



บริษัท สแกน อินเตอร์ จำกัด (มหาชน)
SCAN INTER PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS
OF THE COMPANY'S PERFORMANCE
For the Quarter Ended September 30, 2024

The Management Discussion and Analysis of the Company's Performance (the "MD&A") is intended to present and analyze the Company's results of operations and financial position at the end of the accounting period.

For further questions or queries, please contact our Investor Relations Department:

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Executive Summary

Key event for the third quarter of 2024

There was an increase in Commercial Operation Date (COD) of SAP by 2 projects and the overall number of COD projects is currently 33. From the total productivity of 20 Megawatts, 19.5 Megawatts have already been installed. Still, several projects are under development, with more electricity ready for COD in the future. This is likely to support the renewable energy business of the company to maintain its sustainable and stable growth.

The company recorded impairment loss on non-performing assets which amounted to Baht 77.4 million. Also, the company recorded the Expected Credit Loss (ECL) from account receivables and Bangkok Mass Transit Authority (BMTA) according to the termination of contract of trading, repair and maintenance projects of 489 NGV buses which amounted to Baht 83.4 million. However, the company submitted the invoices for payment according to the contract. Moreover, the company recorded more expenses from construction projects which amounted to Baht 90.7 million.

Performance summary for the third quarter of 2024

Table 1: Key financial highlights

(Unit: Million Baht)

Key financial highlights	Q3/2023	Q2/2024	Q3/2024	%QoQ	%YoY
Revenue from sales and services	480	415	341	(18%)	(29%)
Gross Profit	74	63	(38)	(160%)	(151%)
EBITDA	86	73	(191)	(361%)	(322%)
EBITDA Ratio	18%	18%	(56%)	(411%)	(411%)
Net Profit	25	9	(246)	(2,833%)	(1,084%)

Revenue from sales of goods and services

Revenue from sales of goods and services in Q3/2024 amounted to Baht 341 million, a decrease of 29% compared to the previous year. This decrease was due to natural gas-related business which was affected by a decrease in revenues from Private Mother Station (PMS), service station maintenance and equipment sales related to natural gas. This decrease was also due to a revenue adjustment from the construction business and a decrease in construction projects.

Revenue structure

Table 2: Revenue by segment

(Unit: Million Baht)

Segments	Q3/2023	Q2/2024	Q3/2024	%QoQ	%YoY
Natural Gas-related business	254	234	216	(8%)	(15%)
Automotive, spare parts, and air-conditioned buses	49	-	-	-	(100%)
Renewable energy business	37	34	46	35%	24%
Transportation business	59	86	102	19%	73%
Other businesses	81	61	(23)	(138%)	(128%)
Total revenues	480	415	341	(18%)	(29%)

Natural Gas-related Business

Revenue from natural gas-related business in Q3/2024 amounted to Baht 216 million, a decrease of Baht 38 million or 15% compared to the prior year. This came from lower revenues from Private Mother Station (PMS), service station maintenance and equipment sales related to natural gas.

Automotive, spare parts, and air-conditioned buses Business

Revenue from automotive, spare parts and air-conditioned buses business in Q3/2024 had no revenue recognition. This was due to the joint operation (SCN-CHO) which has a resolution to terminate the contract of trading, repair and maintenance of 489 NGV buses with the Bangkok Mass Transit Authority (BMTA).

Renewable energy Business

Revenue from the renewable energy business in Q3/2024 amounted to Baht 46 million, an increase of Baht 9 million or 24% compared to the prior year. This came from an increase in installation and sales of solar panels.

Transportation Business

Revenue from the transportation business in Q3/2024 amounted to Baht 102 million, an increase of Baht 43 million or 73% compared to the prior year. The growth in revenue was primarily from an increase in transportation volume of the company and its subsidiaries as well as from revenue recognition from logistics projects of which the bidding was won in Q3/2023 with 6 areas and Q2/2024 with 2 areas. The total number of areas is 8, contact terms are 2 years.

Other Businesses

Revenue from other businesses in Q3/2024 amounted to Baht (23) million, a decrease of Baht 104 million or 128% compared to the prior year. This came from the construction business which was affected by revenue adjustment of construction projects.

Profit sharing from investment in the joint venture

The profit sharing from investment in joint venture in Q3/2024 amounted to Baht 5 million, a decrease of Baht 3 million or 38% compared to the prior year. Key factors were 1) profit sharing of THB 5 million from the solar power plant project in Minbu, Myanmar, 2) loss sharing of THB 1 million from Pharmaceutical Plants Company Limited (HEMP), and 3) profit sharing of THB 1 million from Thai-Japan Gas Network Company Limited (TJN).

Finance cost

Finance costs in Q3/2024 amounted to Baht 32 million, an increase of Baht 1 million or 3% compared to the prior year.

Analysis of the Consolidated statement of Financial Position of the Group

as of 30 September 2024 compared to 30 September 2023

(Unit: Million Baht)

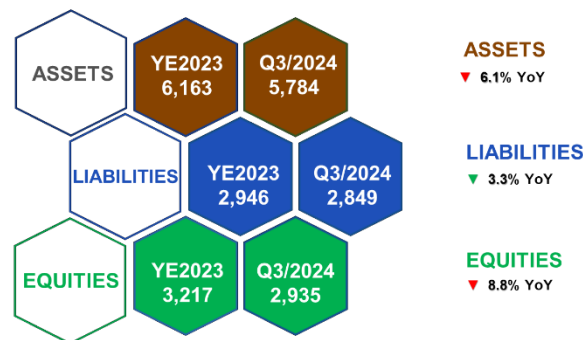


Figure 1: Comparison of Statements of Financial Position (Quarterly)

The reasons for the change from the consolidated statement of financial position are as follows.

- Total assets in Q3/2024 amounted to Baht 5,784 million, a decrease of Baht 379 million or 6.1% compared to the previous year. This was due to 1) provision for expected credit losses of trade receivables, 2) record of loss from impairment of non-productive assets, and 3) a decrease in investment in joint-venture business.
- Total liabilities in Q3/2024 amounted to Baht 2,849 million, a decrease of Baht 97 million or 3.3% compared to the previous year. The decrease in liabilities was due to repayments of loans from financial institutions and promissory notes.
- Total equities in Q3/2024 amounted to Baht 2,935 million, a decrease of Baht 282 million or 8.8% compared to the previous year from operation's performance of the company.

Sustainable Development Operations

For over 36 years, the company aimed to generate growth in clean energy business along with emphasis on sustainable organizational development through efficient management. This led the company to accomplish the goal, moreover, the company operated business based on principle of governance and emphasized operation according to sustainable development guidelines that included Environmental, Social and Governance (ESG). Also, the company raised the topic of sustainable development operation as part of the Management Discussion and Analysis report. The development of key operations is as follows.

Environment

The company has the policy to drive Thailand forward to Low Carbon Society to solve the intensifying global warming issues and push Thailand to accomplish the goal of Net Zero Emissions. The renewable energy business of the company can reduce Carbon Dioxide Emission by 16,630 tonnes of carbon dioxide equivalent (tCO₂eq) per year or equivalent to planting 1,385,834 trees per year. Moreover, shifting to use Industrial Compressed Natural Gas (iCNG) can reduce Carbon Dioxide Emission by 32.61%, compared to fuel oil usage.

Social

The company emphasized social aspect by operating about 30 CSR projects which covered economics, social and environmental aspects. The company considered advantages from the project to provide to community and social continuously. Moreover, the company also followed human rights management guideline such as non-use of forced labor, non-violation of rights towards employees with disabilities, as well as employment of employees with disabilities and elder people with consideration of equality among all employees.

Governance

The company continuously received a corporate governance evaluation result at the level of “excellent” for five years from Thai Institute of Directors (IOD). Also, the company was certified as the member of Thai Private Sector Collective Action Against Corruption (CAC) which emphasized on operations with transparency, accountability and having strong policy against corruption in order to create confidence and trust to all stakeholders.

Definitions

ขสมก.	Bangkok Mass Transit Authority
COD	Commercial Operation Date
EPC	Engineering Procurement Construction
Private PPA	Private Power Purchase Agreement
O&M	Operation and Maintenance
iCNG	Industrial Compressed Natural Gas
NGV	Natural Gas Vehicle
PMS	Private Mother Station
SCN	Scan Inter Public Company Limited
SAP	Scan Advance Power Company Limited
SZG	Shizuoka Gas Company Limited
GEP	Green Earth Power (Thailand) Company Limited
THG	Toho Gas Company Limited
TJN	Thai-Japan Gas Network Company Limited
HEMP	Pharmaceutical Plants Company Limited
SUNTECH	Suntech Recycle & Decarbon Company Limited
WTX	Wastech Exponential Company Limited
TFRS	Thai Financial Reporting Standards
ECOR	ECO Orient energy (Thailand) Company Limited
Organic	General transaction of Company's business (Excluding special revenues / expenses)

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