

# **EAST WATER**

## **OPERATION & FINANCIAL PERFORMANCE of 2018**

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# AGENDA

## Business Overview

- Group Structure & Shareholder
- Our Business
- Customers Area & Challenge (Water Situation)

## Outlook & Strategies

## Financial

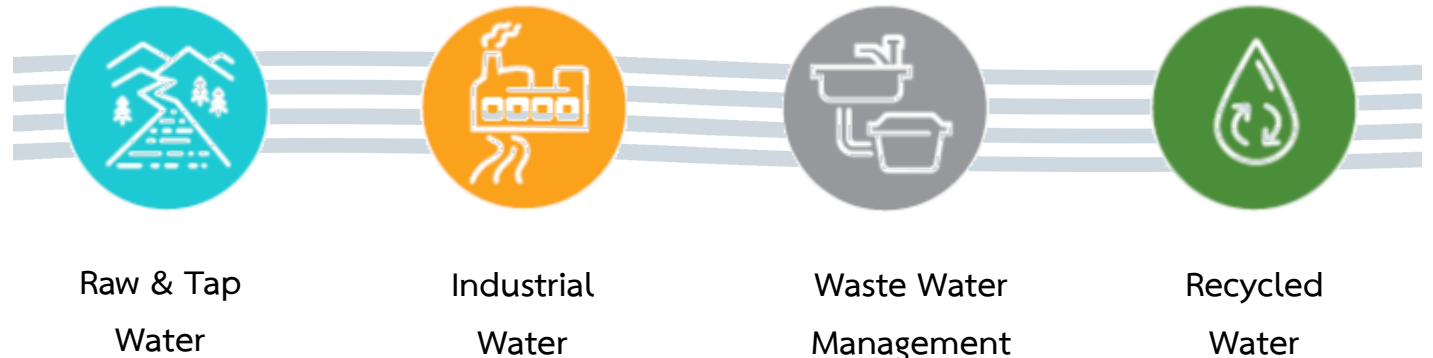
# EASTW - INFORMATION



## VISION

“being the leader in total water solution of the country”

## COMPREHENSIVE WATER SOLUTION



# GROUP STRUCTURE



**eastwater**  
GROUP

**Raw Water Business**



**PWA**

**40.20%**



**MWC**

**18.72%**



**IEAT**

**4.57%**

PWA: Provincial Waterworks Authority  
MWC: Manila Water Company, Inc.  
IEAT: Industrial Estate Authority of Thailand

**100%**



**Tap Water & Related Business**

## **Concessions under East Water:**

- Sattahip Waterworks
- Bowin Waterworks
- Koh Lan Waterworks
- Koh Samui Waterworks

## **Concessions under UU & Subsidiaries:**

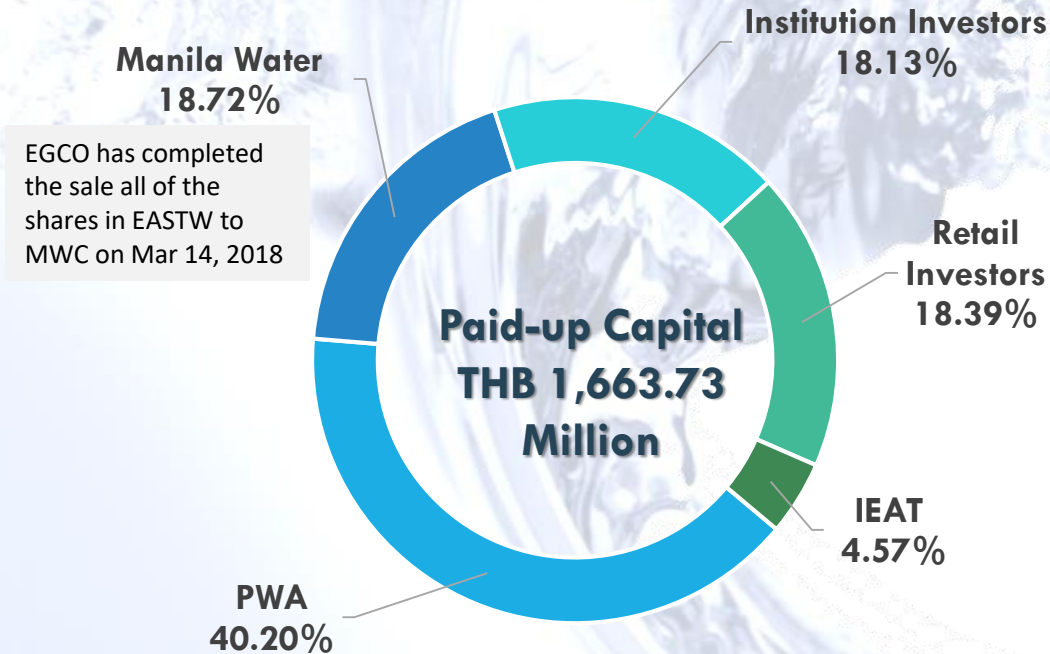
- Nakornsawan Water Supply Co., Ltd.
- Egcom Tara Water Supply Co., Ltd.
- Chachoengsao Water Supply Co., Ltd.
- Bangpakong Water Supply Co., Ltd.

## **Concessions under UU:**

- Rayong Waterworks
- Chonburi Waterworks
- Nong Kham Waterworks
- Lak Chai Muang Yang Waterworks
- Hua Roa Waterworks

# STRATEGIC SHAREHOLDERS

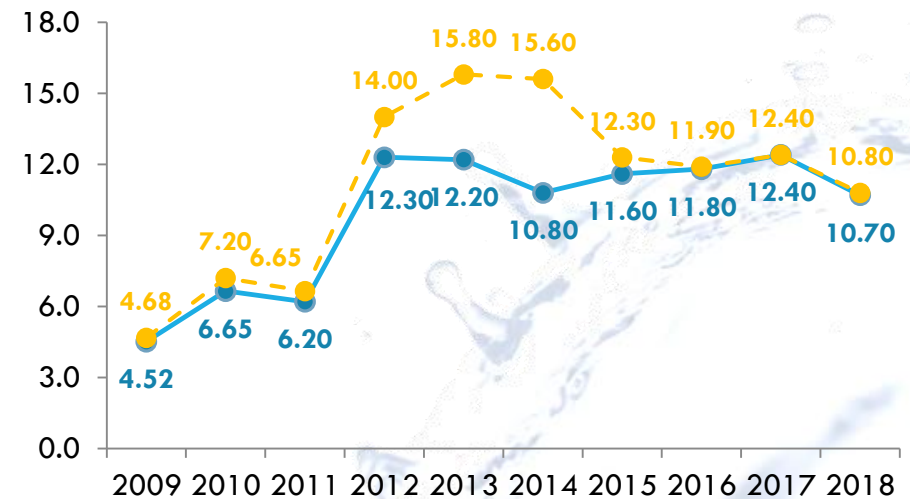
## Major shareholders



PWA: Provincial Waterworks Authority  
MWC: Manila Water Company, Inc.  
IEAT: Industrial Estate Authority of Thailand

## Shareholders' value appreciation

THB per share



—●— Share price (end of year)    -●- Highest price

Market capitalization of approx. THB 17.80 Billion

# OUR BUSINESS



As the core business of EASTW, raw water distribution is the main source of revenues while tap water and waterworks management – operated under Universal Utilities Co., Ltd. (100% subsidiary) – are compelling supportive businesses.

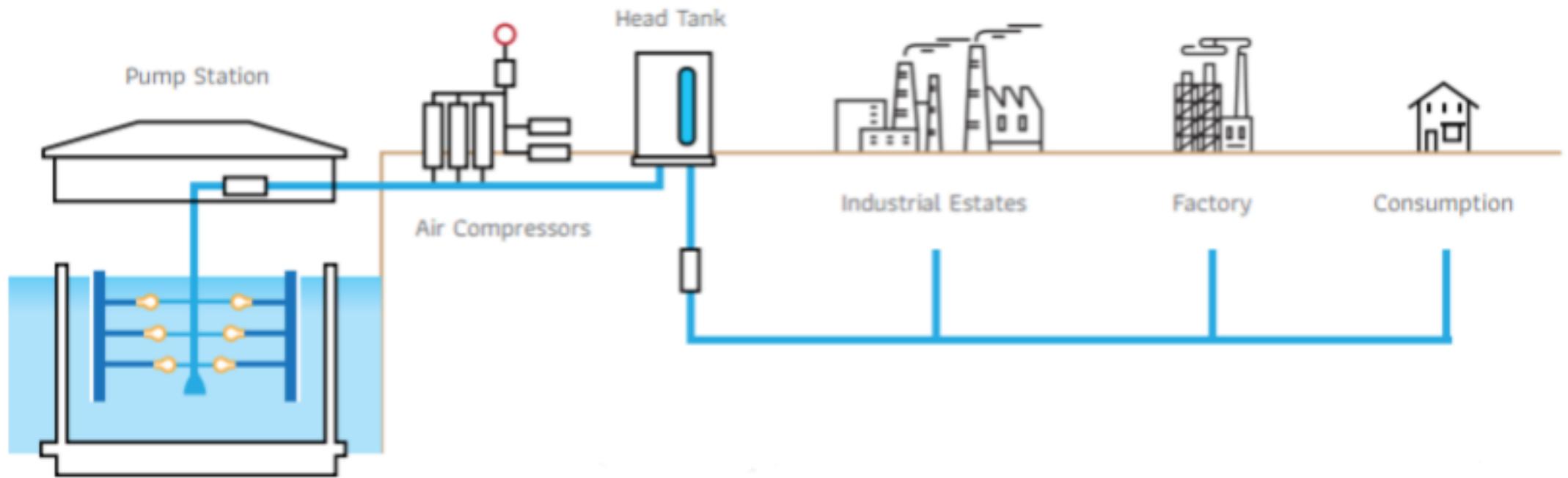


**10% Other**

**34% Tap Water**

**56% Raw Water Distribution**

# RAW WATER BUSINESS MODEL



# TAP WATER & WATER RELATED BUSINESS MODEL

## Fresh Water



Internal Sources

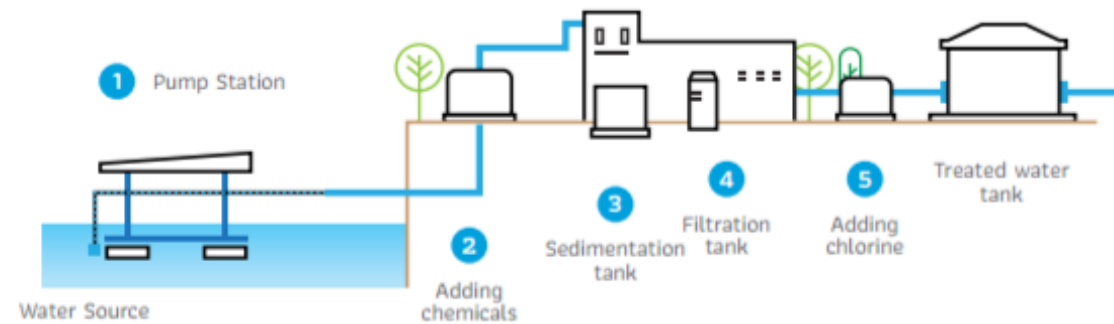


External Sources

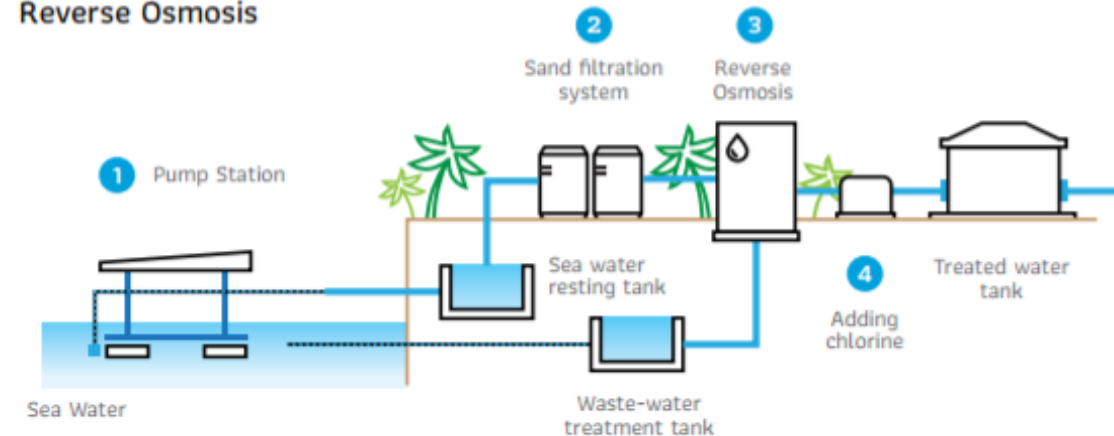
## Sea Water



### Sedimentation + Filtration



### Reverse Osmosis



## Water Consumption



Connecting all  
main water  
sources in eastern  
thailand with over

# 491.8

kilometers



Bang Phra

Nong Kho

Nong-Pla-Lai

Klong Yai

Prasae

Dok Krai

Control the system  
with

**SCADA**

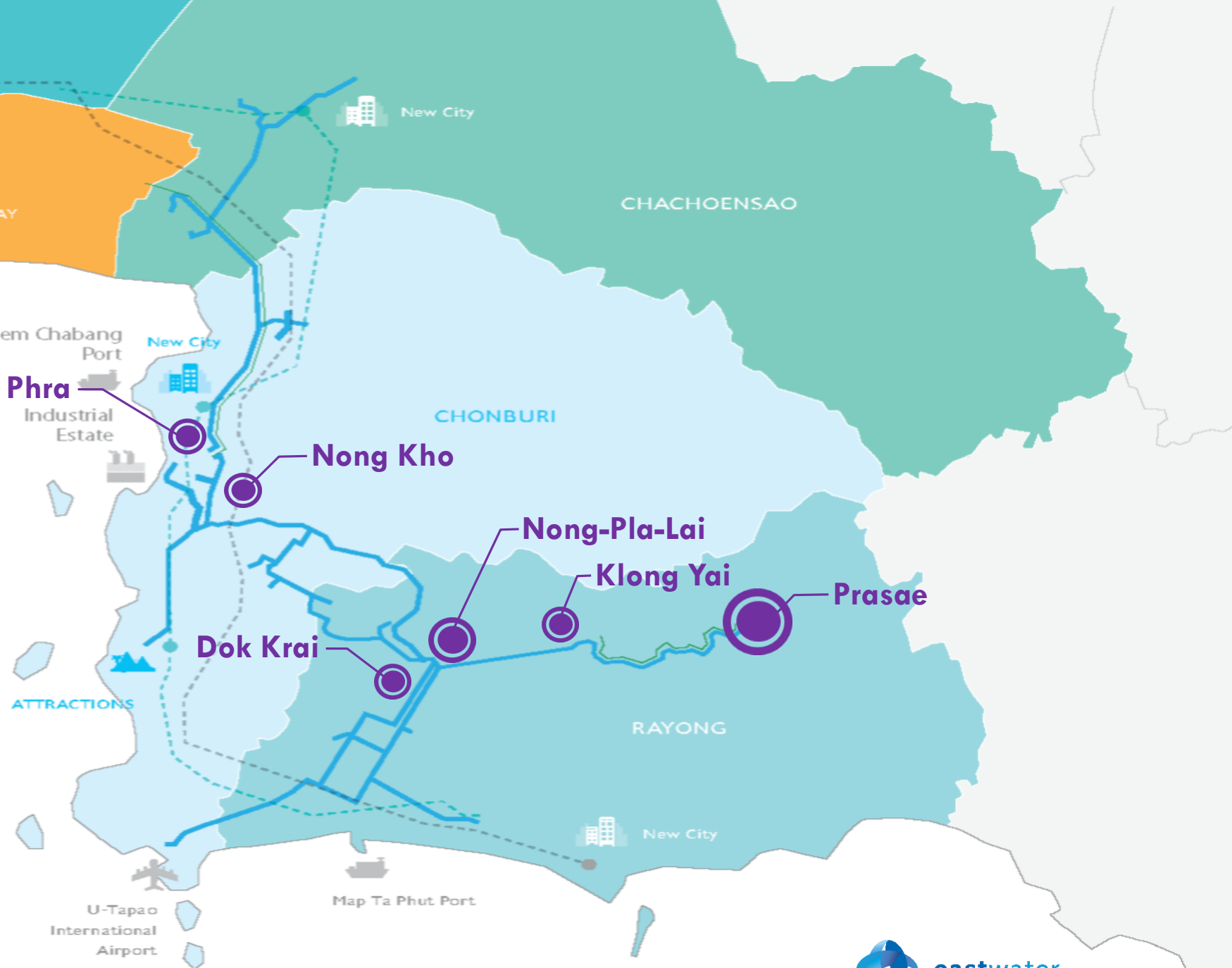
resulting in consistent  
quality of water

**6**

Main water  
sources

Reduce water loss  
in the system by

**3%**



# RAW WATER

## MARKET-BASED OPERATIONS & KEY CUSTOMERS



### Major customers

- Local authorities: Provincial Waterworks Authority (PWA), and Industrial Estate Authority of Thailand (IEAT)
- Industrial estates: Hemraj Estate, Amata Estate
- Multi-national companies: SCG, Thai Oil (TOP), PTT Global Chemical (PTTGC), Toyota

# TAP WATER

## MARKET-BASED OPERATIONS & KEY CUSTOMERS



### UU's Concession

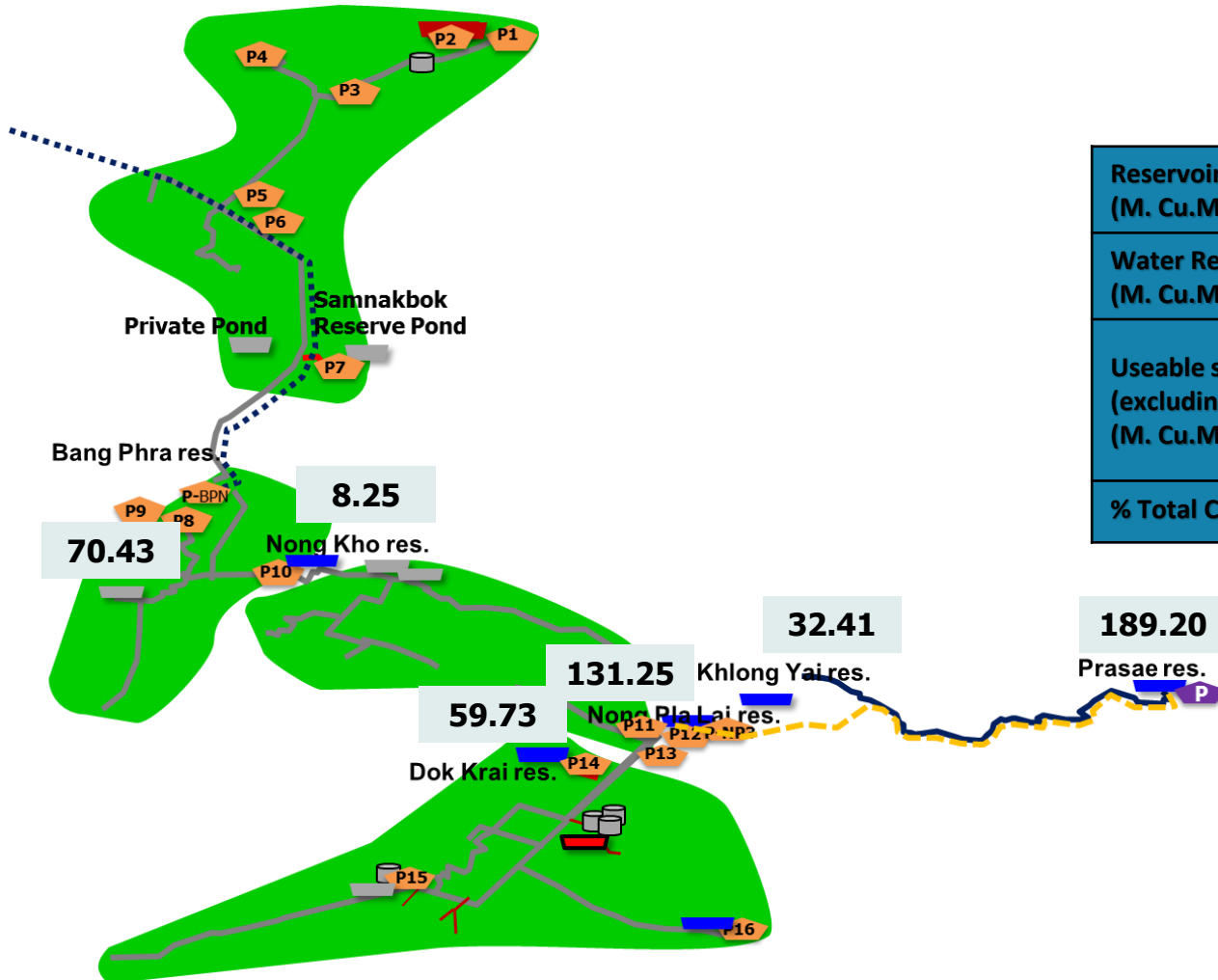
- Total production capacity = 317,810 cubic meters / day
- Average sales volume = 210,126 cubic meters / day



### EASTW's Concession

- Total production capacity = 82,500 cubic meters / day
- Average sales volume = 57,428 cubic meters / day

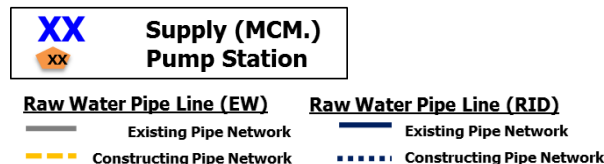
# OVERVIEW OF WATER SITUATION



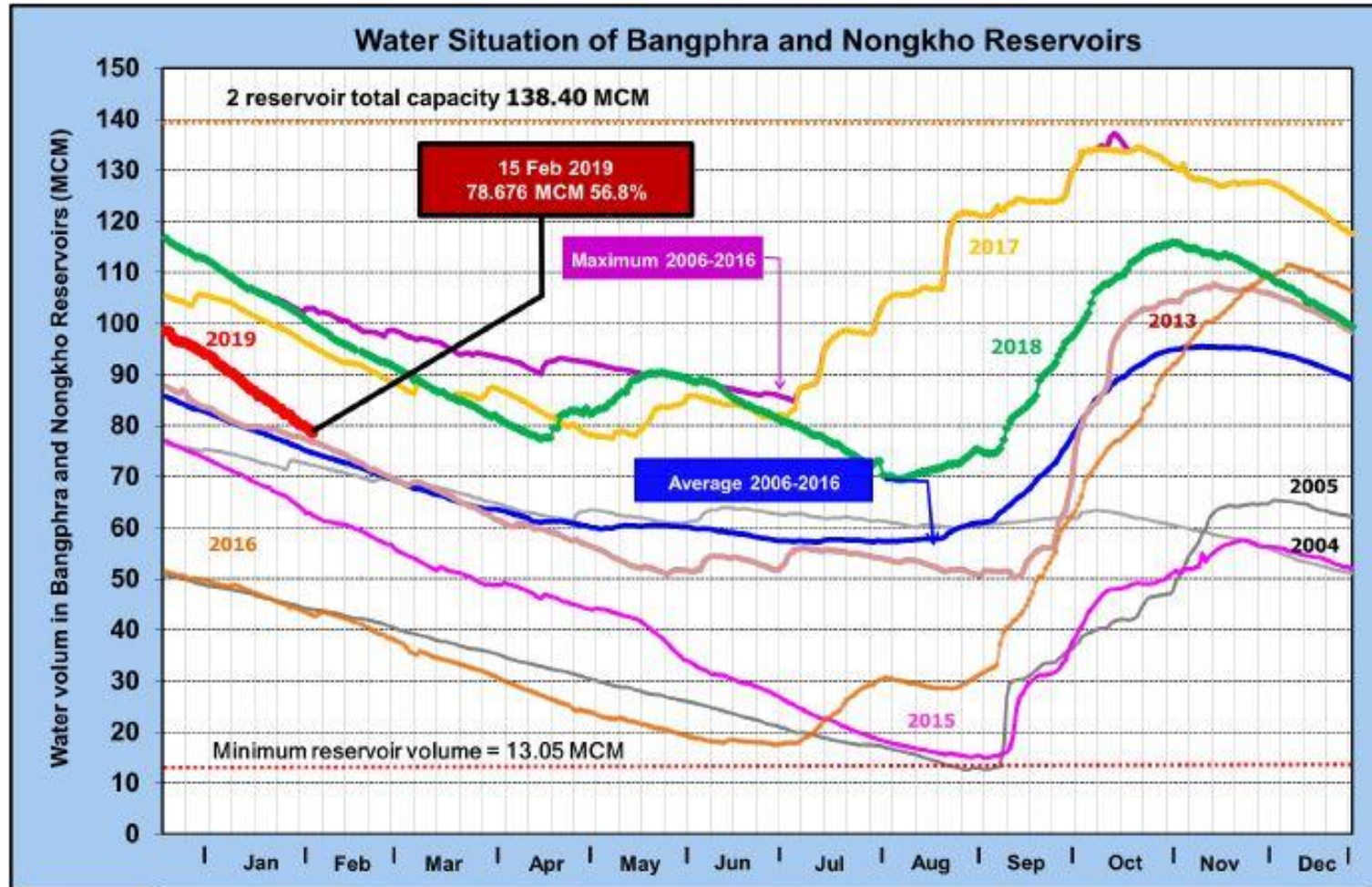
	CHONBURI		RAYONG			
	Bangpra	Nongkho	Dokkrai	Nongplalai	Klongyai	Prasae
Reservoir Capacity (M. Cu.M.)	117.00	21.40	79.41	163.75	40.10	295.00
Water Reserve (M. Cu.M.)	70.43	8.25	59.73	131.25	32.41	189.20
Useable storage volume (excluding Dead Storage) (M. Cu.M.)	58.38	7.25	56.73	117.75	29.41	169.20
	65.63		3.29			
% Total Capacity	49.90%	33.88%	71.44%	71.91%	73.34%	57.36%

Info as of 15 Feb 2019

Source of data: Royal Irrigation Department

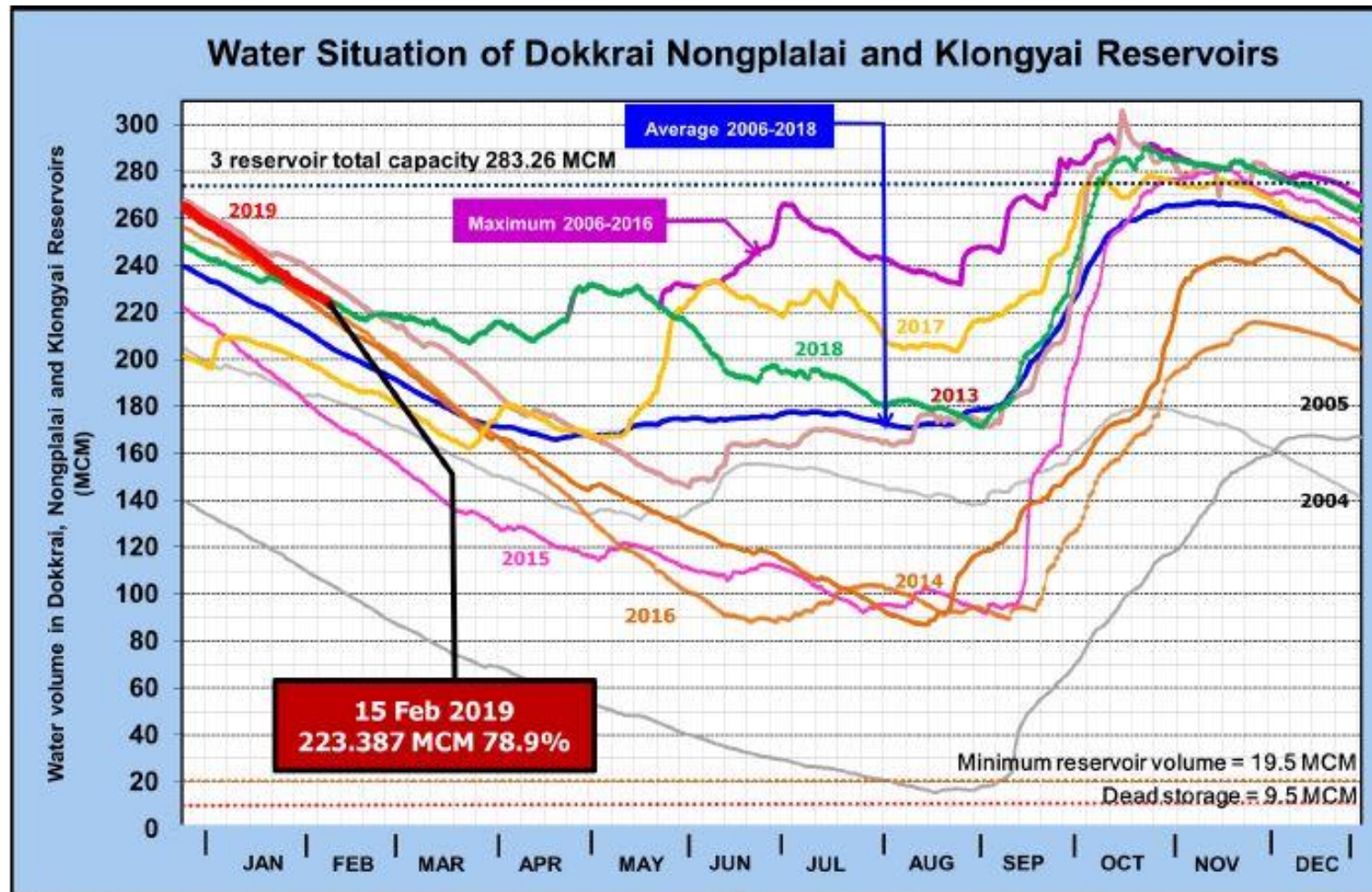


# WATER SITUATION IN CHONBURI



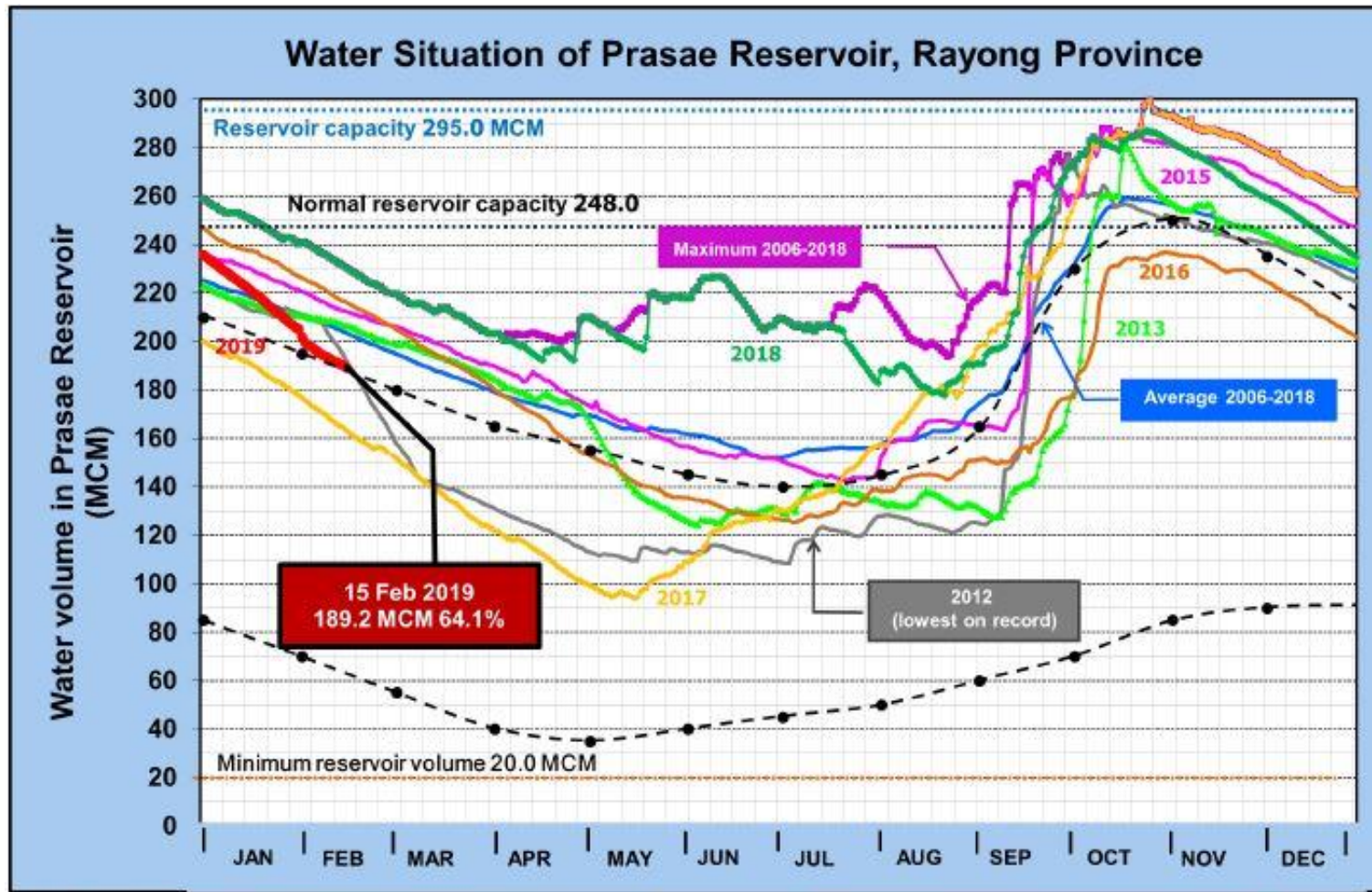
Note: Info as of 15 Feb 2019

# WATER SITUATION IN RAYONG



Note: Info as of 15 Feb 2019

# WATER SITUATION IN PRASAE – RAYONG





# AGENDA

## Business Overview

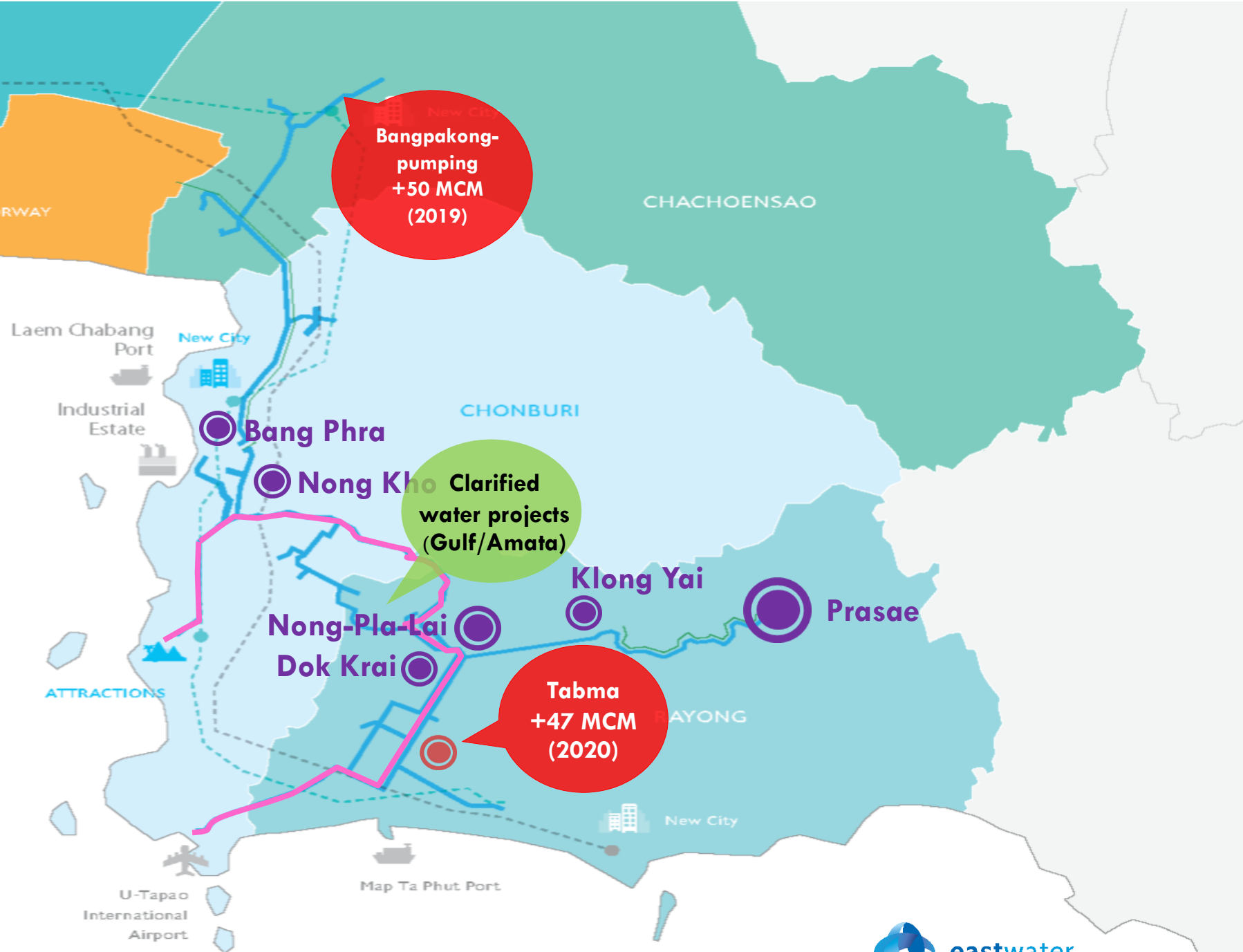
## Outlook & Strategies

- Projects
- Potential New Investment

## Financial

# RAW WATER RESOURCES MANAGEMENT

- Leased Pipe Network
- Existing Pipe Network
- Reserve Water Resource
- Main Water Resource
- Projects



# SIGN CONTRACT NEW PROJECTS



**GULF IPP**



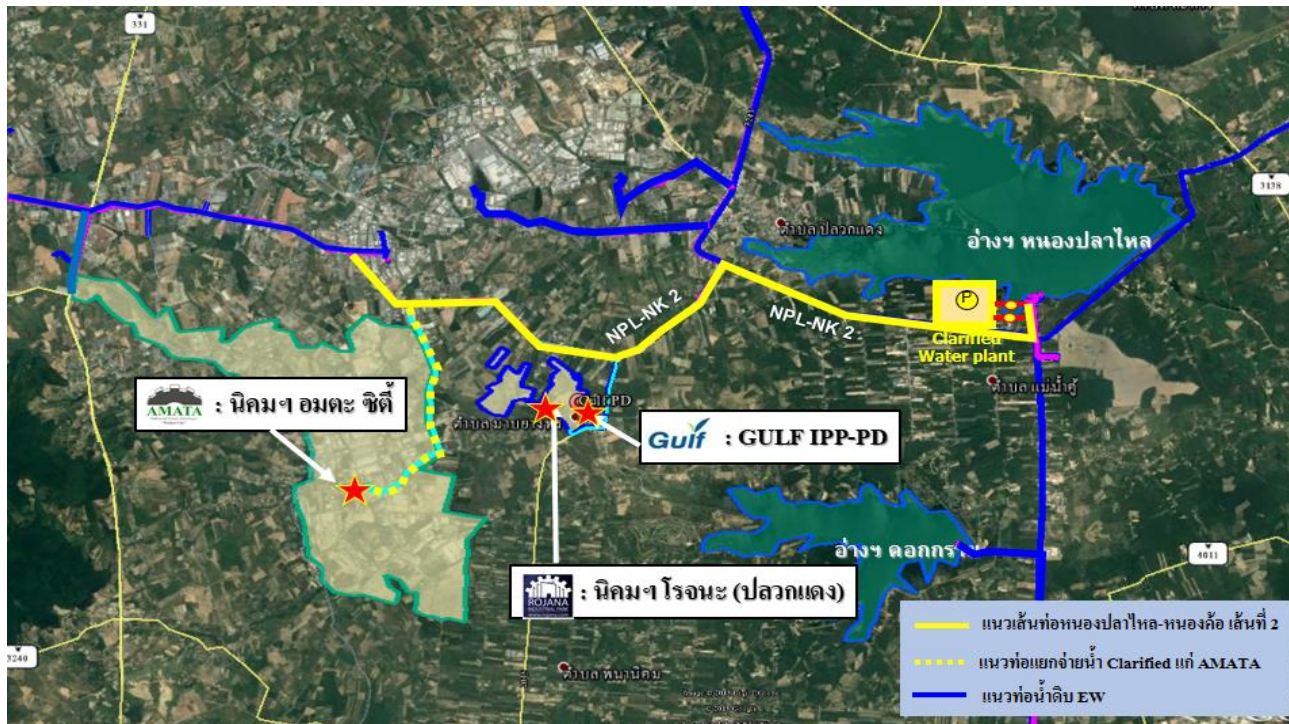
**AMATA CITY RAYONG**

# โครงการให้บริการน้ำครบวงจรในพื้นที่ EEC



โครงการก่อสร้างระบบผลิตน้ำอุตสาหกรรมให้แก่โรงไฟฟ้าก๊ฟส์ ปลวกแดง จ.ระยอง

- เป้าหมายโครงการ ก่อสร้างระบบผลิตน้ำอุตสาหกรรมให้แล้วเสร็จในปี 2564 ปริมาณการใช้น้ำเฉลี่ย 48,000 ลบ.ม.ต่อวัน สูงสุด 60,000 ลบ.ม.ต่อวัน หรือเฉลี่ยประมาณ 17.52 ล้าน ลบ.ม.ต่อปี สูงสุด 22.0 ล้าน ลบ.ม.ต่อปี
- งบประมาณ 750 ล้านบาท



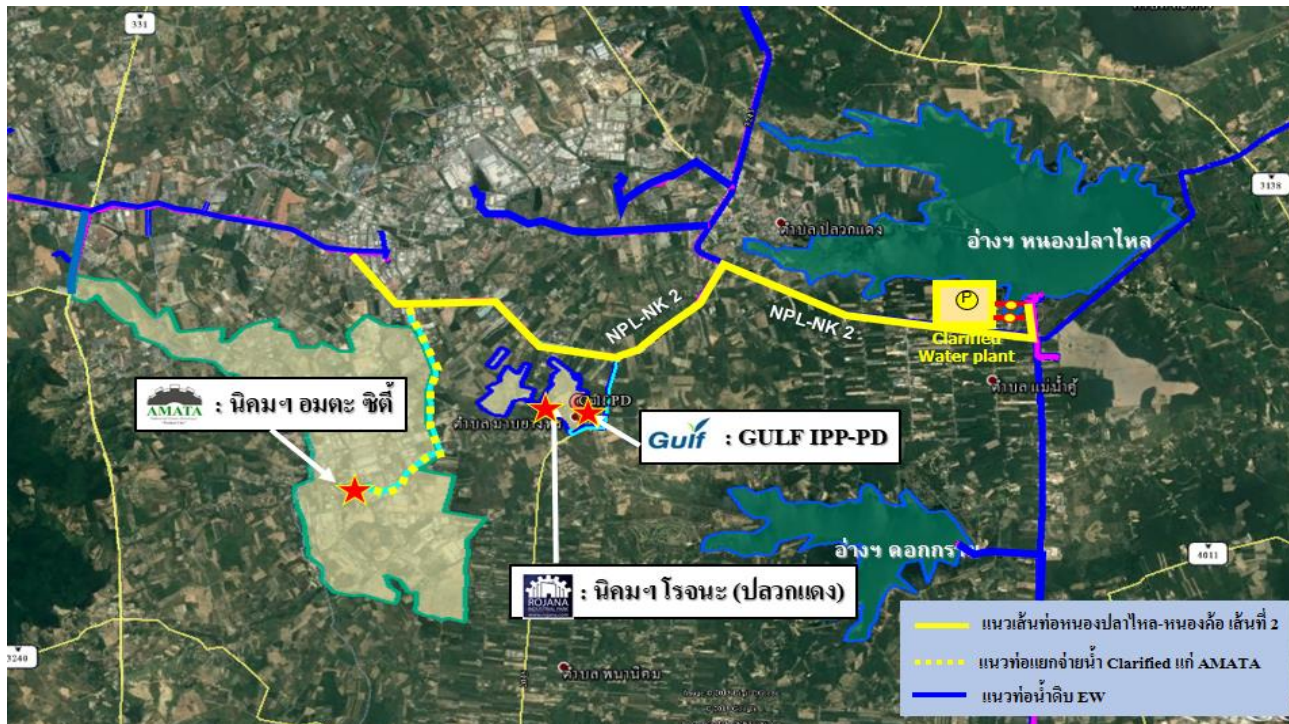
## ความก้าวหน้า

- โรงไฟฟ้าก๊ฟส์ ปลวกแดงรับข้อเสนอบริการน้ำอุตสาหกรรมจาก บริษัทฯ
- ลงนามสัญญาซื้อขายน้ำอุตสาหกรรม เมื่อวันที่ 24 ส.ค. 2561 โดยแผนการใช้น้ำในช่วงระหว่างการก่อสร้าง ประมาณกลางปี 2564 และเริ่มผลิตไฟฟ้าเข้าระบบเชื่อมโยง SCOD ปี 2565

# โครงการให้บริการน้ำครบวงจรในพื้นที่ EEC

โครงการก่อสร้างระบบผลิตน้ำอุตสาหกรรมให้แก่นิคมอุตสาหกรรม อมตะซิตี้ จ.ระยอง

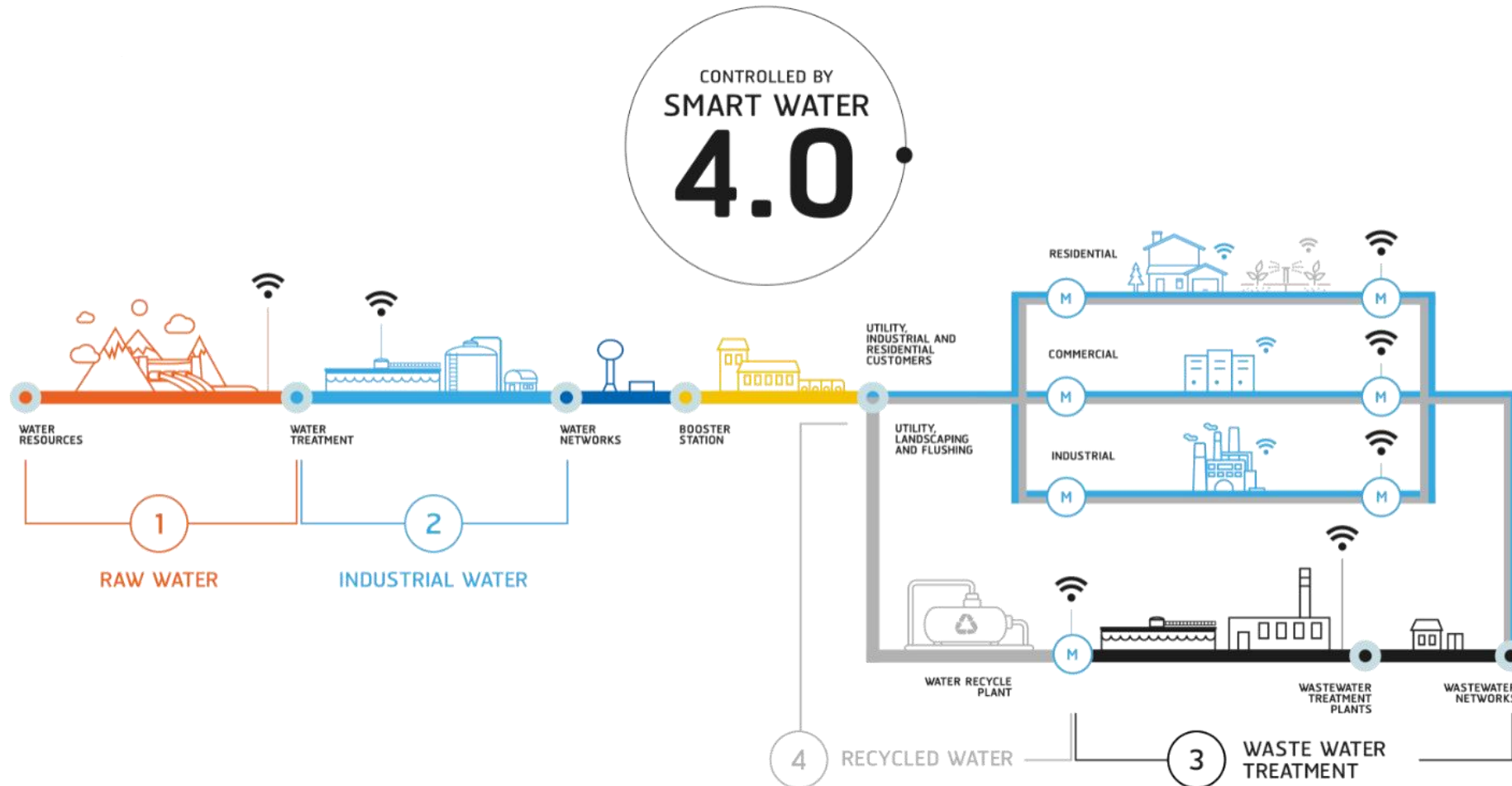
- เป้าหมายโครงการ ก่อสร้างระบบผลิตน้ำอุตสาหกรรมให้แล้วเสร็จในปี 2562 ปริมาณขั้นต่ำ 15,000 ลบ.ม.ต่อวัน หรือประมาณ 5.5 ล้าน ลบ.ม.ต่อปี
- งบประมาณ 460.2 ล้านบาท



## ความก้าวหน้า

- รับข้อเสนอให้บริการน้ำอุตสาหกรรมจากบริษัท
- ลงนามสัญญาซื้อขายน้ำอุตสาหกรรม ระยะยาว 30 ปี เมื่อวันที่ 21 พ.ย. 2561 โดยแผนการเริ่มดำเนินการวางท่อและระบบส่งน้ำในต้นปี 2562 และเริ่มจ่ายน้ำได้ภายในกลางปี 2563

# RAW WATER PROJECTS IN 2018





# AGENDA

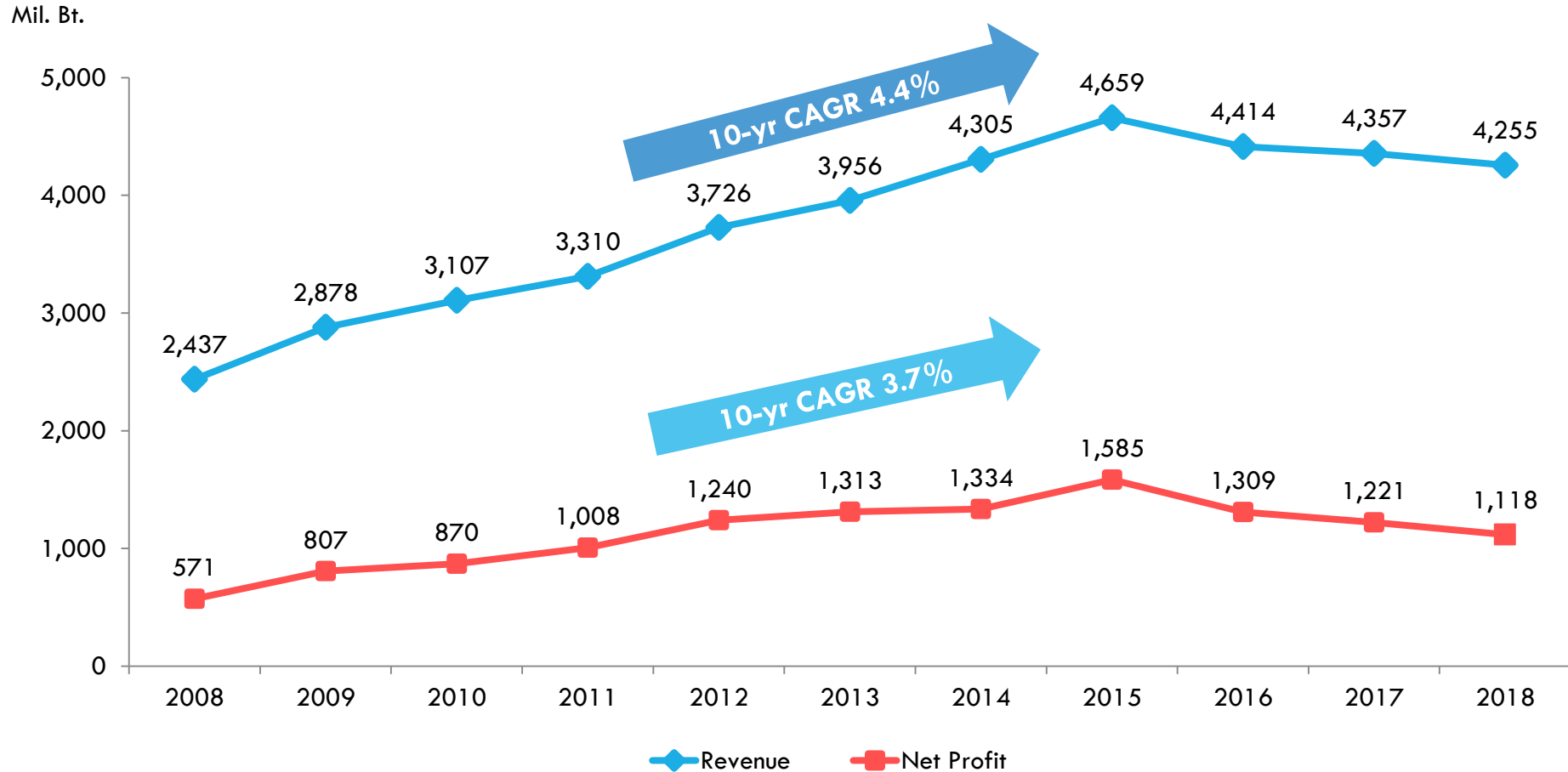
Business Overview

Outlook & Strategies

Financial

- Financial Highlight 2018
- Dividend Policy and Dividend Payout

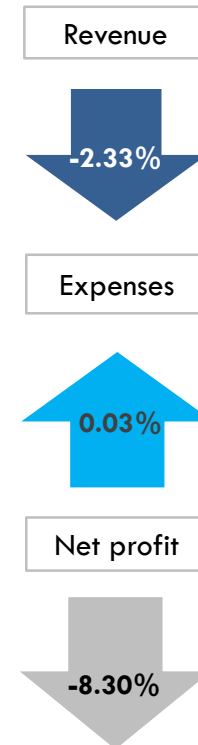
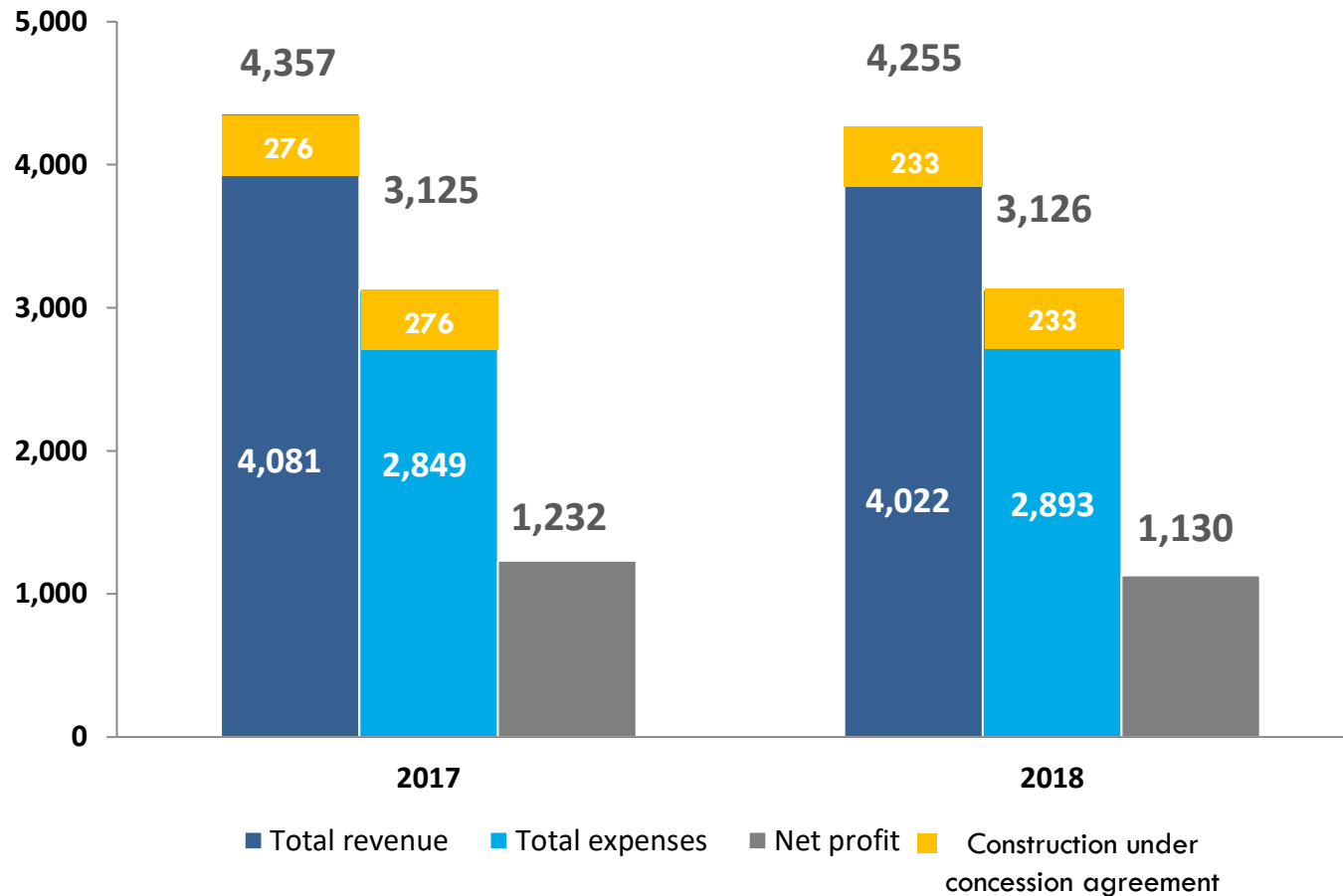
# PROVEN PERFORMANCE OF EAST WATER



- Excludes the extra-ordinary revenues and net profit of Prasae Project in 2010.
- Total Revenue included 'Construction revenue under concession agreement' starting from 2013
- Total Revenue and Net Profit in 2015 include gain from measuring fair value of 15.88% equity interest in Egcom Tara
- Net Profit means Profit attributable to Equity holders of the parent company

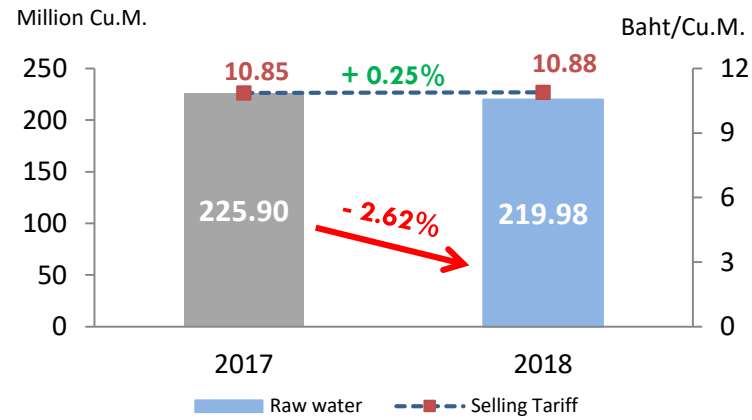
# FINANCIAL HIGHLIGHTS OF 2018

Mil. Bt.

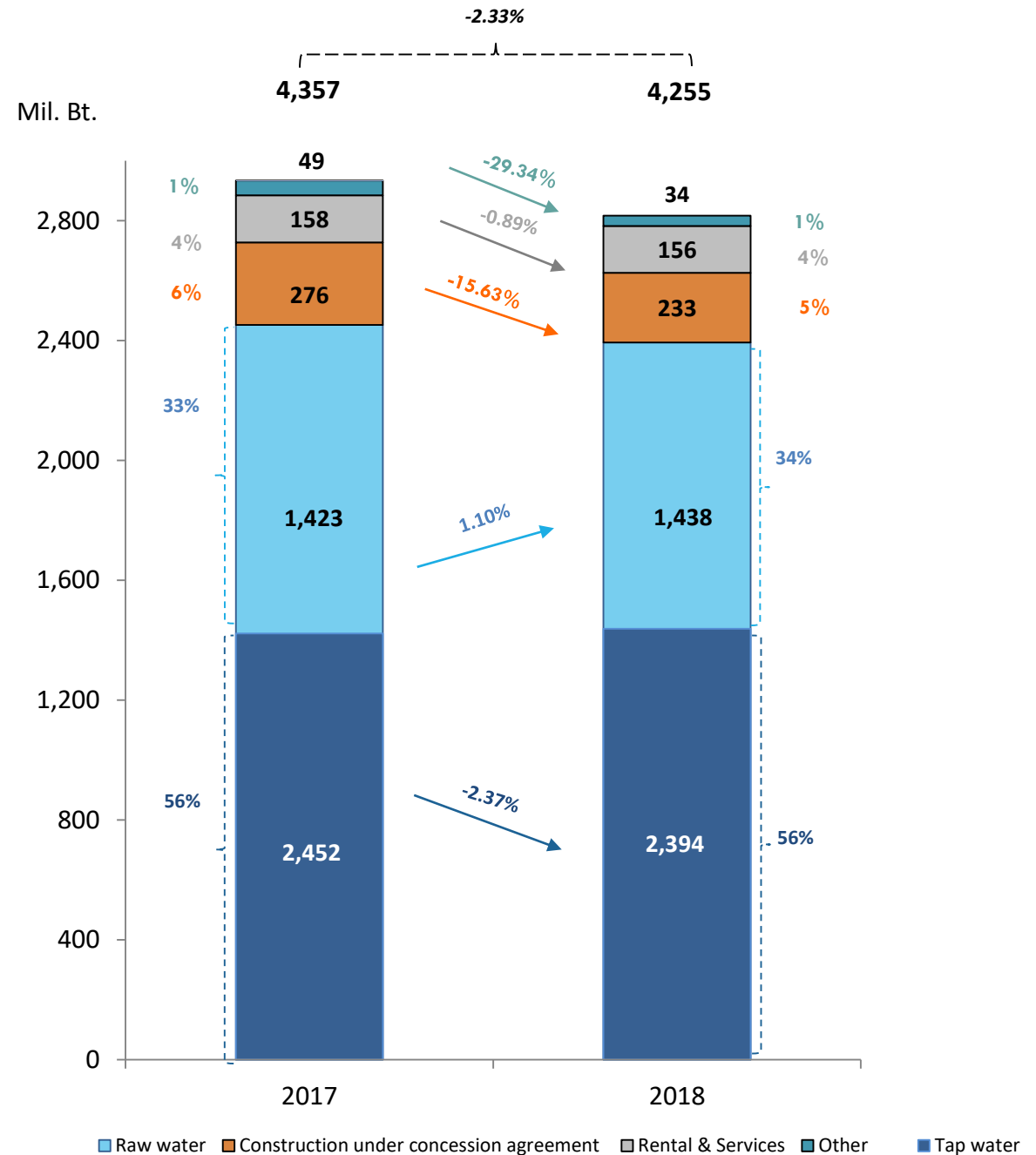
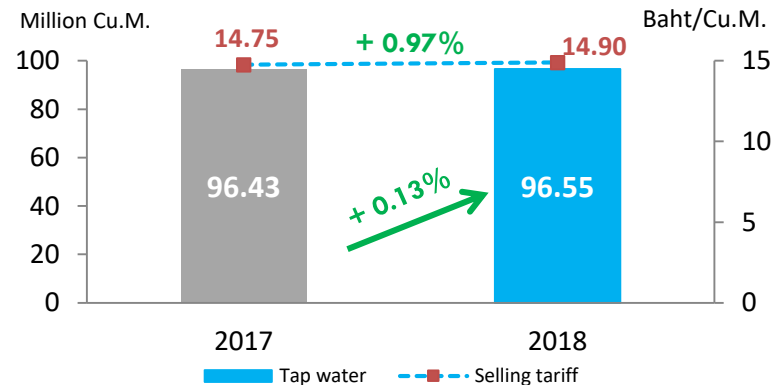


# REVENUES 2018

## RAW WATER: Sales volume

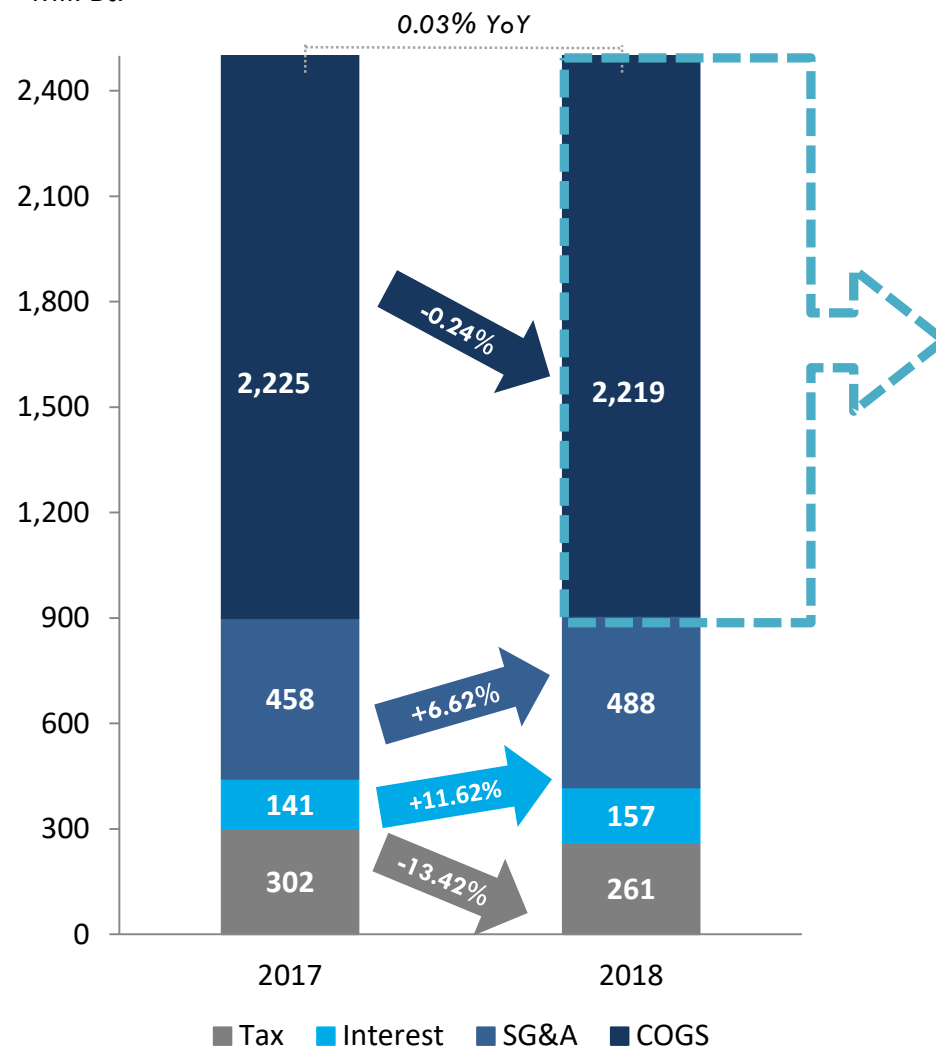


## TAP WATER: Sales volume

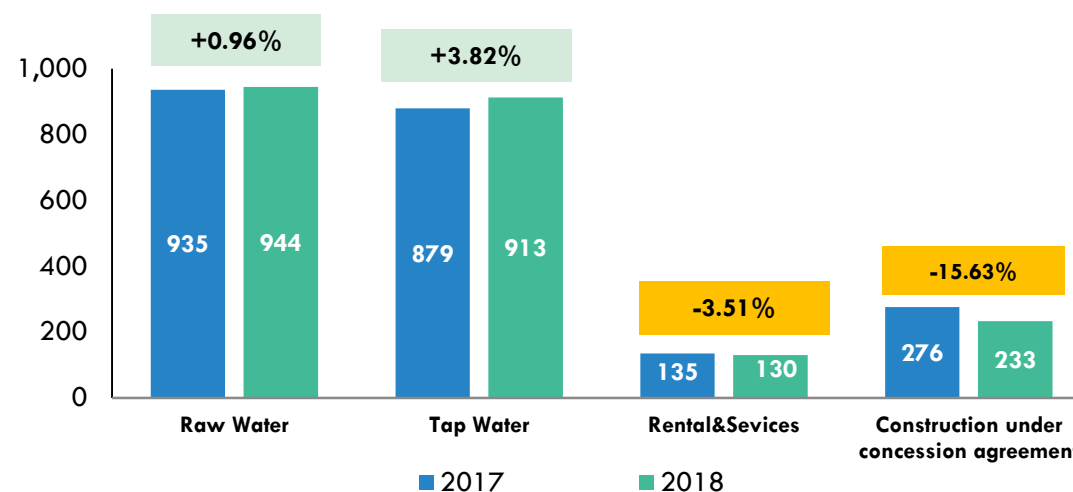


# TOTAL EXPENSES 2018

Mil. Bt.



COGS decreased by 0.24% YoY;



**Cost of Raw Water increased by 0.96% yoy:** because of

- Increasing raw water cost from purchasing raw water from private source

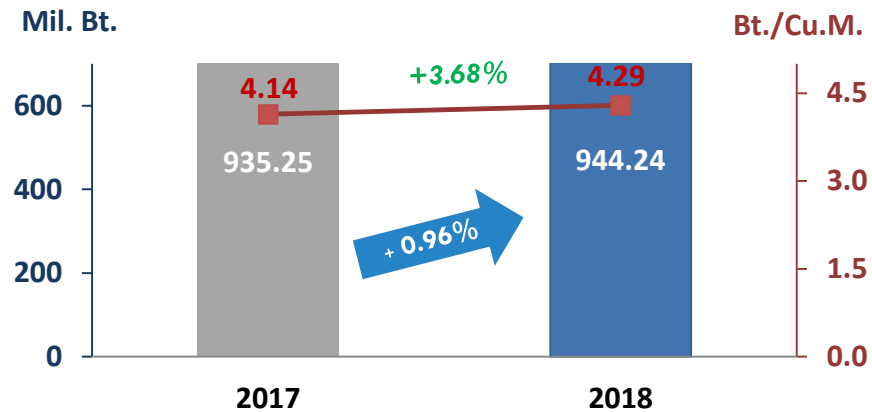
**Cost of Sales for Tap Water increased by 3.82% yoy :** because of

- Increasing of depreciation and amortization by 18.38 million Baht from the amortized assets under concession agreements.

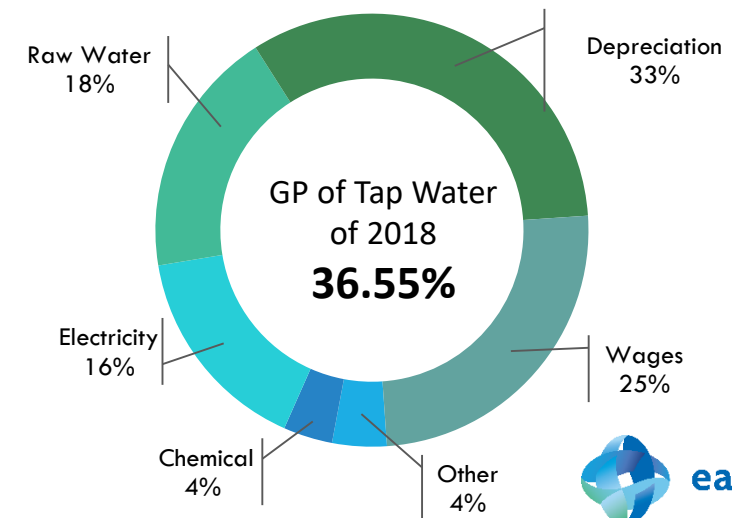
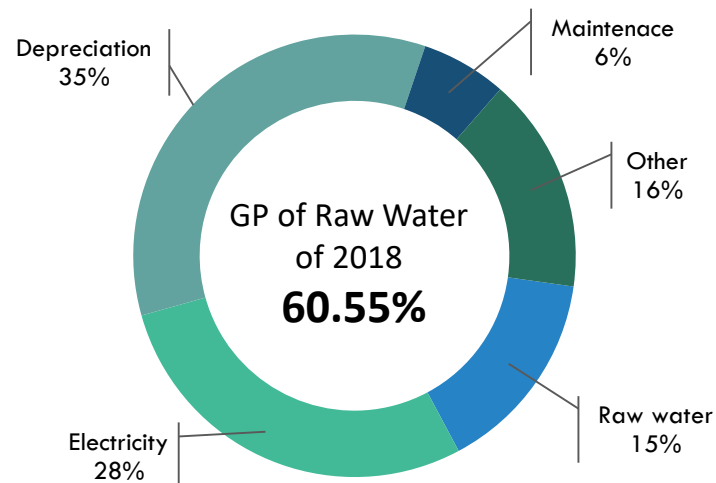
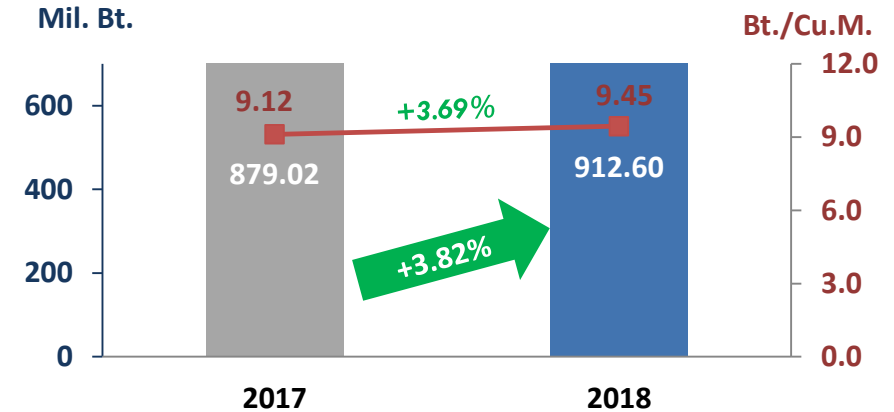
**Cost of Construction under concession agreements decreased by 15.63% yoy:** according to accounting standard TFRIC12

# COSTS BREAKDOWN 2018

## Costs of Raw Water



## Costs of Tap Water



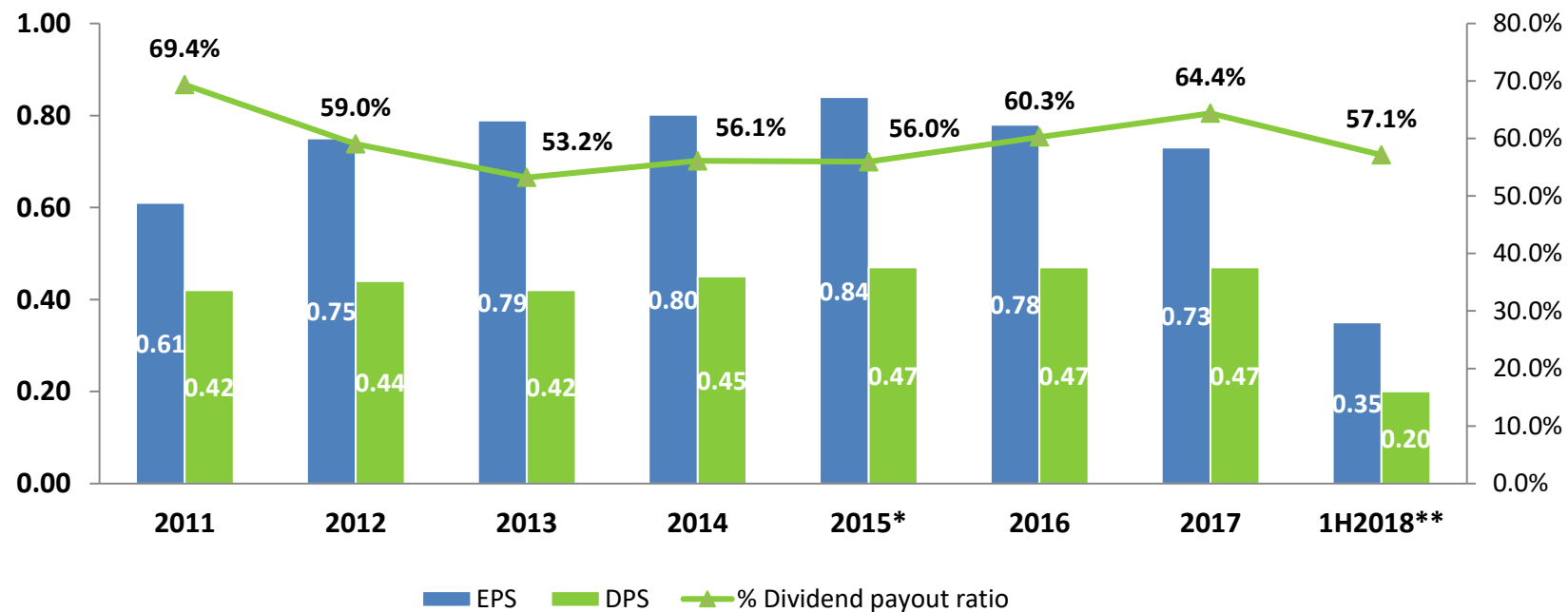
# FINANCIAL RATIOS

Key Financial Ratios	As of 2017	As of 2018
<b>Liquidity Ratio</b>		
Current ratio (time)	0.60	0.66
<b>Profitability Ratio<sup>(1)</sup></b>		
Gross profit / total sales and services revenue (%)	51.67%	50.19%
Net profit / total sales and services revenue (%)	30.55%	28.33%
<b>Performance Ratio</b>		
Return on Equity (ROE) (%)	12.15%	10.71%
Return on Assets (ROA) (%)	6.21%	5.64%
<b>Capital Structure and Debt Ratio</b>		
Debt to Equity ratio (time)	0.88	0.88
Debt Service Coverage ratio (DSCR) (time)	2.26	2.19

# SHARE INFORMATION AND DIVIDEND PAYMENT

Dividend policy is not less than 30% of normal net profit

Baht/share



\* Excluding the net profit of 183.32 MB from measuring fair value of 15.88% equity interest in Egcom

\*\* Interim dividend for the 1H2018 is 0.20 THB per share and has been paid on 5th September 2018.

# CONTACT US

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