80.6%   |         |
| Core operating EBITDA margin (%)                | 79.5%   | 86.8% | 79.4% |        |         | 79.9%   | 83.1%   |         |
| Net Profit Margin (%)                           | 54.3%   | 30.8% | 29.1% |        |         | 44.0%   | 30.0%   |         |
| Core Operating Profit Margin (%)                | 35.2%   | 32.8% | 29.6% |        |         | 34.8%   | 31.2%   |         |

### 6M23 Business Highlights



No revenues from Hidaka after its divestment in 2Q22 although increase from Winchai profit sharing (Jan-Feb'23)



For existing project

SPN revenues +13.9% from Ft rate increased

Japan project revenues -24.0% from lower production and Fx  
Winchai profit sharing +83.1% from higher wind speed YoY



However, COP decreased from finance cost and tax provision



# Electricity sales (MWh)



## PPA eMW -5.4 YoY (Exc. Winchai)

- Purchased shares of TTQN from 87.0% to 100% in Apr'23 (+5.2 YoY eMW)
- Divestment Hidaka -14.8 YoY eMW
- Solar rooftop of Indonesia +4.2 YoY eMW

## PPA eMW +5.7 QoQ (Exc. Winchai)

- Purchased shares of TTQN from 87.0% to 100% in Apr'23 (+5.2 QoQ eMW)
- Solar rooftop of Indonesia +0.5 QoQ eMW

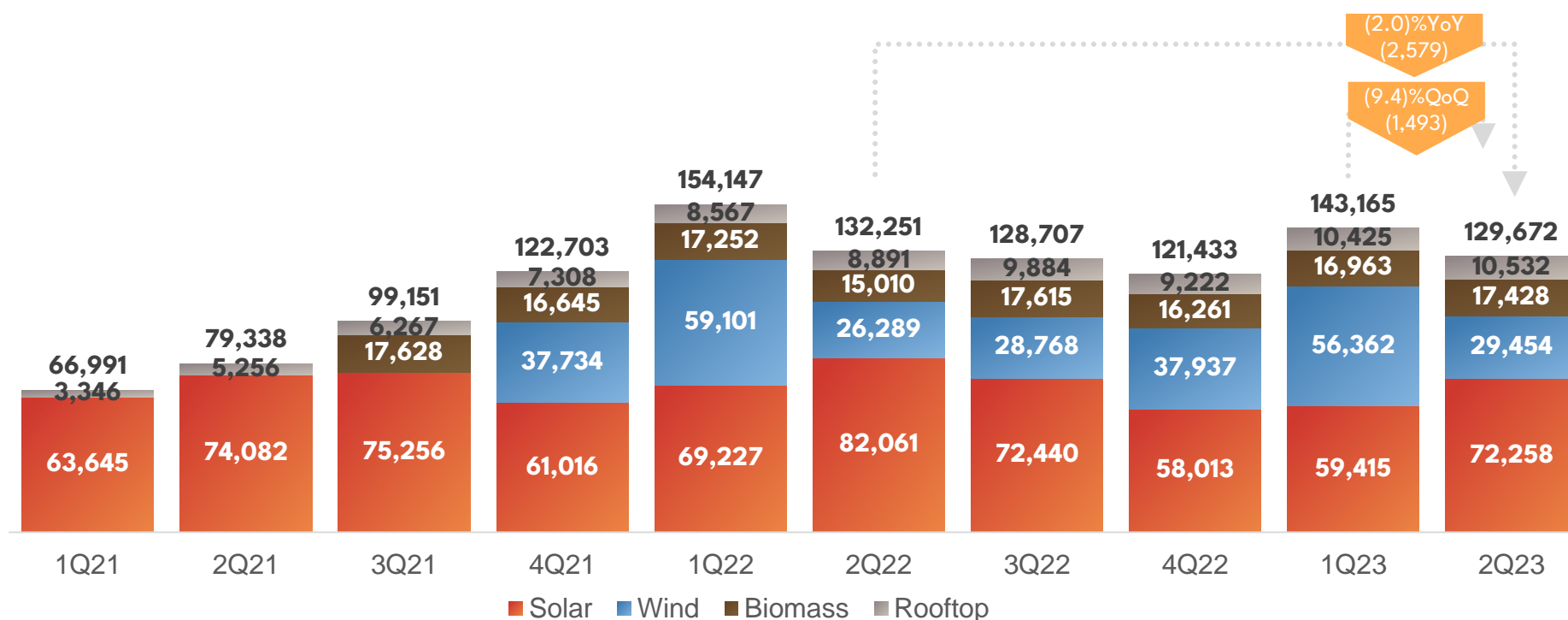


## Electricity sales -2.0%YoY

Solar: -11.9YoY mainly from Hidaka (7.0%: 5,779MW)  
Wind: +12.0%YoY from better wind speed  
Biomass: +16.1%YoY from maintenance postpone to 3Q23  
Rooftop: +18.5%YoY from new project in Indonesia

## Electricity sales -9.4%QoQ

Solar: +21.6%QoQ mainly from seasonal  
Wind: -47.7%QoQ from seasonal  
Biomass: +2.7%QoQ from unplan shutdown in 1Q23  
Rooftop: +1.0%QoQ similar to 1Q23



“Diversification in renewable sources induce a smooth electricity production quarterly and risk management from nature and seasonal”



# Electricity sales (MWh)



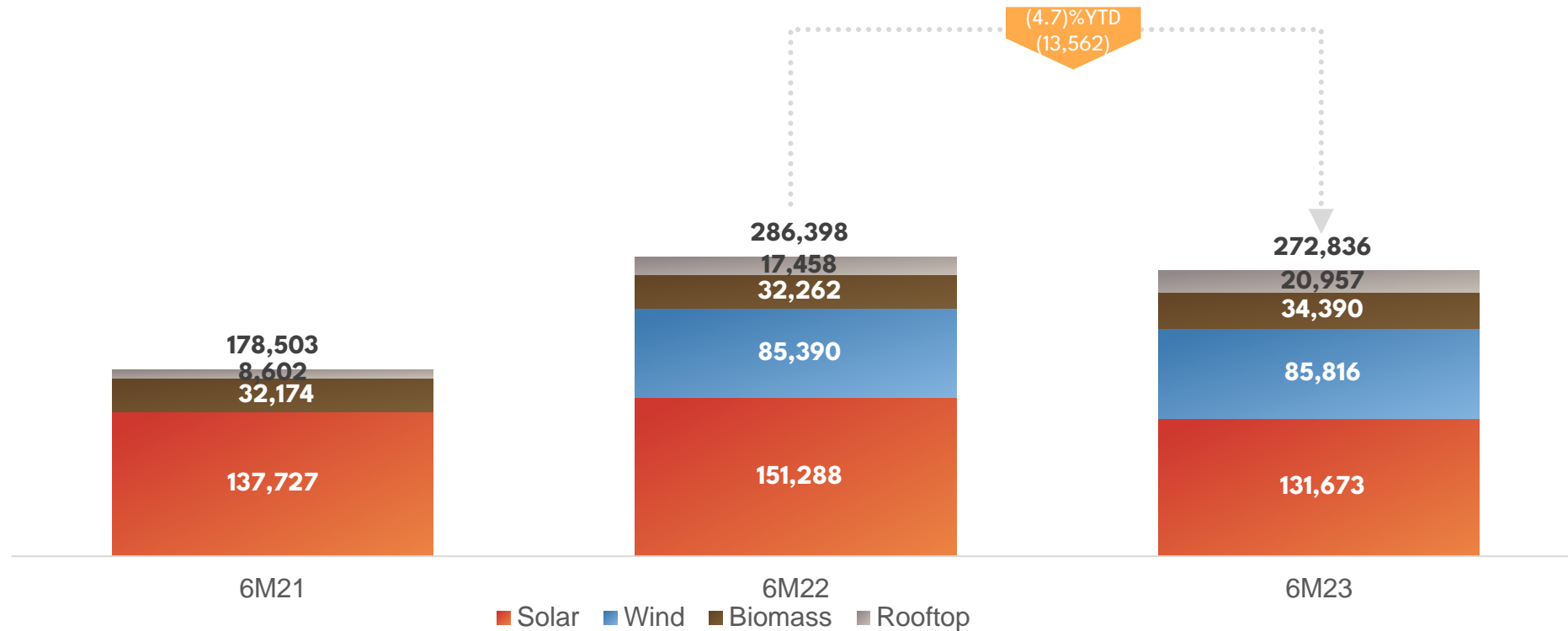
## PPA eMW -5.4 YoY (Exc. Winchai)

- Purchased shares of TTQN from 87.0% to 100% in Apr'23 (+5.2 YoY eMW)
- Divestment Hidaka -14.8 YoY eMW
- Solar rooftop of Indonesia +4.2 YoY eMW



## Electricity sales -4.7% YoY

Solar: -13.0%YoY mainly from Hidaka (7.3%: 10,975 MWh)  
Wind: +0.5%YoY from better wind speed  
Biomass: +6.6%YoY from maintenance postpone to 3Q23  
Rooftop: +20.0%YoY from new project in Indonesia





## Revenue from sales and services



Revenue from sales and services similar to the previous quarter, low seasonal of wind farm offset high seasonal of solar farm.

And in 2Q23, the revenue from sales and services decreased by 7.6%, mainly from divestment Hidaka project in 2Q22 while existing solar higher solar irradiance and better wind speed including rooftop projects increased while biomass increased from postpone annual maintenance to 3Q23

| (Unit: mTHB)                 | 2Q22         | 1Q23         | 2Q23         | QoQ           | YoY            |
|------------------------------|--------------|--------------|--------------|---------------|----------------|
| Solar                        | 633.3        | 473.4        | 551.6        | 16.5%         | (12.9)%        |
| Wind                         | 88.7         | 182.0        | 99.3         | (45.4)%       | 12.0%          |
| Biomass                      | 68.8         | 78.6         | 80.7         | 2.7%          | 17.3%          |
| Rooftop                      | 19.5         | 24.2         | 24.8         | 2.5%          | 27.2%          |
| <b>Revenue from sales</b>    | <b>810.3</b> | <b>758.2</b> | <b>756.4</b> | <b>(0.2)%</b> | <b>(6.6)%</b>  |
| <b>Revenue from services</b> | <b>14.4</b>  | <b>3.1</b>   | <b>5.7</b>   | <b>83.9%</b>  | <b>(60.7)%</b> |
| <b>Total</b>                 | <b>824.7</b> | <b>761.3</b> | <b>762.1</b> | <b>0.1%</b>   | <b>(7.6)%</b>  |



Revenue from sales and services decreased 9.3%YoY cause by weakening performance from solar farm in Japan and no contribution from Hidaka.

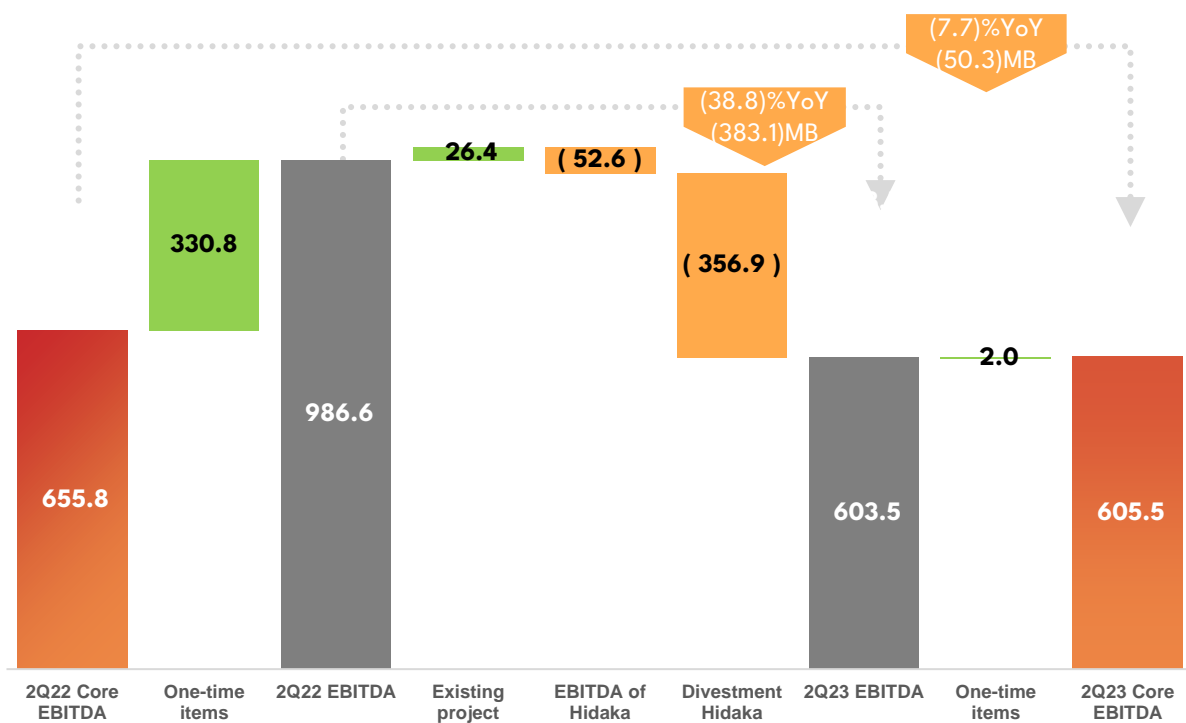
| (Unit: mTHB)                 | 6M22           | 6M23           | YoY            |
|------------------------------|----------------|----------------|----------------|
| Solar                        | 1,195.0        | 1,025.0        | (14.2)%        |
| Wind                         | 277.6          | 281.4          | 1.3%           |
| Biomass                      | 147.9          | 159.3          | 7.7%           |
| Rooftop                      | 37.4           | 48.9           | 30.7%          |
| <b>Revenue from sales</b>    | <b>1,657.9</b> | <b>1,514.6</b> | <b>(8.6)%</b>  |
| <b>Revenue from services</b> | <b>21.8</b>    | <b>8.8</b>     | <b>(59.6)%</b> |
| <b>Total</b>                 | <b>1,679.7</b> | <b>1,523.4</b> | <b>(9.3)%</b>  |

# (2Q23 vs 2Q22)

## EBITDA



Divestment Hidaka project in 2Q22



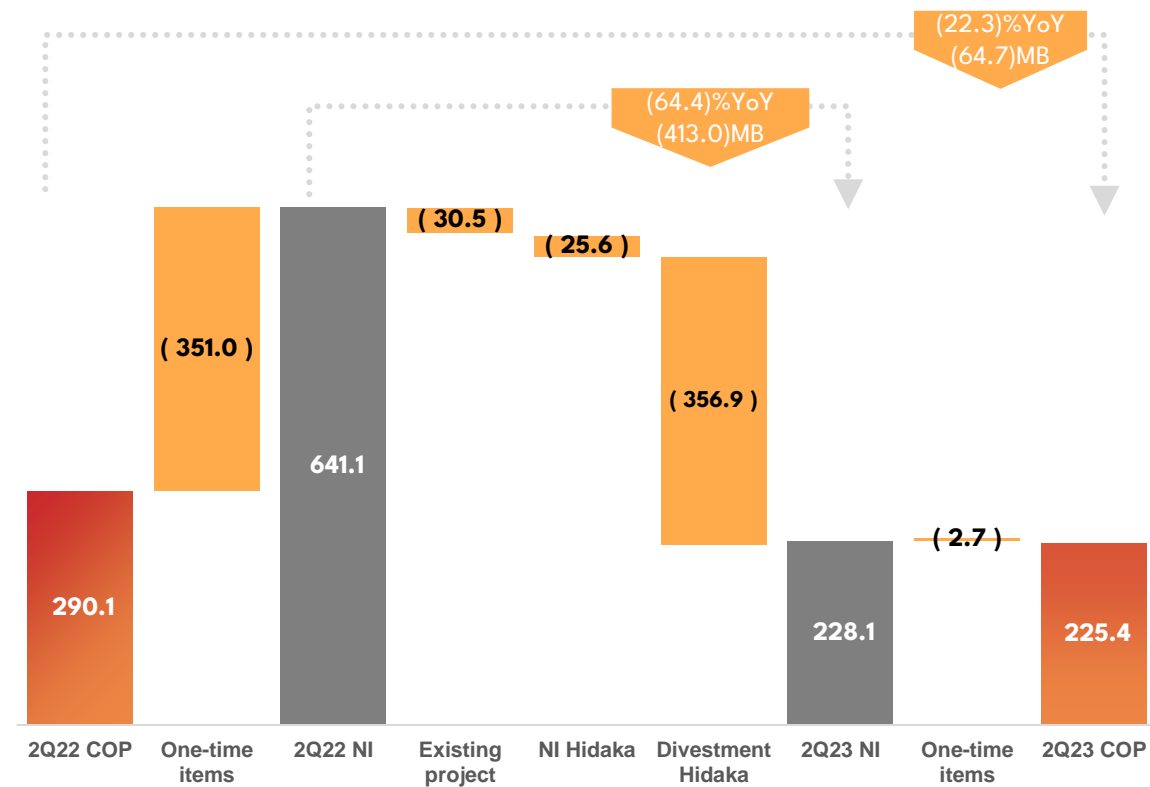
## Net profit to SSP



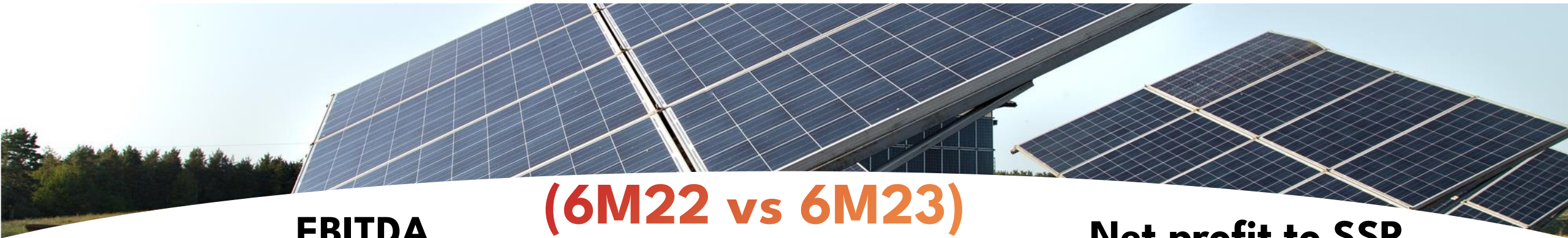
Finance cost and Tax provision



Divestment Hidaka project in 2Q22



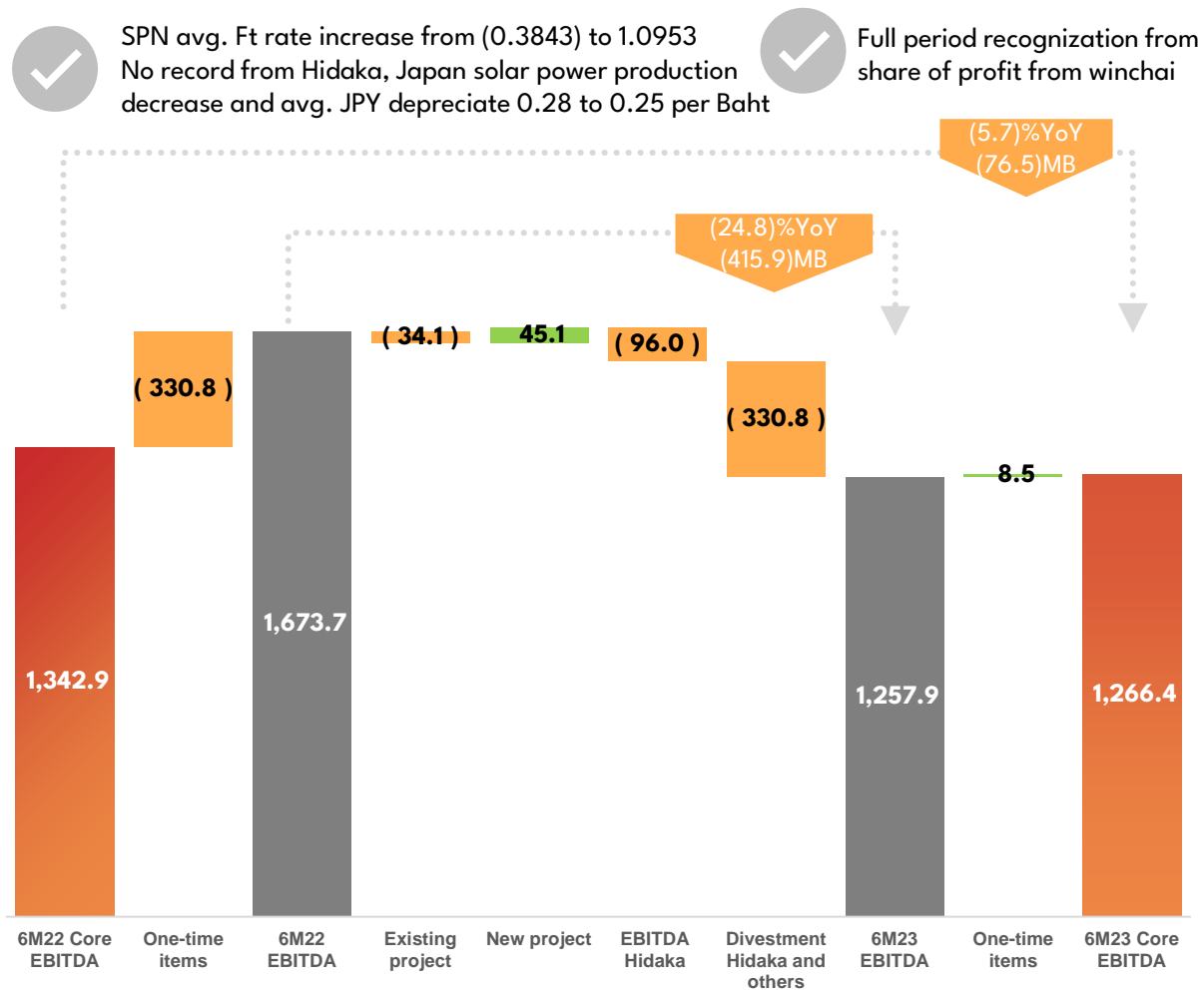




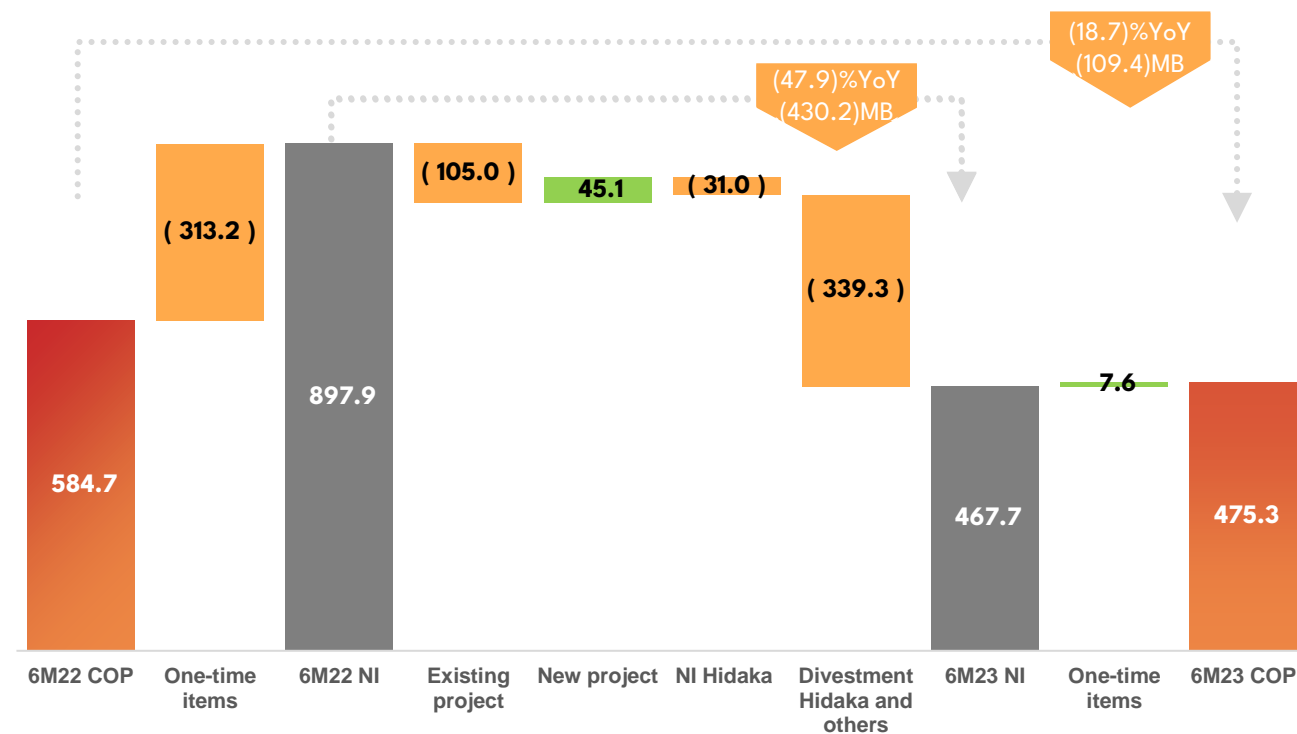
## (6M22 vs 6M23)

### EBITDA

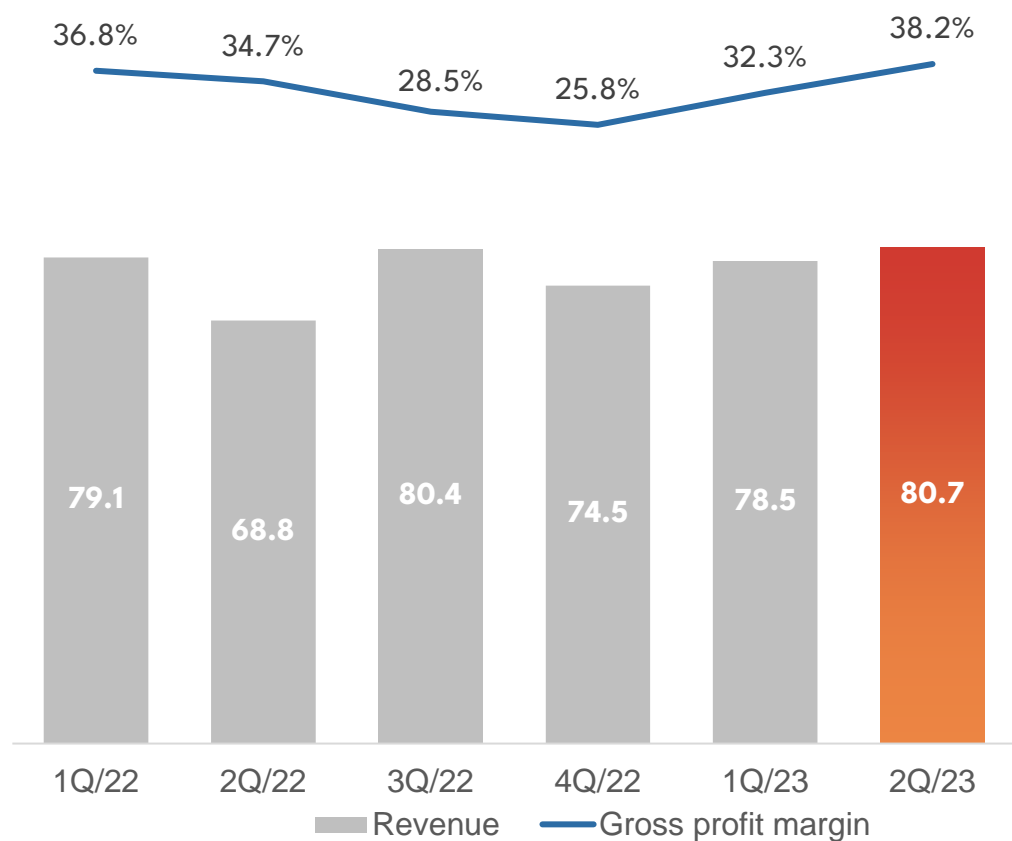
### Net profit to SSP



✓ Mainly from Finance cost and Tax provision



# UPT revenue and gross profit margin



(Unit: mTHB)



# Balance Sheet

Balance sheet (Unit: mTHB)

**31 Dec 22**

**Total asset**

**21,292**

Cash and DSRA  
AR and others asset

3,805

1,685

PPE, ITA &  
Investment

15,802

**326**

12,689

8,277

Others  
liabilities  
IBD

Liabilities

Equity

Assets

Liabilities&Equity

## Leverage ratio

**DE ratio**

**Net IBD to equity**

1.57

1.59

1.07

0.99

31-Dec-22

30-Jun-23

31-Dec-22

30-Jun-23

**30 Jun 23**

**Total asset**

**21,845**

Cash and DSRA  
AR and others asset

4,660

1,910

PPE, ITA &  
Investment

15,275

**365**

13,113

8,367

Others  
liabilities  
IBD

Liabilities

Equity

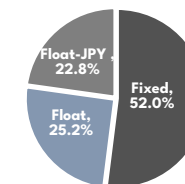
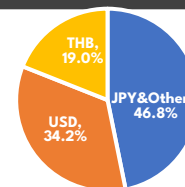
Assets

Liabilities&Equity

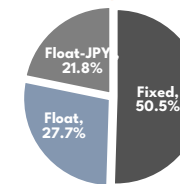
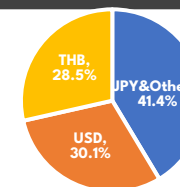
## Interest bearing debt by

Currency

Rate



31 Dec 22



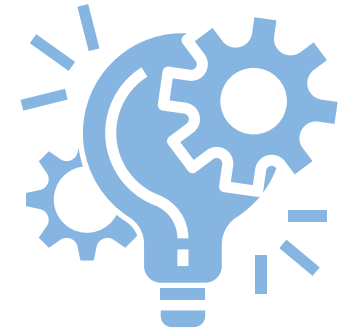
30 Jun 23





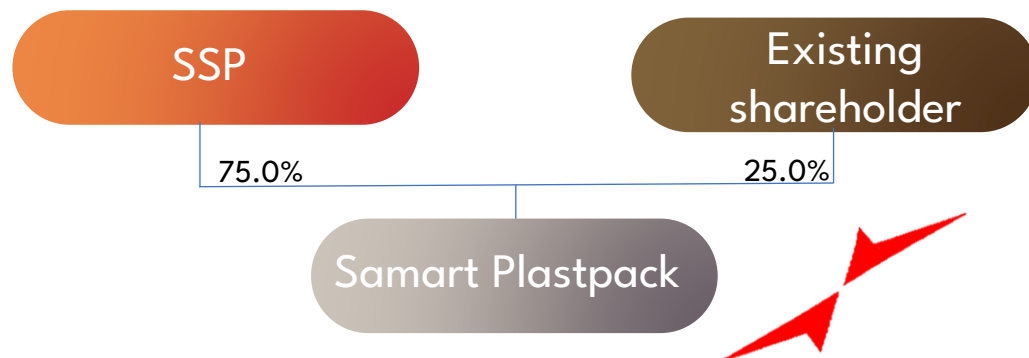
Financial statement 1Q23 adjusted by hedge accounting of IRS.

| Consolidated Financial Statement<br>(mTHB)                        | 2Q22           | 1Q23         |              | 2Q23         | QoQ           | YoY            | 6M22           | 6M23           | YTD            |
|---|----------------|--------------|--------------|--------------|---------------|----------------|----------------|----------------|----------------|
|   |                | Before       | Adjusted     |              |               |                |                |                |                |
| <b>Revenues</b>   |                |              |              |              |               |                |                |                |                |
| Revenue from sales  | 810.3          | 758.2        | 758.2        | 756.4        | (0.2)%        | (6.6)%         | 1,657.9        | 1,514.6        | (8.6)%         |
| Revenue from services   | 14.4           | 3.1          | 3.1          | 5.7          | 80.2%         | (60.7)%        | 21.8           | 8.8            | (59.6)%        |
| Other income  | 351.4          | 35.1         | 14.3         | 13.8         | (3.7)%        | (96.1)%        | 354.9          | 28.1           | (92.1)%        |
| <b>Total revenues</b>   | <b>1,176.1</b> | <b>796.4</b> | <b>775.6</b> | <b>775.9</b> | <b>0.0%</b>   | <b>(34.0)%</b> | <b>2,034.6</b> | <b>1,551.5</b> | <b>(23.7)%</b> |
| <b>Cost of sales and services</b>                                 | <b>344.5</b>   | <b>312.2</b> | <b>312.2</b> | <b>315.3</b> | <b>1.0%</b>   | <b>(8.5)%</b>  | <b>695.8</b>   | <b>627.4</b>   | <b>(9.8)%</b>  |
| Administrative expenses   | 73.7           | 96.6         | 96.6         | 65.5         | (32.2)%       | (11.1)%        | 170.4          | 162.0          | (4.9)%         |
| Share of profit from investments in subsidiaries and an associate | 15.8           | 59.8         | 59.8         | 18.0         | (69.9)%       | 13.6%          | 17.8           | 77.7           | 336.7%         |
| Finance income  | 4.3            | 1.4          | 1.4          | 7.4          | 437.6%        | 73.8%          | 6.4            | 8.8            | 36.7%          |
| Finance cost  | 124.9          | 159.7        | 159.7        | 161.2        | 1.0%          | 29.0%          | 248.6          | 320.9          | 29.1%          |
| Income tax  | (2.9)          | 18.9         | 18.9         | 31.7         | 67.7%         | (1203.4)%      | 2.1            | 50.6           | 2288.4%        |
| <b>Profit for the period</b>                                      | <b>656.0</b>   | <b>270.2</b> | <b>249.4</b> | <b>227.6</b> | <b>(8.7)%</b> | <b>(65.3)%</b> | <b>941.9</b>   | <b>477.1</b>   | <b>(49.4)%</b> |
| Non-controlling interests of the subsidiaries                     | 14.9           | 14.0         | 9.8          | (0.5)        | (104.8)%      | (103.1)%       | 44.0           | 9.4            | (78.8)%        |
| <b>Profit attributable to: Equity holders of the Company</b>      | <b>641.1</b>   | <b>256.2</b> | <b>239.6</b> | <b>228.1</b> | <b>(4.8)%</b> | <b>(64.4)%</b> | <b>897.9</b>   | <b>467.7</b>   | <b>(47.9)%</b> |
| <b>EBITDA</b>   | <b>986.6</b>   | <b>675.1</b> | <b>654.4</b> | <b>603.5</b> | <b>(7.8)%</b> | <b>(38.8)%</b> | <b>1,673.7</b> | <b>1,257.9</b> | <b>(24.8)%</b> |
| <b>Core EBITDA</b>  | <b>655.8</b>   | <b>681.7</b> | <b>661.0</b> | <b>605.5</b> | <b>(8.4)%</b> | <b>(7.7)%</b>  | <b>1,342.9</b> | <b>1,266.4</b> | <b>(5.7)%</b>  |
| <b>Core operating profit</b>                                      | <b>290.1</b>   | <b>266.5</b> | <b>249.9</b> | <b>225.4</b> | <b>(9.8)%</b> | <b>(22.3)%</b> | <b>584.7</b>   | <b>475.3</b>   | <b>(18.7)%</b> |



# Project update

“Samart Plastpack offers a packaging in the form of flexible packaging for F&B, FMCG , cosmetic, others”



## Deal Structure

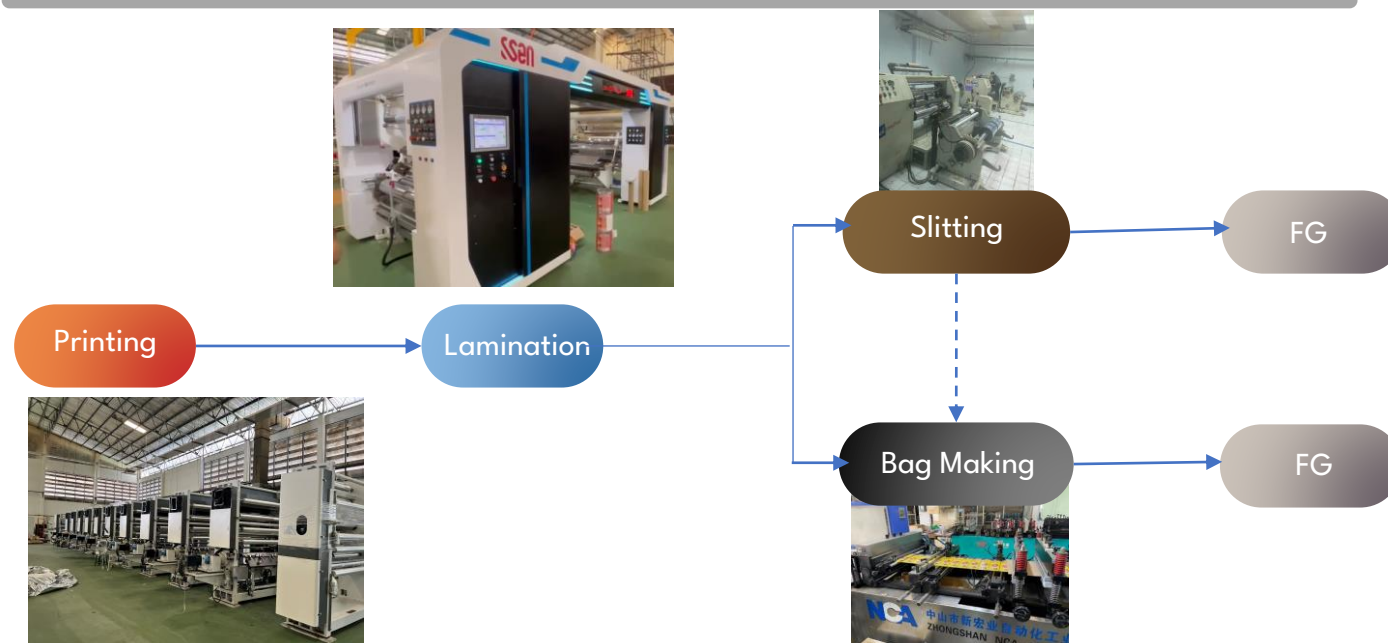
- 140.8 mTHB for 75% including 50 mTHB as a new equity injection
- Equal to Price/Adjusted Book\* of 1.14
- Funding by SSP internal cash flow

\*Note: Adjusted book value came from book value as at 31 Dec 2022  
+ land and building revaluation  
+ cash

## Product and Customer



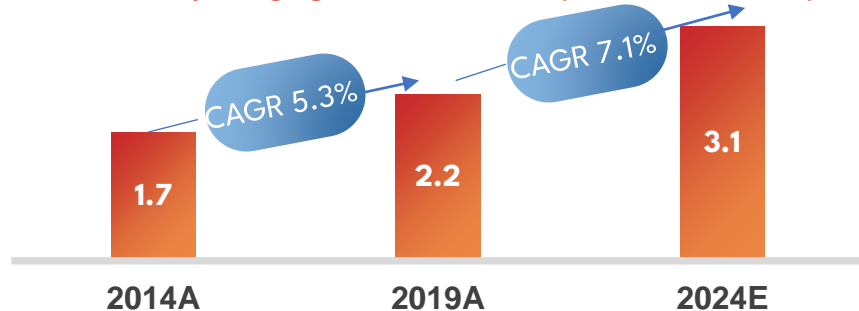
## Production Process



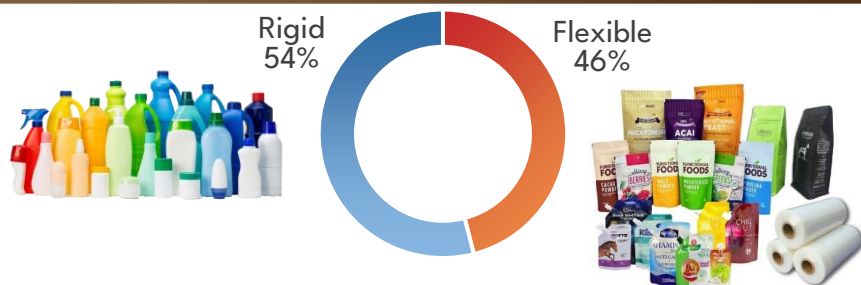


## Continuously growth in plastic packaging

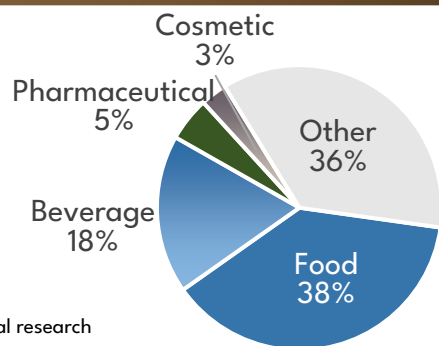
Plastic packaging used in Thailand (million metric ton)



Plastic packaging revenue ~200 billion Baht per year

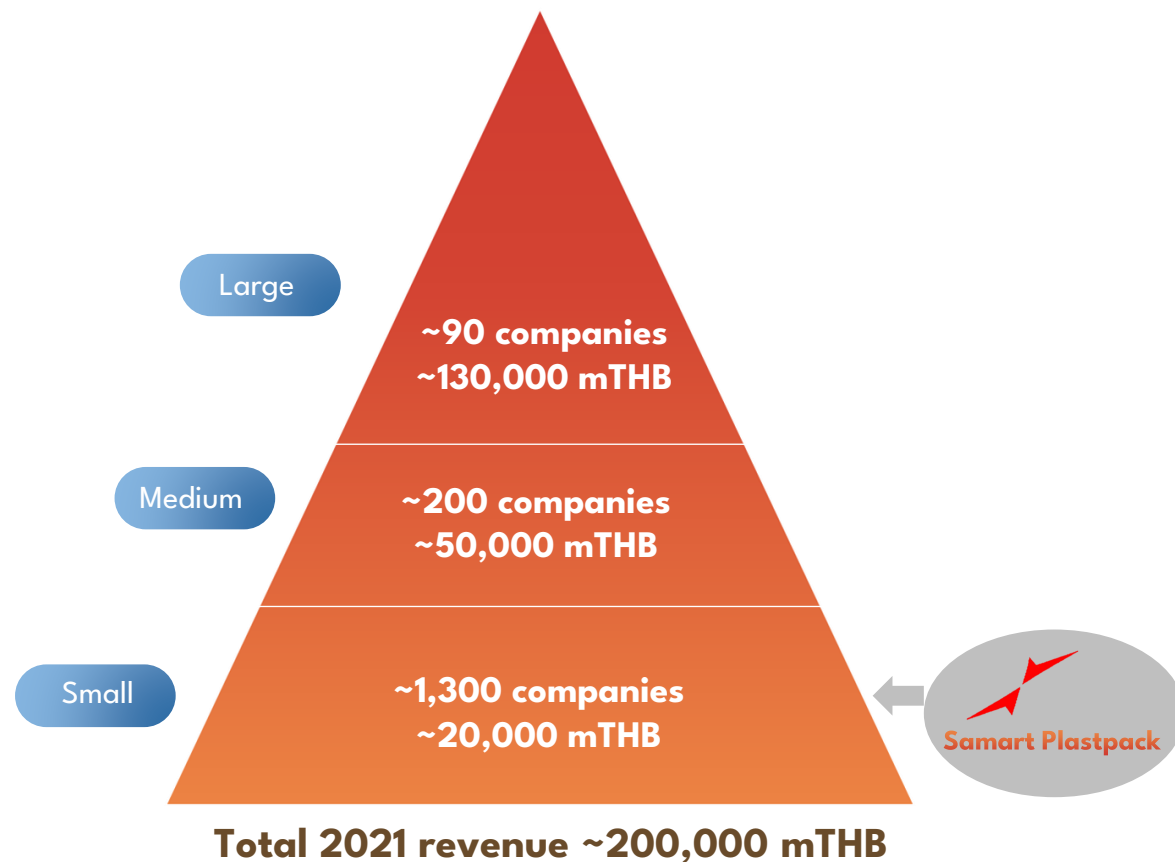


## Plastic packaging by sectors



\*Data from internal research

## Competitive Landscape



\*Data from Department of Business Development Ministry of Commerce

1) Criteria for calculating the size of a business as follows:

- 1.1) Small revenues < 100 mTHB
- 1.2) Medium revenues 100-500 mTHB
- 1.3) Large revenues > 500 mTHB

## Rationale and Benefit



**New S-curve**  
growth and diversification

## Sustainable Focus

follow the global  
sustainability trend

## Risk vs Reward

future sustainable growth

## Potential Synergy



**Strengthening financial  
and human capital**

**Improve efficiency and  
cost optimization**

investment in new production  
technology

**Better recognition**

potential to expand customer  
base



## Target



### Next 3 year target

- Production excellence
- Ranking top 20 flexible packaging producer with target **revenue 500 mn/year**

### Long term target

- New printing technology, product innovation and supply chain with sustainability oriented solution
- Introducing B2C, SME packaging products
- Become a leading sustainable packaging solution company in Thailand
- Enhancing value to SSP as a group

# Project Details: Leo (phase#2) 17.0 MW

## Project Leo Details

|                              |  |
|------------------------------|--|
| <b>Business Type</b>         | : Solar power plant  |
| <b>Investment Type</b>       | : Through SEG, as TK Investor, under GK-TK Investment Structure  |
| <b>Investment Percentage</b> | : 100.0%   |
| <b>Location</b>              | : Shizuoka, Japan  |
| <b>Installed/PPA MW</b>      | : 22/17.0 MW   |
| <b>Target SCOD date</b>      | : Q3-2025  |
| <b>Purchase Price</b>        | : Under FiT Scheme of JPY 36/KWh   |
| <b>Purchase Term</b>         | : 17 years   |
| <b>Tax Incentive</b>         | : <u>GK-TK Structure</u><br>• TK distribution of GK Company to TK investor can be used as tax deductible expense at GK Company level |

## Project progress

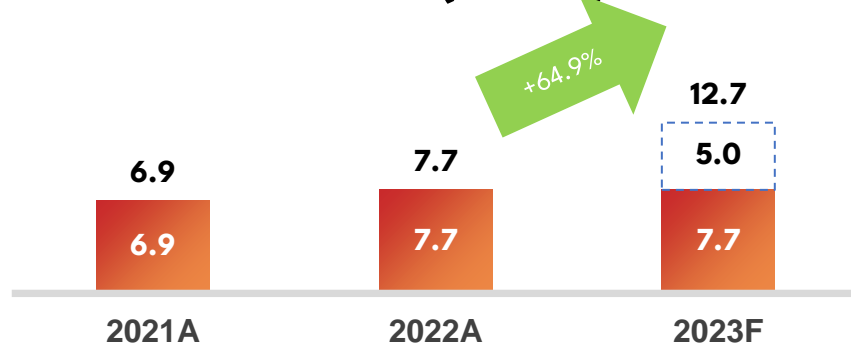
|   |              |
|---|--------------|
| <b>Approvals related</b>                  | : done       |
| <b>EPC agreement</b>                      | : In process |
| <b>Financial close</b>                    | : In process |
| <b>Site preparation</b>                   | : In process |
| <b>Transmission Line Construction</b>     | : Q3-2023    |
| <b>Generating Facilities Construction</b> | : Q1-2024    |
| <b>Commercial Operation</b>               | : Q3-2025    |



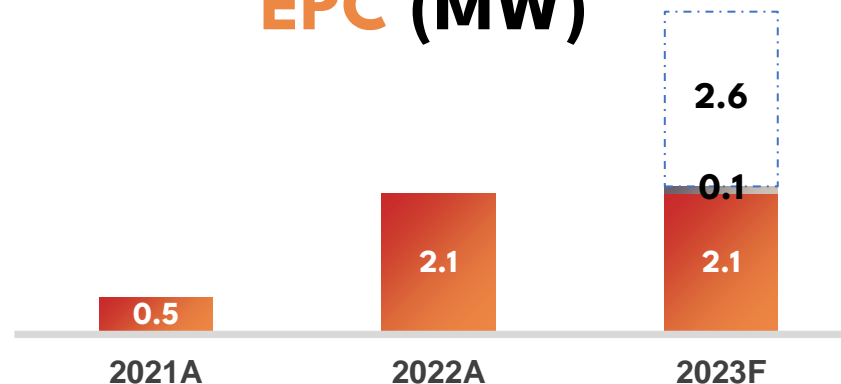
# Project Details: Rooftop

Thailand

## Private PPA (MW)

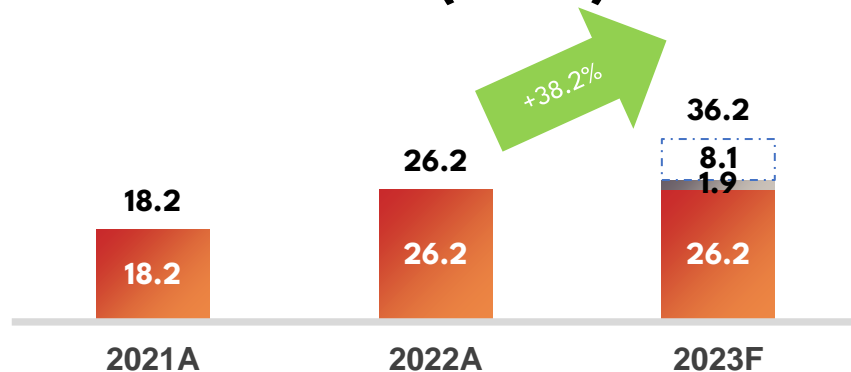


## EPC (MW)



Indonesia

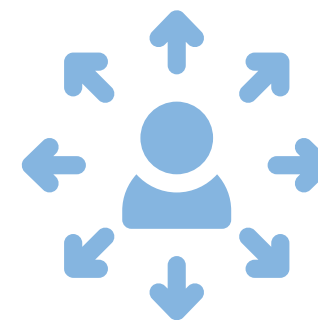
## Private PPA (MW)



## Private PPA

Total Operation as of 30 Jun 2023  
: 34.4 MW  
Construction & Development 2023  
: 13.1 MW

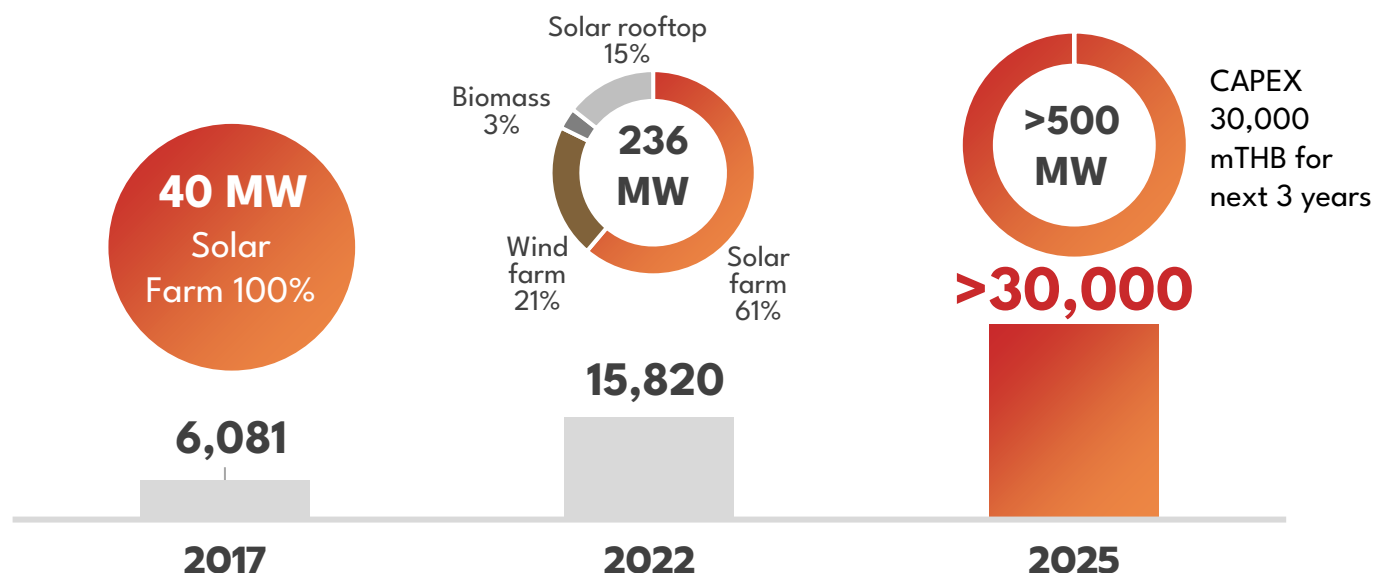




# Future Opportunity

# Future Opportunity

## Driving by organic and inorganic growth



1

### Green field - organic growth

- Start construction Leo2 in 2Q23 : project cost 2,000 mTHB
- Solar rooftop in TH and ID 15 MW for 2023
- New opportunities in Thailand, Vietnam, Taiwan, Philippines

2

### M&A - inorganic growth

- Renewable energy
- Target equity IRR > 10%

Budget = 3,000 – 4,000 mTHB

3

### New business - Three criteria:

- Profitable & growth company
- Experience & synergy with SSP group
- ESG theme

Budget = 500 – 1,000 mTHB





# Thank you

## **SERMSANG POWER CORPORATION PLC.**

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Bangkok 10300 Thailand

Tel: +66 (0) 2628 0993-2

Fax: +66 (0) 2628-0993

Website : <https://www.sermsang.com>

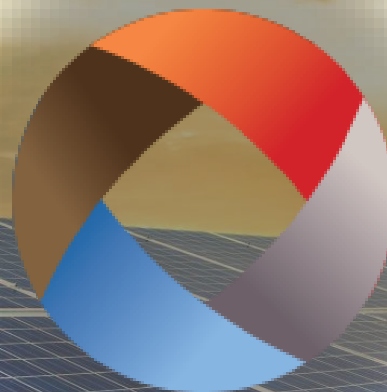
.....

**For further information & enquiries, please  
contact our Investor Relations at**

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**SERMSANG**  
POWER CORPORATION

## Statement of financial position as at 30 June 2023

| Consolidated Financial Statement<br>(mTHB)          | 2022            | 2Q23            | Change        |
|---|-----------------|-----------------|---------------|
| Current assets                                      | 4,269.4         | 5,369.7         | 4.2%          |
| Non-current assets                                  | 17,022.6        | 16,477.3        | (1.2)%        |
| <b>Total assets</b>                                 | <b>21,292.0</b> | <b>21,847.0</b> | <b>(0.1)%</b> |
| Current liabilities                                 | 1,173.4         | 1,912.1         | 45.5%         |
| Non-current liabilities                             | 11,841.6        | 11,499.3        | (6.1)%        |
| <b>Total liabilities</b>                            | <b>13,015.0</b> | <b>13,411.4</b> | <b>(1.5)%</b> |
| <b>Equity attributable to owners of the Company</b> | <b>7,775.7</b>  | <b>8,029.0</b>  | <b>2.1%</b>   |
| <b>Total shareholders' equity</b>                   | <b>8,277.0</b>  | <b>8,435.5</b>  | <b>2.1%</b>   |

## Cash flow statement for the 3-month period ended 30 June 2023

| Consolidated Financial Statement<br>(mTHB)              | 2022           | 2Q23           |
|---|----------------|----------------|
| <b>Cash and cash equivalents at beginning of period</b> | <b>3,579.7</b> | <b>3,227.5</b> |
| -Net cash flows from (used in) operating activities     | 1,505.0        | 1,075.1        |
| -Net cash flows used in investing activities            | (661.1)        | (405.5)        |
| -Net cash flows from financing activities               | (116.3)        | 16.6           |
| Net increase (decrease) in cash and cash equivalents    | 463.3          | 666.8          |
| <b>Cash and cash equivalents at end of period</b>       | <b>4,048.3</b> | <b>3,884.2</b> |

