



Press Release

TPI Polene Power 3Q2024 Performance

Good operating performance

Total sales in 3Q24 was flat QoQ but up 10.4% YoY to THB2,691 million. The YoY growth is due to higher power throughput. Power sales under adder was up marginally, +1.2% QoQ, +0.3% YoY. Operating costs were up 21% QoQ bringing the SG&A to sales ratio to 5.9% vs 4.9% 2Q24, due to one-time expense relating to new projects and other undertakings. Tax expense was also higher, equivalent to 14% of the 3Q24 pre-tax profit (excluding forex gains), due to the expiry of the tax privileges. Despite higher opex and taxes, reported net profit was flat QoQ at THB833 million, partly thanks to the foreign exchange gains of THB117 million.

For the 9M24, total sales reached THB7,947 million, producing EBITDA of THB3,513 million and net profit of THB2,390 million; corresponding to EBITDA margin and net profit margin of 44% and 29%, respectively.

Improving throughput

Overall throughput was 563 million units, marginally higher than in 2Q24 but was up significantly, by 26% YoY. Overall the MSW/WTE-fired power plants performed well, posting 8% YoY, +2.4% QoQ increases in throughput. Throughput from the coal-fired power plant doubled YoY and up 7% QoQ as some stages of the plant modification has been completed. Adding on to the main power portfolio are the newly completed renewable power capacities - solar roof and solar farm that have also begun production. Though quite small compared to the main power portfolio, these projects will support the power needs of the parent, TPI Polene, increase its self-sufficiency in power with greater reliance on clean energy and boost the carbon merits of its Green Cement & Building Products. These renewable capacities could also add to TPIPP's Renewable Energy Certificates (RECs).

Power pricing was stable from 2Q24. The marginal increase in the average price was due to higher proportion of power output sold to EGAT. Sales under adder pricing was flattish at THB696 million, +1.2% QoQ. Overall, in 3Q24 power sold to EGAT accounted for 75% in value terms and 67% in volume terms. The financial performance for the remainder of the year will depend on 1) throughput, 2) cost savings contribution from fuel switch to MSW and 3) more contribution from the newly commissioned solar power capacity. For 9M24, EBITDA generated accounts for 65% of our FY guidance and we maintain our guidance.

Projects on roll out: towards green energy

Our plant modification program for the 150MW continues, the whole phase one will be online in January 2025 while the remainder is still on target to COD by the end of 2025. We are commissioning phase-by-phase the solar farm capacity starting with 16MW in 3Q24 and aiming to complete the total 71MW by 2025. We are also rolling out two MSW projects: one in Songkhla province and another in Mukdahan province expected to be completed by 2025/26.

At the end of 3Q24, net interest bearing debt (IBD) ended at THB23,985 million, 24.6% higher than the closing net IBD position of 2023. Cash and cash equivalent was THB3,824 million. Financing ratios remain healthy with net IBD to equity ratio at 0.71x and the net IBD to EBITDA ratio at 5.12x. Capex deployed in the 9M of 2024 was THB4,811.6 million, including the THB75 million advance payment for equipment & machinery. For now, we maintain the capex outlay of THB5,552 million.

ESG strides in the first nine months of 2024

By the end 3Q24 TPIPP used 2.172 million tons of waste fuel that converts to 5.038 million tons CO₂e based on the ratio of 2.32 tons of GHG per ton of landfill waste. By the end of September, TPIPP has accumulated 1,559,229 tons of T-VER certified carbon credits and 2,504,658.94 units of Renewable Energy Certificates from EGAT. To meet our zero-waste policy, TPIPP has recycled 100% the industrial waste its operations generated or 11,069 tons. We have also recycled all effluents generated and this accounted for about 4.60% of the total water consumed in our operations during the period. 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 expects to hit carbon neutrality by 2037.

ESG Strides in 9M 2024

The Company is committed to strengthening the business for sustainable growth under the development with consideration for environmental, social, and corporate governance dimension or ESG (Environmental, Social and Governance). ESG performance in the first nine-month period of the year 2024 is summarized as follows:

Environmental Performance

The Company used a total of 2,171,533.25 million tons of all types of waste as fuel in the Company's power plants and sold sorted waste to cement plants of TPI Polene Public Company Limited to be used as fuel in cement production, which reduced greenhouse gas emissions by approximately 5,037,957.14 tCO₂e (emission factor is calculated based on the above wastes left into landfill waste, will generate 2.32 tons of greenhouse gases per 1 ton of landfill waste).

As at September 30, 2024, the Company obtained carbon credit registration from Thailand Greenhouse Gas Management Organization (Public Organization), totaling 1,559,229 tCO₂e, and received a Renewable Energy Certificate (REC) from the Electricity Generating Authority of Thailand (EGAT) from renewable energy power generation (from waste fuel and waste heat recovery). The Company has registered and opened a REC volume trading account with the International REC Standard (I-REC) of 2,504,658.94 RECs (1 REC represents 1 MWh of electricity generated from renewable energy).

The Company reduced greenhouse gas emissions from power plants by 321,689.87 tons of CO₂e or decreased by 17.35%, from 1,853,619.87 tons of CO₂e in the first nine-month period of the year 2023 to 1,531,930.00 tons of CO₂ equivalents in the first nine-month period of the year 2024.

The Company was able to reuse the effluents from the electricity generation process to re-filter of 285,990 cubic meters, representing 4.60% of the total water consumption of 6,222,364 cubic meters.

The Company utilized industrial waste from the production process to be used as renewable fuel, renewable materials and recycled for total of 11,069.31 tons, representing 100% of total quantity of industrial wastes generated, to comply with the "Zero Waste" policy

TPI Polene Group supports the conservation of natural resources and environment by carrying out the following activities:

On June 14, 2024, the Company joined the activities of 2024 Muak Lek River Conservation Day with Muak Lek District, at Waterfall Chet Sao Noi National Park, Muak Lek district, Amphur Muak Lek, Saraburi Province.

On June 27, 2024, the Company participated in "Forest Restoration Project" with Thap Kwang Research Station, Faculty of Forestry, Kasetsart University, aiming to increase CO₂ absorption and for community benefits, on the Auspicious Occasion of His Majesty the King's 72nd Birthday Anniversary, by planting 1,000 trees within a total area of 25 Rai at the Thap Kwang Research Station, Thap Kwang district, Amphur Kaeng Khoi, Saraburi Province.

On July 11, 2024, the Company participated in "Tree Planting Project" on the Auspicious Occasion of His Majesty the King's 72nd Birthday Anniversary with Saraburi Provincial Office of Natural Resources and Environment by planting 1,100 trees (Bungor trees, Burmese rosewood trees, and Inthanin trees) within a total area of 50 Rai in Khaoman Community Forest area, BanThai, Moo 3, Thap Kwang Subdistrict, Amphur Kaeng Khoi, Saraburi Province and supported the budget of THB 250,000.

On August 5, 2024, the Company participated in "Nakarafa Joint Tree Planting Project to increase green areas" with the Nawamin Kasatiyathiraj Air Force Academy on the Auspicious Occasion of His Majesty the King's 72nd Birthday Anniversary by planting 2,567 trees (golden shower trees, yellow star trees, Peepul trees, Bungor trees and other trees) within a total area of 25 Rai at Nawamin-Takasatiyathiraj Air Force Academy, Amphur Muak Lek, Saraburi Province and supported the budget of THB 200,000.

On September 7, 2024, the Company participated in Tree Planting Project to increase green areas with the Environment for Life Foundation by planting 2,000 trees (golden teak trees, Siamese rosewood trees, and bamboo trees) within a total area of 25 Rai at Home & Hill, the Company's guest house in Thap Kwang Subdistrict, Amphur Kaeng Khoi, Saraburi Province, and supported the budget of THB 300,000.

Social Performance and Human Rights

The Company has supported various projects and activities for public benefits in the first nine-month period of the year 2024, totaling THB29.47 million to communities, educational institutions, temples, hospitals and government authorities and contributed healthcare products and products of TPI Polene Group, such as cement, other construction materials, organic fertilizers, drinking water and healthcare products to prevent pathogens.

The Company provides equal opportunities for employment without discrimination in favor or against any person. In the first nine-month period of the year 2024, 79 additional new employees were employed, which comprises 73 general staff, 3 seniors and 3 employees with disabilities.

The Company has implemented human rights for stakeholders throughout the value chain by respecting human rights of employees, suppliers, customers, and local communities. In the first nine-month period of the year 2024, there were no complaints of human rights violations.

The Company has implemented occupational health and safety in the working environment with an objective to become a zero-accident organization. Performance in the first nine-month period of the year 2024 is summarized as follows:

- The number of Fatal Occupational Injuries of employees and contractors was 0.
- Occupational injuries rate (associated with high-impact jobs) of employees and contractors was 0.
- Occupational illnesses rate of employees and contractors was 0.

The Company disposed of 4,509.21 tons of non-hazardous industrial wastes to be used as fuel in the electricity production process.

Comply with Good Corporate Governance Policy

The Company continues to operate its business with an emphasis on sustainable development and growth while creating sustainable values in environmental and social importance under a good corporate governance policy, disclosing information and operating results transparently, managing risks in all aspects. The Company pays attention to the impacts that occur or are expected to arise from business operations. Therefore, the Company has the opportunity to generate increased revenue and profit from its business operations, driven by sustainable development that create growth potential and increase good quality of products and environmentally friendly output. As a result, investors and shareholders will receive sustainable returns from investment in the Company's business.

The Company is fully responsible and creates value and benefits for relevant stakeholders in an all-round manner. As a result, in the first nine-month period of the year 2024, the Company received awards and certifications from recognized organizations in terms of promoting sustainable development as follows:-

International Awards

The Company received “The Best ESG Energy Efficiency Initiative Company Thailand 2023 award” as Thailand's ESG Energy Efficiency Innovation Leader for the third consecutive year from International Finance Magazine (IFM), UK.

The Company received “The Best Innovations in Renewable Energy Industry in Thailand 2023 award” from The Global Economics magazine, a leading financial magazine in the United Kingdom.

The Company received “2024’s Pioneering Renewable Energy Companies Advancing Technology and Sustainability citation” from Business World Eureka magazine in the United States of America.

The Company received “Best Practices in Energy Efficiency and Management (Renewable Energy Category) citation in the 42nd ASEAN Minister on Energy Meeting held in Laos.

The Company received “The Most Sustainable Power Plant Company in Thailand 2024” from Gazet International Magazine in Singapore.

On November 2, 2024, the Company received “The Best Sustainable Practices Energy Sector Thailand 2024 award” from World Business Outlook Magazine, Singapore.

National Awards

1. On March 25, 2024, the Company was certified ISO14064-1 (Carbon Footprint Verification or CFV), which is a standard for principles and requirements at corporate level for measuring and reporting greenhouse gas emissions and reductions, including requirements for design, development, management, reporting and verification of corporate greenhouse gas emissions and reductions from BSI Group (Thailand) Co., Ltd. ("BSI: British Standards Institution"), British Standards Institution
2. On July 12, 2024, Thaipat Institute announced that the Company has been ranked in the 2024 ESG100 list for the fifth year (in 2018, 2021, 2022, 2023 and 2024) with outstanding environmental performance in Environmental, Social and Governance (ESG) criteria in the Resource Sector.
3. The Company received Honorary Award from the Project "One Million Goodness Seedlings to return back to the Homeland" for the year 2024 by Thai Social Foundation, divided into two individual honorary awards as follows:-
 - Outstanding Organization Leader of the Year Award 2024 to Mr. Prachai Leophairatana, Chairman of the Board of Directors.
 - Outstanding Creativity and Innovation Award 2024 to Mr. Prachai Leophairatana, Chairman of the Board of Directors.And 4 honorary awards on behalf of the organization as follows:
 - Goodness Returning Back to the Homeland Award 2024
 - Outstanding Creativity and Innovation Award 2024
 - Outstanding Service of the Year Award 2024
 - Outstanding Company of the Year Award 2024
4. On October 28, 2024, the Company achieved "Excellent CG Scoring, a 5-star corporate governance assessment" for two consecutive years in Corporate Governance Report of Thai Listed Companies (CGR) for the year 2024, operated by Thai Institute of Directors (IOD) in collaboration with the Stock Exchange of Thailand and the Office of Securities and Exchange Commission. This reflects the determined dedication of the companies' Board of Directors, top management and employees to the continuous development and enhancement of the good corporate governance practices of the companies.

TPIPP's GHG Reduction Strategies

