



## Press Release

### TPI Polene Power 1Q 2024 Performance

#### Growth in throughput offset by lower price

Total sales in 1Q24 were down 13% YoY to THB2,559 million due to the 14% YoY drop in energy/utilities sales. Power sales under adder was up 5% YoY to THB688 million but power sales on base tariff dropped 20% YoY due to lower price mainly due to lower Ft. Given the high operating leverage nature of the business, gross profit margin dropped more to 35% compared to 39% in 1Q23, translating into an EBITDA to sales margin of 41% compared to 45% in the same period last year. SG&A dropped 18% YoY mainly on lower administrative costs. Keeping a tight lid on operating costs is a key operating metric for the TPI Polene Group as a whole even though in the case of TPIPP SG&A is a small cost factor, accounting for 4.7% of sales. The normalized EBITDA in 1Q24 was THB1,045 million, down 21.5% YoY while net profit was THB699 million, down 33% YoY and five-quarter low. In 1Q24, TPIPP booked a forex loss of THB89 million compared to a forex gain of THB8.6 million in the same period last year.

#### Operations were good but power pricing was lower

Overall throughput rose 6% YoY to about 518 million units. Throughput from our MSW power plants rose year-over-year. Our waste heat power output was down due to the maintenance shutdown at the cement plant. The newly-modified TG7 was also doing relatively well despite some technical issues late in the quarter. Still very much in its learning curve, TG7's operating performance has been improving. Throughput at our coal-fired power plant was lower but this is to be expected as this is now the focus of our medium-term plant modification program. Pricing was unfavorable in 1Q24; power sold under base tariff was lower by 24% YoY while power sold under adder pricing was down by 12% YoY compared to the same period last year. Power tariff has been dropping throughout 2023 due to Ft going lower at each periodic adjustment. Going forward, the periodic adjustment of Ft is the key extraneous factor that can move power revenues while the management's agenda is to drive output higher and reduce the conversion cost of MSW. Throughput sold to EGAT accounted for 79% of the total power sales during the quarter.

#### Very manageable finances

Our plant modification and cost efficiency programs continue and the amount of capex deployed during 1Q24 reached THB1,055 million including advance payments for some machinery. In addition, TPIPP also allocated THB1,008 million for the payout of final dividends for the 2023 operations. Despite the high cash deployment, net interest bearing debt (IBD) ended at THB19,639 million, just 2% higher than the closing net IBD position of 2023. Financing ratios remain healthy with net IBD to equity ratio at 0.6x and net IBD to EBITDA ratio of 4.7x. At this point there is no change in the 2024 capex plan. We also maintain our EBITDA guidance for the whole year.

#### ESG strides during the quarter

TPIPP used 727,279 tons of waste as fuel that convert into 1.687 million tons CO<sub>2</sub>e based on the ratio of 2.32 tons of GHG per ton of landfill waste. At the end of the quarter TPIPP has accumulated 1,559,229 tons of T-VER certified carbon credits and 1,448,191.774 units of Renewable Energy Certificates from EGAT. To meet our zero-waste policy, we have recycled 100% the industrial waste our operations generated or 4,259.57 tons. We have also recycled all effluents generated and this accounted for about 5% of the total water consumed in our operations. We continue to push forward our long term goal of lower carbon footprint and deliver to our target of high recycling and zero waste generation.

**TPIPP Corporate Relations Department**