



Padaeng Industry Public Company Limited and its subsidiaries

Management Discussion and Analysis (MD&A)

For the three-month and nine-month periods ended September 30, 2020



Ref. PDI/BK-BS-056/2020

November 11, 2020

Re: Management Discussion and Analysis (MD&A)

For the three-month and nine-month periods ended September 30, 2020

To: President

The Stock Exchange of Thailand

Padaeng Industry Public Company Limited and its subsidiaries (the “Company”) reassessed its business structure to move towards Green Businesses targeting renewable energy and real estate business. To pursue its business strategy, the Company operates commercial solar farms in Thailand and Japan with total production capacity of 50 megawatts.

The Company would like to announce the operating results for the three-month and nine-month periods ended September 30, 2020, which have been reviewed by the auditor as follows:

Consolidate Financial Statements

Unit : Million Baht

	For the three-month periods		For the nine-month periods	
	ended September 30,		ended September 30,	
	2020	2019	2020	2019
REVENUES	161.28	97.04	444.93	344.61
Revenue from sales electricity	83.18	77.29	265.55	260.00
Revenue from sales and services	2.63	3.85	9.72	11.97
Dividend income	37.78	0.69	43.28	40.92
Gain on investments	1.63	-	39.62	-
Gain on exchange rate	27.63	0.42	64.38	-
Other income	8.43	14.79	22.38	31.72
EXPENSES	(116.40)	(126.20)	(347.82)	(365.30)
Cost of sales electricity	(40.32)	(37.59)	(118.38)	(112.23)
Cost of sales and services	(1.03)	(2.71)	(5.77)	(7.60)
Operating and administrative expenses	(45.88)	(41.17)	(131.82)	(142.76)
Loss on investments	-	(10.55)	-	(16.97)
Loss on exchange rate	-	-	-	(18.21)
Finance costs	(29.17)	(34.18)	(91.85)	(67.53)
SHARE OF LOSS OF INVESTMENTS IN JOINTLY CONTROLLED ENTITIES ON EQUITY METHOD	-	(0.35)	(0.12)	(2.39)
PROFIT (LOSS) BEFORE TAX	44.88	(29.51)	96.99	(23.08)
INCOME TAX INCOME	0.48	0.35	1.40	1.52
PROFIT (LOSS) FOR THE PERIODS FROM CONTINUING OPERATIONS	45.36	(29.16)	98.39	(21.56)
LOSS FOR THE PERIODS FROM DISCONTINUED OPERATION	-	(16.18)	-	(4.04)
NET PROFIT (LOSS) FOR THE PERIODS	45.36	(45.34)	98.39	(25.60)



Overview the performance

For the three-month period ended September 30, 2020, the Company announces net profit of Baht 45.36 million, compared to a net loss of Baht 45.34 million from the same period of previous year which included loss from discontinued operation amounting Baht 16.18 million.

For the nine-month period ended September 30, 2020, the Company announces net profit of Baht 98.39 million, compared to a net loss of Baht 25.60 million from the same period of previous year which included loss from discontinued operation amounting Baht 4.04 million.

Renewable energy business

The Company reached gross profit for the three-month and nine-month periods ended September 30, 2020, amounting Baht 42.86 million and Baht 147.17 million which were gross profit margin of 51.53% and 55.42%, respectively.

Performance				
	Unit : Million Baht			
	Consolidate Financial Statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2020	2019	2020	2019
Revenue from sales electricity	83.18	77.29	265.55	260.00
Cost of sales electricity	(40.32)	(37.59)	(118.38)	(112.23)
Gross profit	42.86	39.70	147.17	147.77
Gross profit margin (%)	51.53	51.36	55.42	56.83

Operating and administrative expenses

The Company has operating and administrative expenses for the three-month period ended September 30, 2020 of Baht 45.88 million, an increase by Baht 4.71 million from the same period of previous year and for the nine-month period ended September 30, 2020 of Baht 131.82 million, a decrease by Baht 10.94 million from the same period of previous year follow the plan of transition of the Company.

Gain on investments

For the three-month and nine-month periods ended September 30, 2020, the Company has gain on investments by Baht 1.63 million and Baht 39.62 million from efficient investment strategy.

Gain on exchange rate

For the three-month and nine-month periods ended September 30, 2020, the Company has gain on exchange rate by Baht 27.63 million and Baht 64.38 million, respectively, due to revaluation foreign exchange rate in JPY of investments on solar farms in Japan.



In 2020, PDI pursues its new business strategy under the guidance of Managing Director which the Board has given its support for further expand into new business lines to accelerate growth, as renewable energy concessions are no longer available locally.

As such, the company can expect a wider investment mandate that focuses on high quality tangible assets in the sectors of real estate and renewable energy.

In addition, the Company continuously manages down its OPEX throughout the period to minimize spending.

Please be informed accordingly.

Yours truly,

-- Signature --

(Mr. Tommy Taechaubol)

Managing Director

Board Secretary Division

Tel. 0 2695 9499 Ext. 9335, 9414 Fax. 0 2695 9495

Finance and Accounting Division

Tel. 0 2695 9499 Ext. 9421, 9449