

No TTW/057/63

25 February 2020

Subject Explanation of the 2019 operating result as compared that of 2018

To The President
The Stock Exchange of Thailand

Performance analysis of year 2019 and 2018

Description	2019	2018	Changes	
			+ / (-)	%
Total revenue	6,165.6	5,948.5	217.1	3.7
Total expenses	2,297.0	2,251.5	45.5	2.0
Profit sharing from investment in associated company	280.3	151.6	128.7	84.9
Net profit for the year of TTW	3,127.9	2,841.9	286.0	10.1

The operating results of TTW Public Company Limited (“the Company”) and its subsidiaries for the year ended 31 December 2019 and 2018 are Baht 3,127.9 million and Baht 2,841.9 million, respectively. As compared with the operating results for the same period of last year, the operating results of the Company and its subsidiaries increased by Baht 286.0 million or representing an increase of 10.1%. The Company hereby clarified the significant changes as follows:

1) Revenues

Description	2019	2018	Changes	
			+ / (-)	%
Sales of treated water	5,993.4	5,807.4	186.0	3.2
Service income	119.5	118.3	1.2	1.0
Other income	52.7	22.8	29.9	131.1
Total revenues	6,165.6	5,948.5	217.1	3.7

Total revenues increased by Baht 217.1 million or representing an increase of 3.7% by the main reasons as follow:-

a) Sales of treated water increased by Baht 186.0 million or representing an increase of 3.2%.

Description	2019	2018	Changes	
			+ / (-)	%
Sales volume to PWA (million m ³)				
TTW	166.1	158.3	7.8	4.9
PTW	148.9	145.9	3.0	2.1
Sales of treated water to PWA				
TTW	3,875.9	3,763.1	121.5	3.1
PTW	1,897.4	1,832.9	64.5	3.5
Total sales of treated water to PWA	5,773.3	5,596.0	177.3	3.2
Sales of treated water to private sector agencies	220.1	211.4	8.7	4.1
Total sales of treated water	5,993.4	5,807.4	186.0	3.2

b) Other incomes increased by Baht 29.9 million or representing an increase of 131.1% because the return on cash balances is higher than return of last year.

2) Cost of sales of treated water and services

Description	2019	2018	Changes	
			+ / (-)	%
Depreciation and amortisation	925.9	866.4	59.5	6.9
Cost of production, distribution of tap water and other service costs	924.6	909.3	15.3	1.7
Total cost of goods sold and services	1,850.5	1,775.7	74.8	4.2

Cost of goods sold and services increased by Baht 74.8 million or representing an increase of 4.2% mainly due to depreciation expenses increased by Baht 59.5 million, the electricity expenses increased by Baht 12.6 million, the maintenance expenses

increased by Baht 11.8 million and the other expenses increased by Baht 1.0 million, while the chemical expenses decreased by Baht 10.1 million.

3) Administrative expenses decreased by Baht 28.7 million or representing an decrease of 10.2% because in the year 2018, the company realized the development expenses of water project in Myanmar by Baht 36.7 million as the expense in the statement of income.

4) Sharing of profit from investment in associated company increased by Baht 128.7 million or 84.9% because the Xayaburi Power Company Limited, an affiliate of CK Power Public Company Limited, started to sale the electricity in the fourth quarter of 2019, and the company recognized the gain from change of the shareholding proportion from 25.31% to 24.98% in amount of 87.3 MB.

5) Financial costs decreased by Baht 67.2 million or representing a decrease of 18.1% due to repayment of long-term loans and debenture redemption of Baht 1,500 million.

Description	2019	2018	Changes	
			+ / (-)	%
Loans	3,360.0	3,795.0	(435.0)	(11.5)
Debentures	5,900.0	6,400.0	(500.0)	(7.8)

6) The income tax increases by Baht 80.9 million or representing an increase of 13.1% due to the income tax exemption of plant capacity expansion of 320,001 - 440,000 m³/day, received from BOI, expired in September 2018

Please be informed accordingly.

Yours Faithfully,

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