

eastwater  
GROUP

# EAST WATER

## OPERATION & FINANCIAL PERFORMANCE of YEAR 2019



# DISCLAIMER

- The information contained in this presentation is for information purposes only and does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for share in Eastern Water Resources Development and Management Public Company Limited (“EASTW” and shares in EASTW, “shares”) in any jurisdiction nor should it or any part of it form the basis of, or be relied upon in any connection with, any contract or commitment whatsoever.
- This presentation has been prepared by the EASTW. The information in this presentation has not been independently verified. No representation, warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information and opinions in this presentation. None of the EASTW or any of its agents or advisors, or any of their respective affiliates, advisors representatives, shall have any liability (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation.
- This presentation is made, furnished and distributed for information purposes only. No part of this presentation shall be relied upon directly or indirectly for any investment decision-making or for any other purposes.
- This presentation and all other information, materials or documents provided in connection therewith, shall not, either in whole or in part, be reproduced, redistributed or made available to any other person, save in strict compliance with all applicable laws.



# AGENDA

## Business Overview

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

## Outlook & Strategies

## Financial

# EAST WATER - INFORMATION

## VISION

“To be the leader in total water solutions of the country”

## COMPREHENSIVE WATER SOLUTIONS



Raw  
Water



Industrial  
Water



Tap  
Water



Drinking  
Water



Waste  
Water  
Treatment



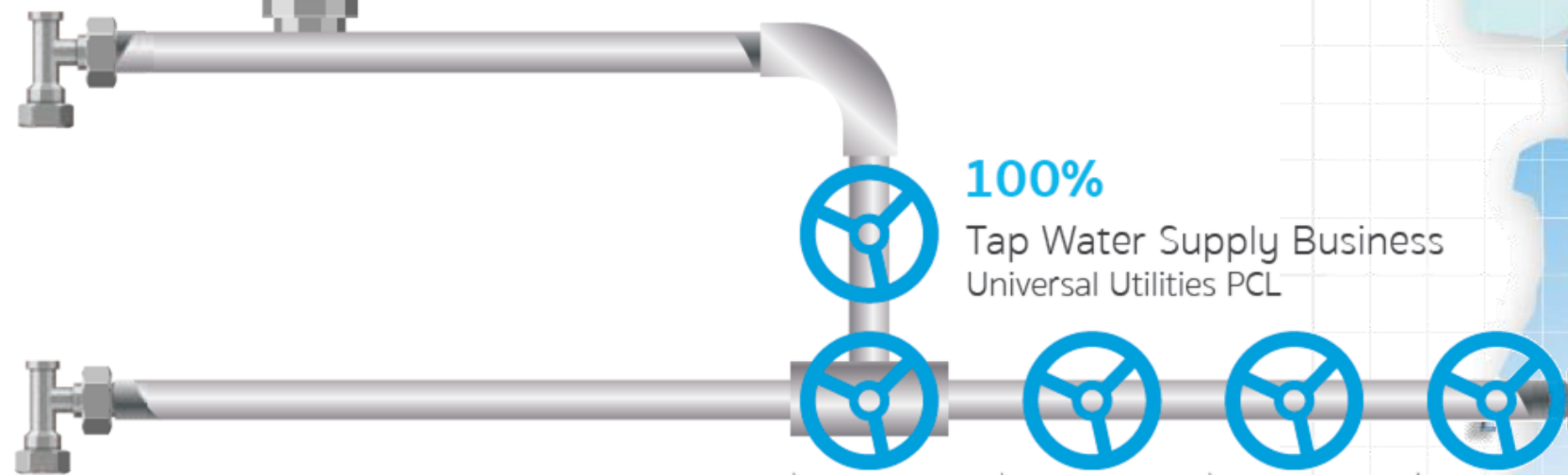
Recycled  
Water



# GROUP STRUCTURE



**Raw Water Business**  
Eastern Water Resources Development and Management PCL



**Tap Water Supply**

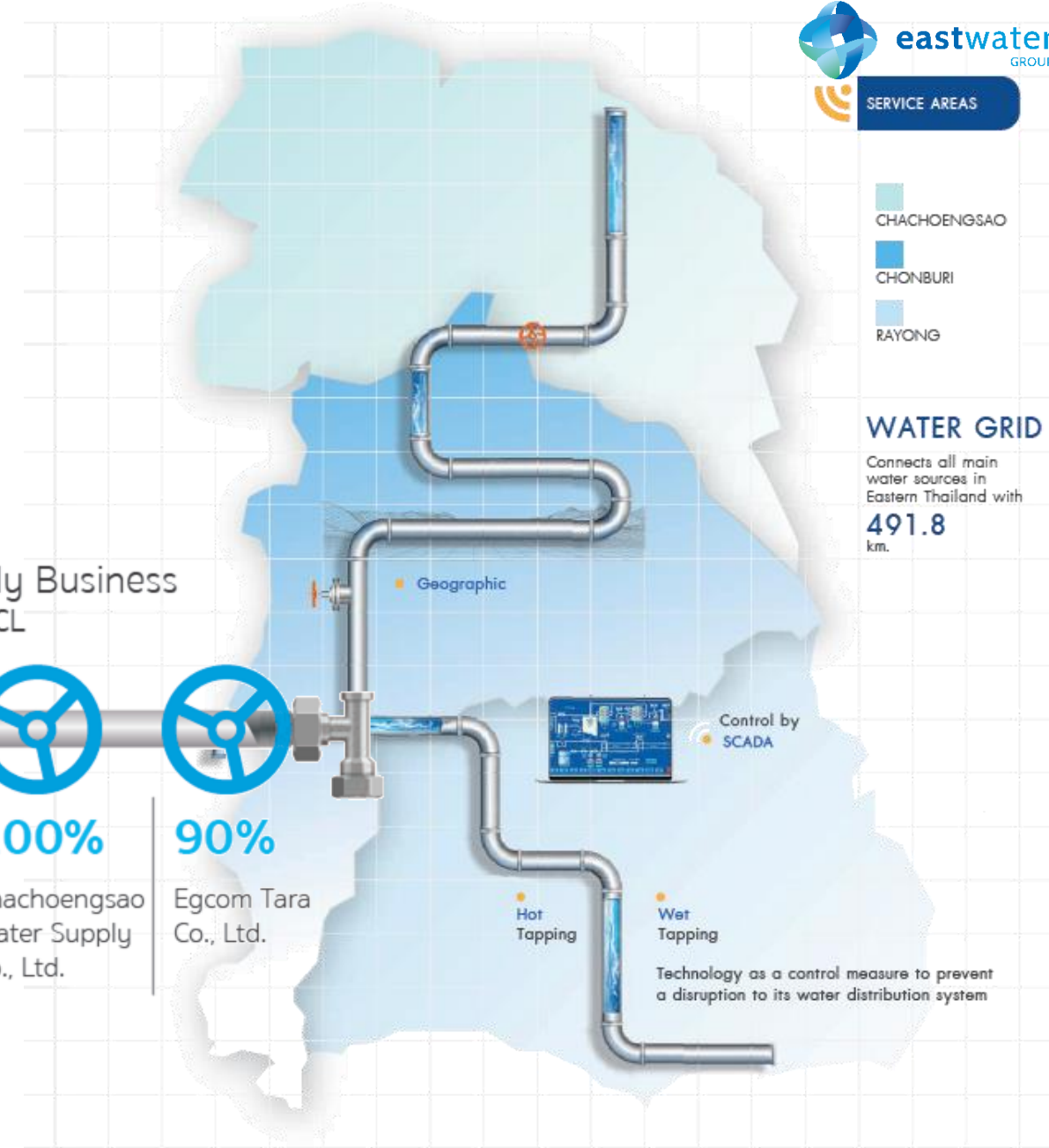
- Sattahip Waterworks
- Koh Lan Waterworks
- Bowin Waterworks
- Nong Kham Waterworks
- Koh Samui Waterworks
- Rayong Waterworks
- Chonburi Waterworks
- Lakchai Muang Yang Industrial Estate Waterworks
- Hua Ro Waterworks

**100%** Tap Water Supply Business  
Universal Utilities PCL

|   |  |  |                                    |
|---|--|--|------------------------------------|
| <b>100%</b><br>Nakornsawan Water Supply Co., Ltd. | <b>100%</b><br>Bangpakong Water Supply Co., Ltd. | <b>100%</b><br>Chachoengsao Water Supply Co., Ltd. | <b>90%</b><br>Egcom Tara Co., Ltd. |
|---|--|--|------------------------------------|

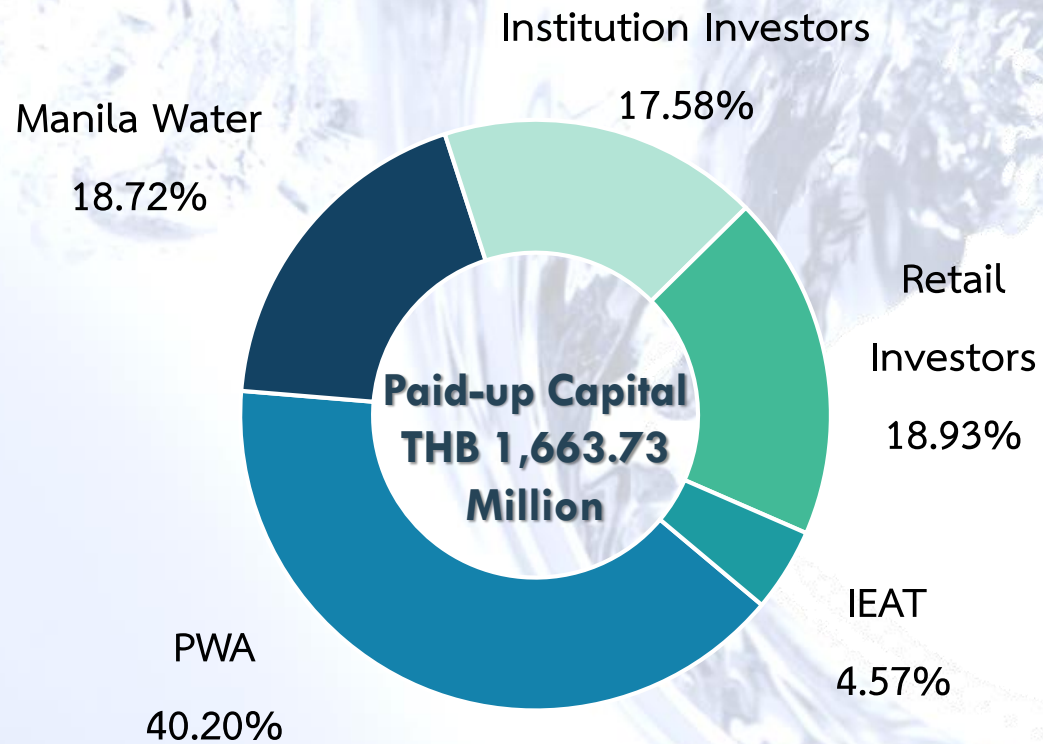
**Wastewater Treatment and Water Recycling**

- Wastewater management facility at Lakchai Muang Yang Industrial Estate
- Wastewater management facility at Ratchaburi Glass Industry Company Limited
- Wastewater management facility at Ayutthaya Glass Industry Company Limited



# STOCK INFORMATIONS

## Major shareholders



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

## Historical P/E and Share Price



Market capitalization of approx. THB 18,300.98 Million



# 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.



**60%** Raw Water Distribution

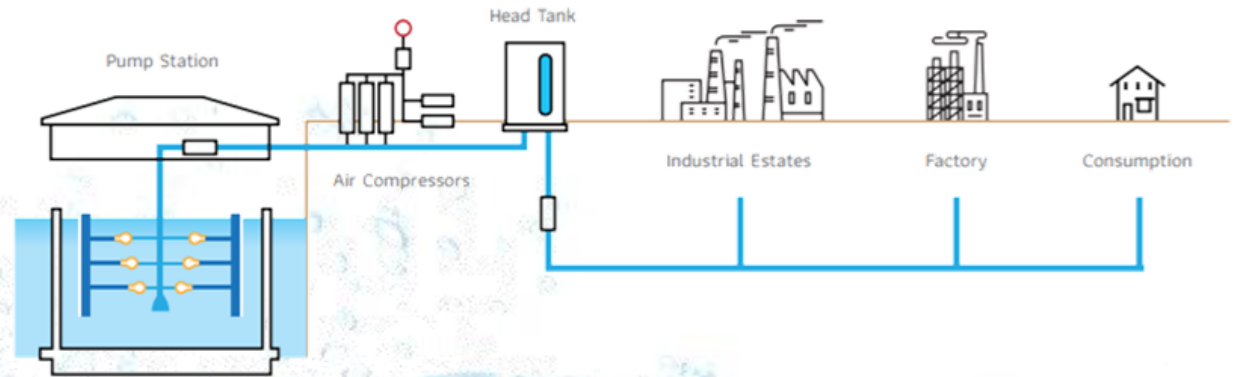


**32%** Tap Water

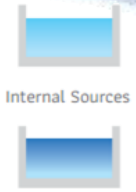


**8%** Other

# RAW WATER BUSINESS MODEL



## Fresh Water

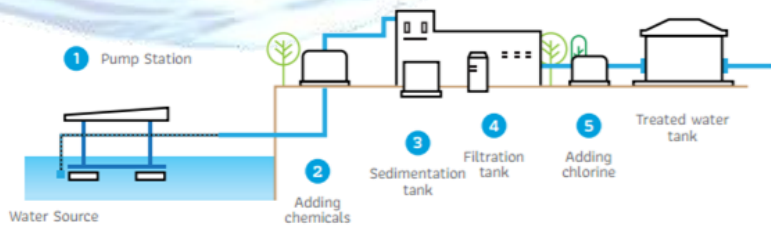


## Internal Sources

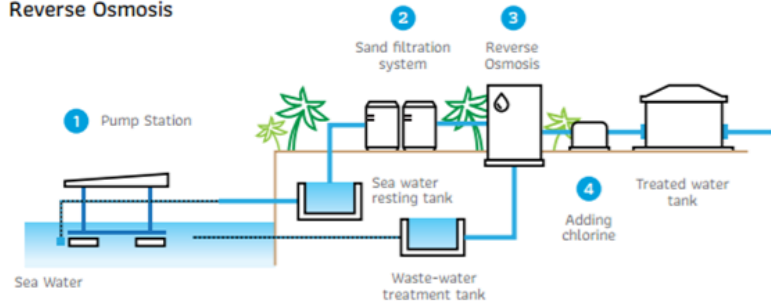
## Sea Water



### Sedimentation + Filtration



### Reverse Osmosis



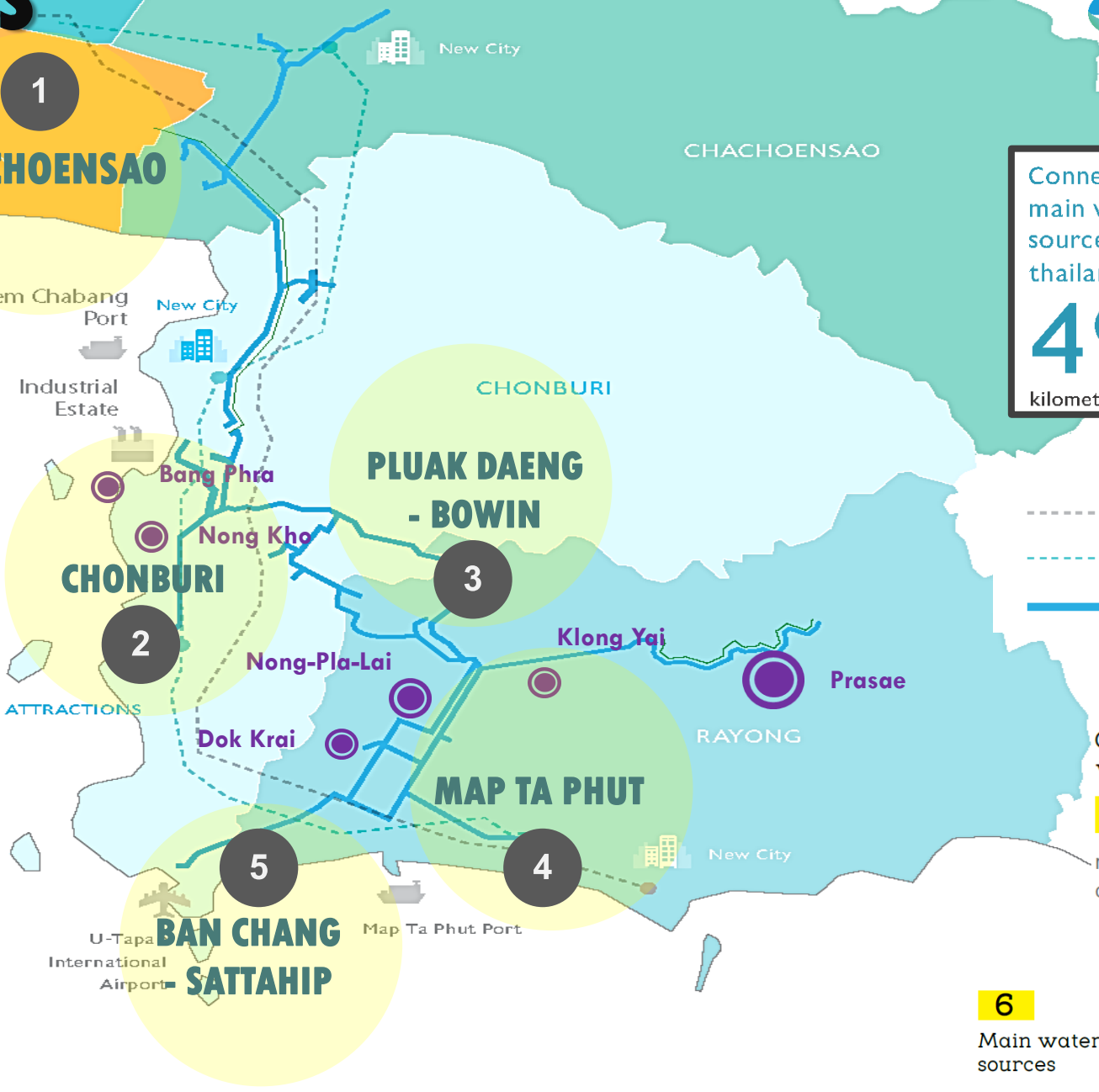
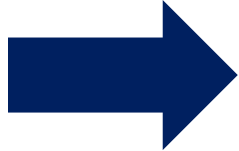
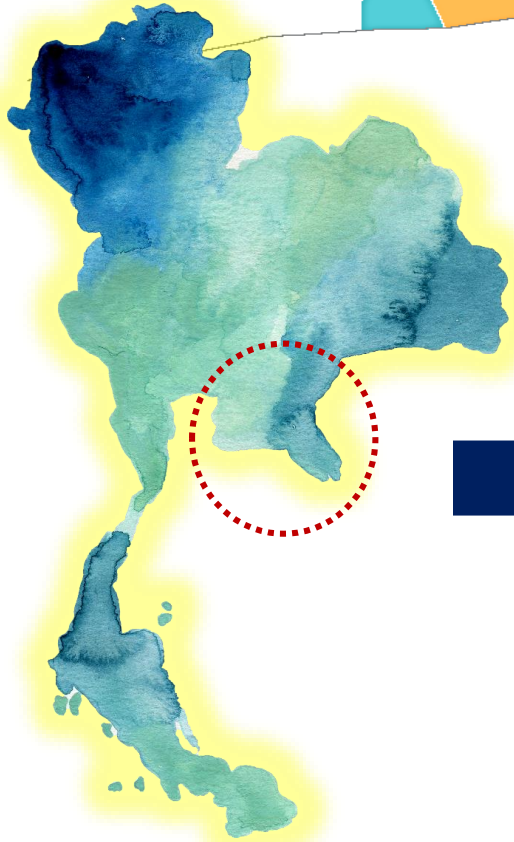
## Water Consumption



# TAP WATER & WATER RELATED BUSINESS MODEL



# RAW WATER BUSINESS



Connecting all main water sources in eastern thailand with over **491.8** kilometers

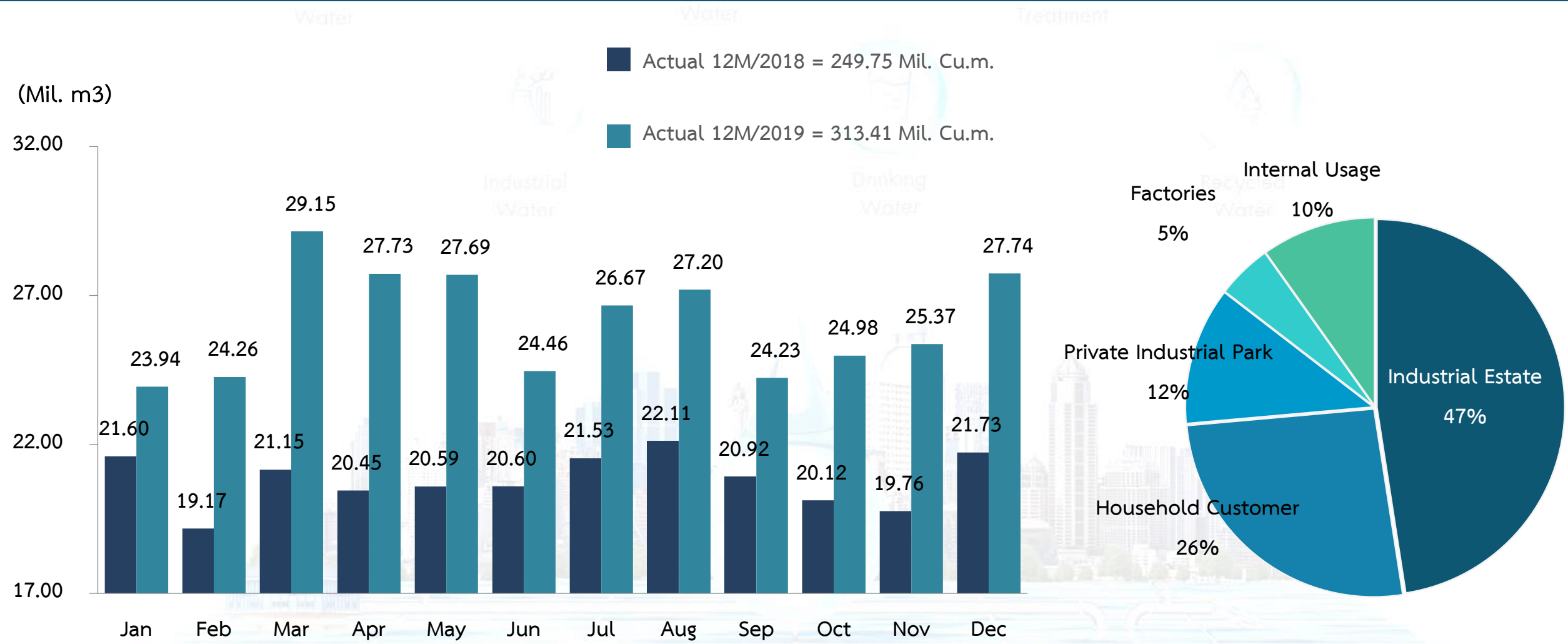
- Double Track Rail
- High-Speed Rail
- East Water Grid
- Reservoir

Control the system with **SCADA** resulting in consistent quality of water

**6** Main water sources  
Water loss in the system **3%**

- 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

# TOTAL RAW WATER DISTRIBUTION VOLUME



Total water sales volume was 313.41 million Cu.M. increased by 63.67 million Cu.M., or 25.49%

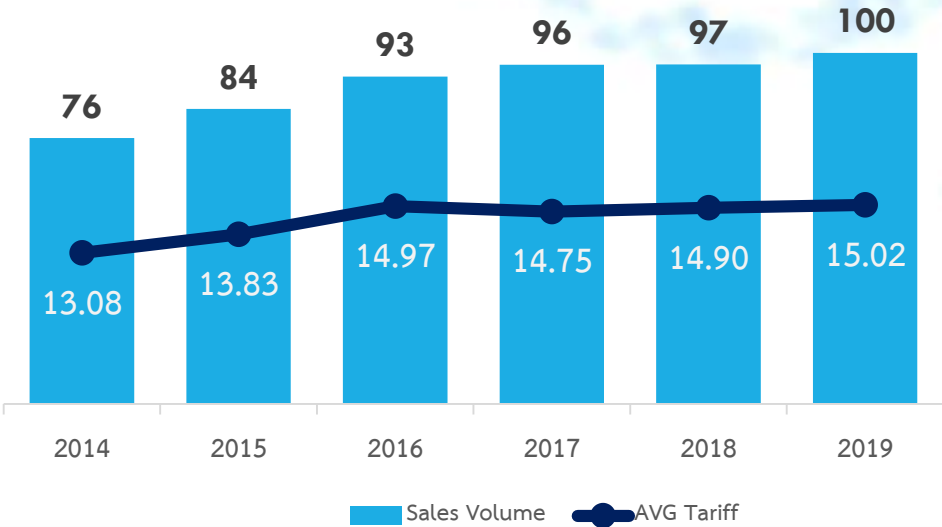
# TAP WATER BUSINESS



13 Concessions

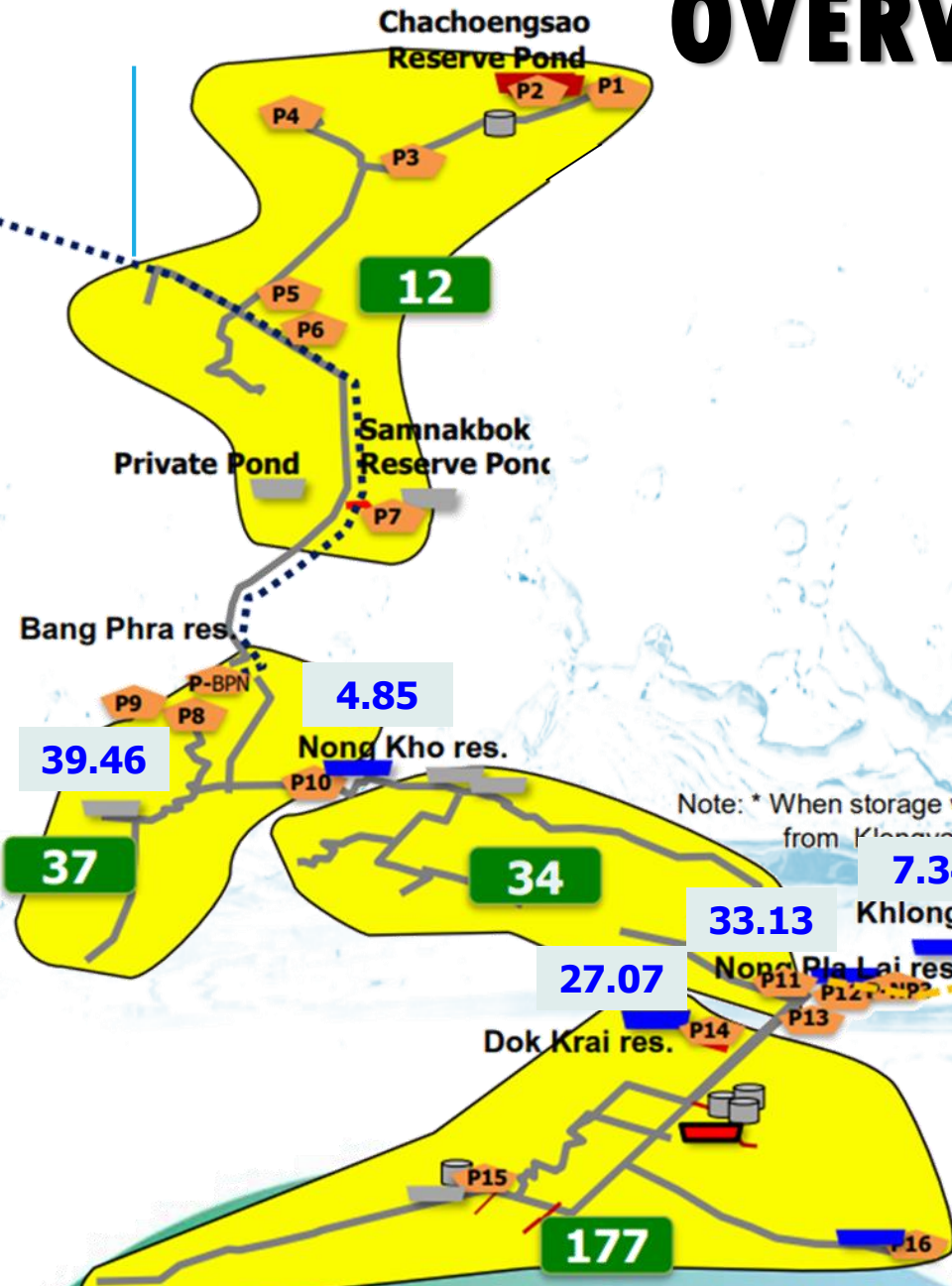
TAP WATER: Sales volume

- UU's Concession
  - Total production capacity = 317,810 cubic meters / day
  - Average sales volume = 217,470 cubic meters / day
- EASTW's Concession
  - Total production capacity = 86,100 cubic meters / day
  - Average sales volume = 62,579 cubic meters / day



Water loss in the system = 12%

# 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.)                                   | 39.46    | 4.85    | 27.07   | 33.13      | 7.34     | 93.35  |
| Useable storage volume (excluding Dead Storage) (M. Cu.M.) | 27.41    | 3.85    | 24.07   | 19.63      | 4.34     | 73.35  |
|  | 31.26    |         | 121.39  |            |          |        |
| % Total Capacity   | 23.43%   | 17.99%  | 30.31%  | 11.99%     | 10.82%   | 24.86% |

Note: \* When storage volume falls below 15.2 MCM, it is not possible to transfer water from Khlongyai Reservoir to Nongplalai Reservoir

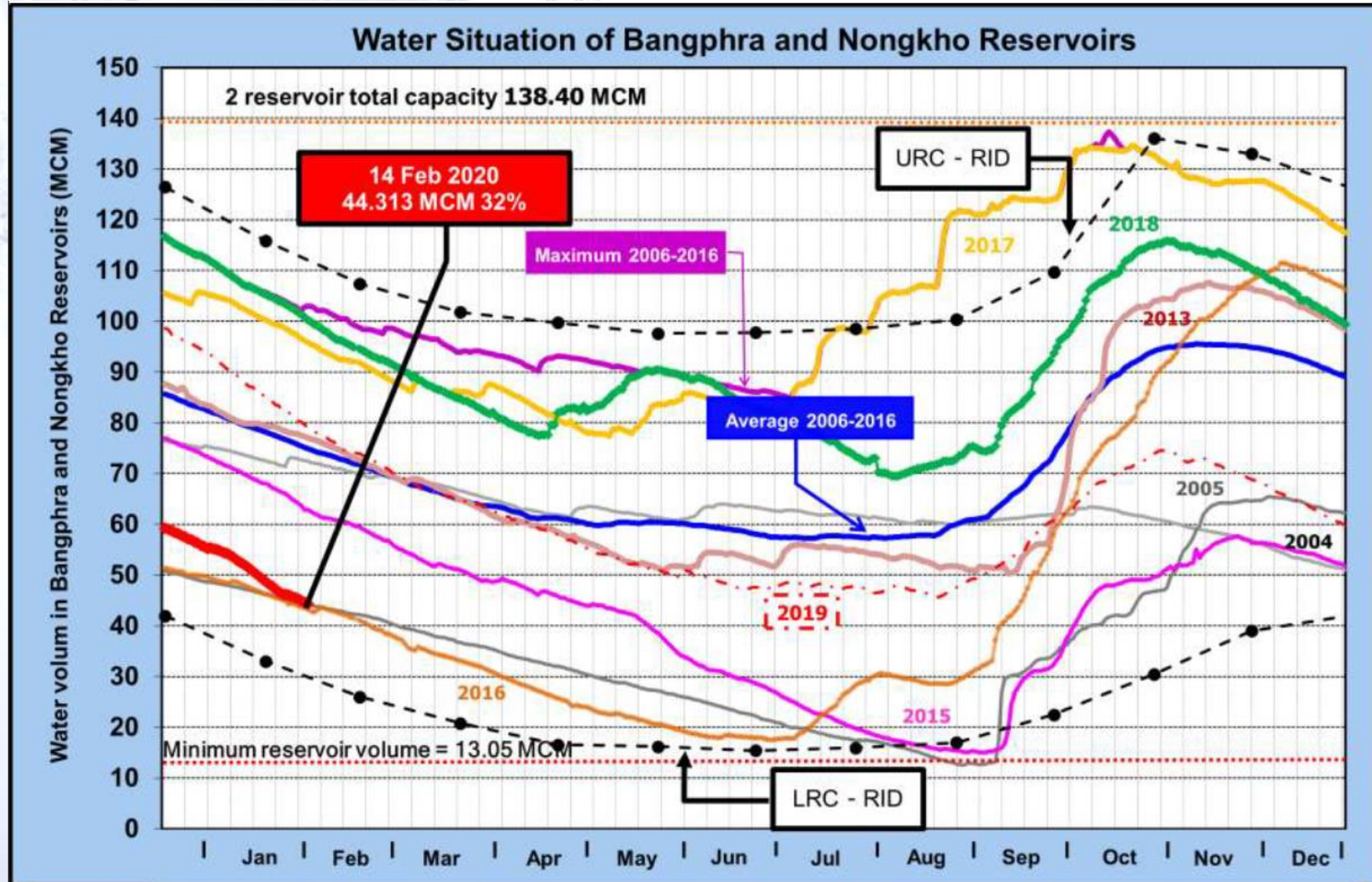
Info as of 14 FEB 2019

XX Demand 2560 (MCM.)  
XX Supply (MCM.)  
XX Pump Station

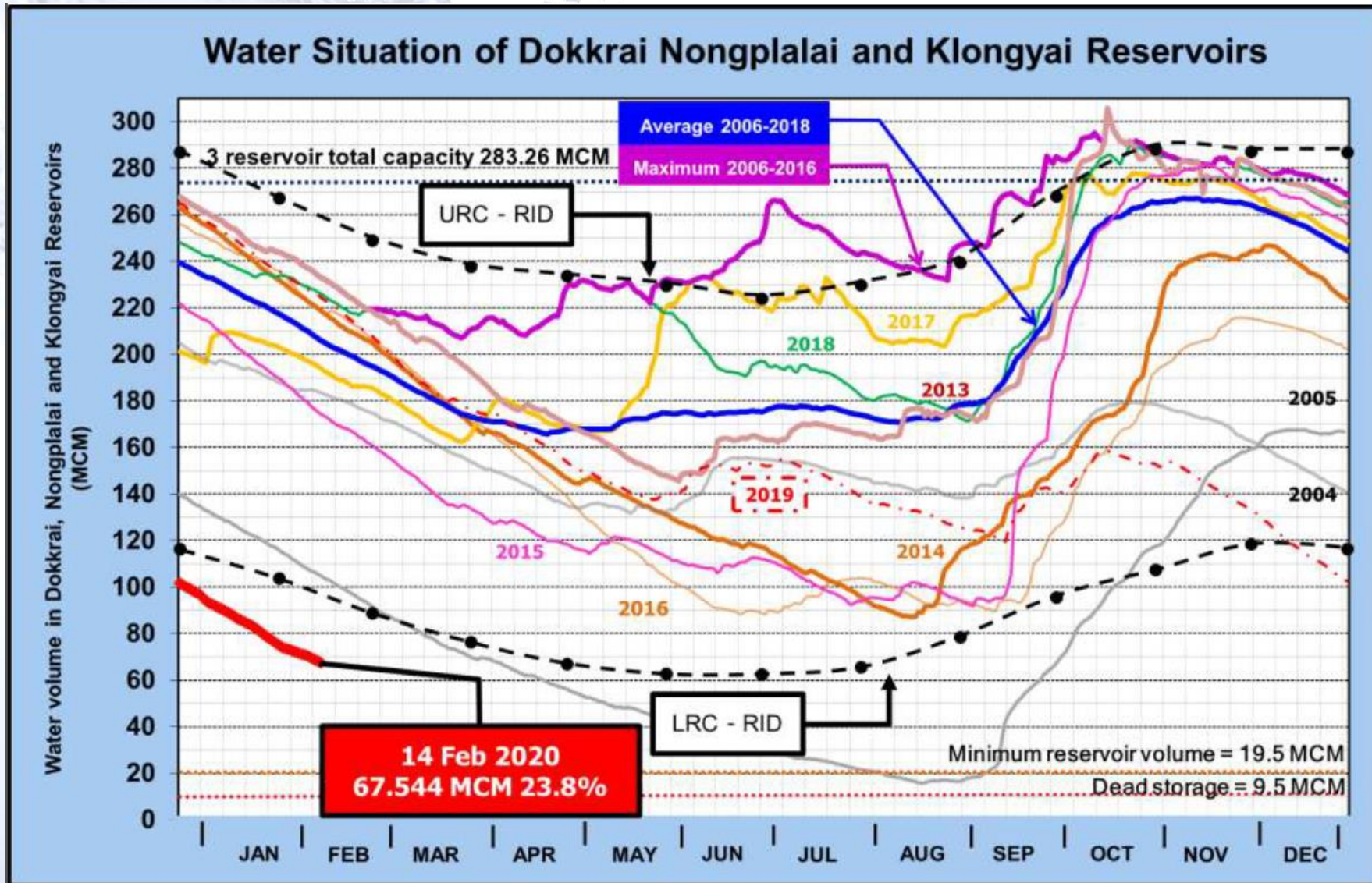
- Raw Water Pipe Line (EW)**
  - Existing Pipe Network
  - Constructing Pipe Network
- Raw Water Pipe Line (RID)**
  - Existing Pipe Network
  - Constructing Pipe Network

Source of data: Royal Irrigation Department

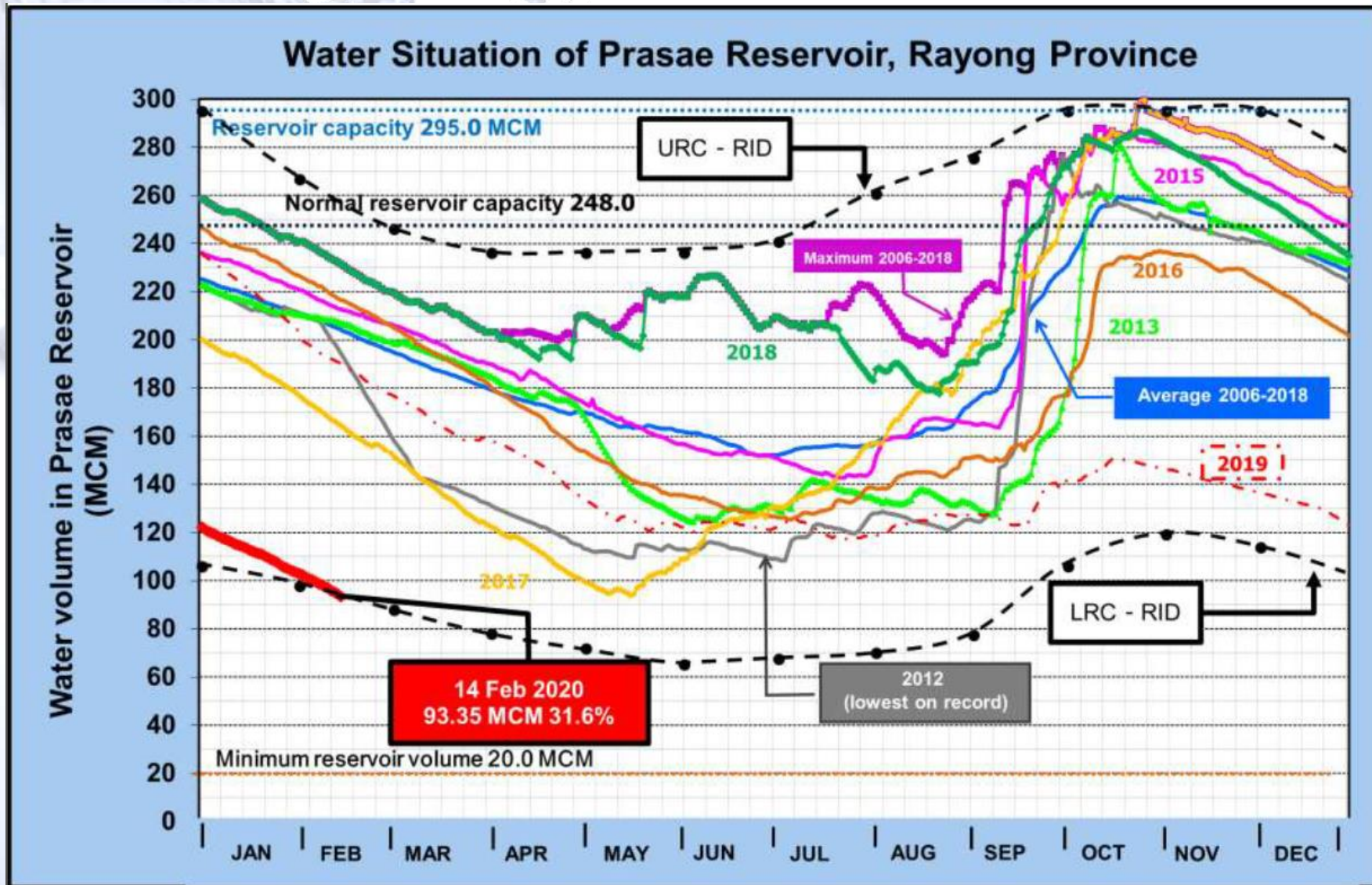
# WATER SITUATION IN CHONBURI



# WATER SITUATION IN RAYONG



# WATER SITUATION IN PRASAE – RAYONG





# AGENDA

Business Overview






## Outlook & Strategies

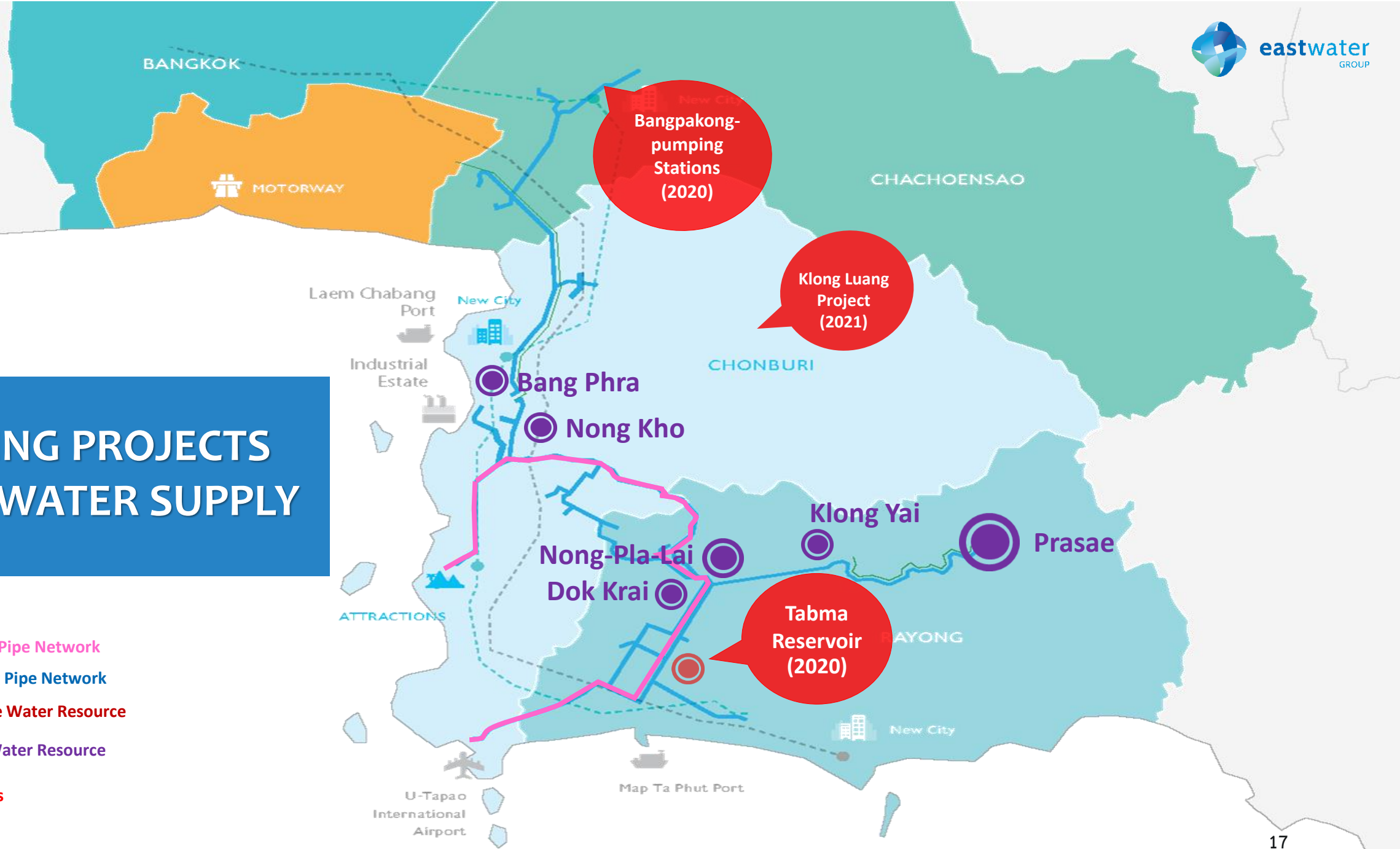
- Ongoing Projects: Raw Water Supply
- Total water solution projects

Financial



# ONGOING PROJECTS : RAW WATER SUPPLY

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



# TOTAL WATER SOLUTION PROJECTS

Connecting All Main Water Sources in Eastern Thailand with over

**491.8**  
Kilometers



CONTROL THE SYSTEM WITH  
**SCADA**  
RESULTING IN CONSISTENT QUALITY OF WATER



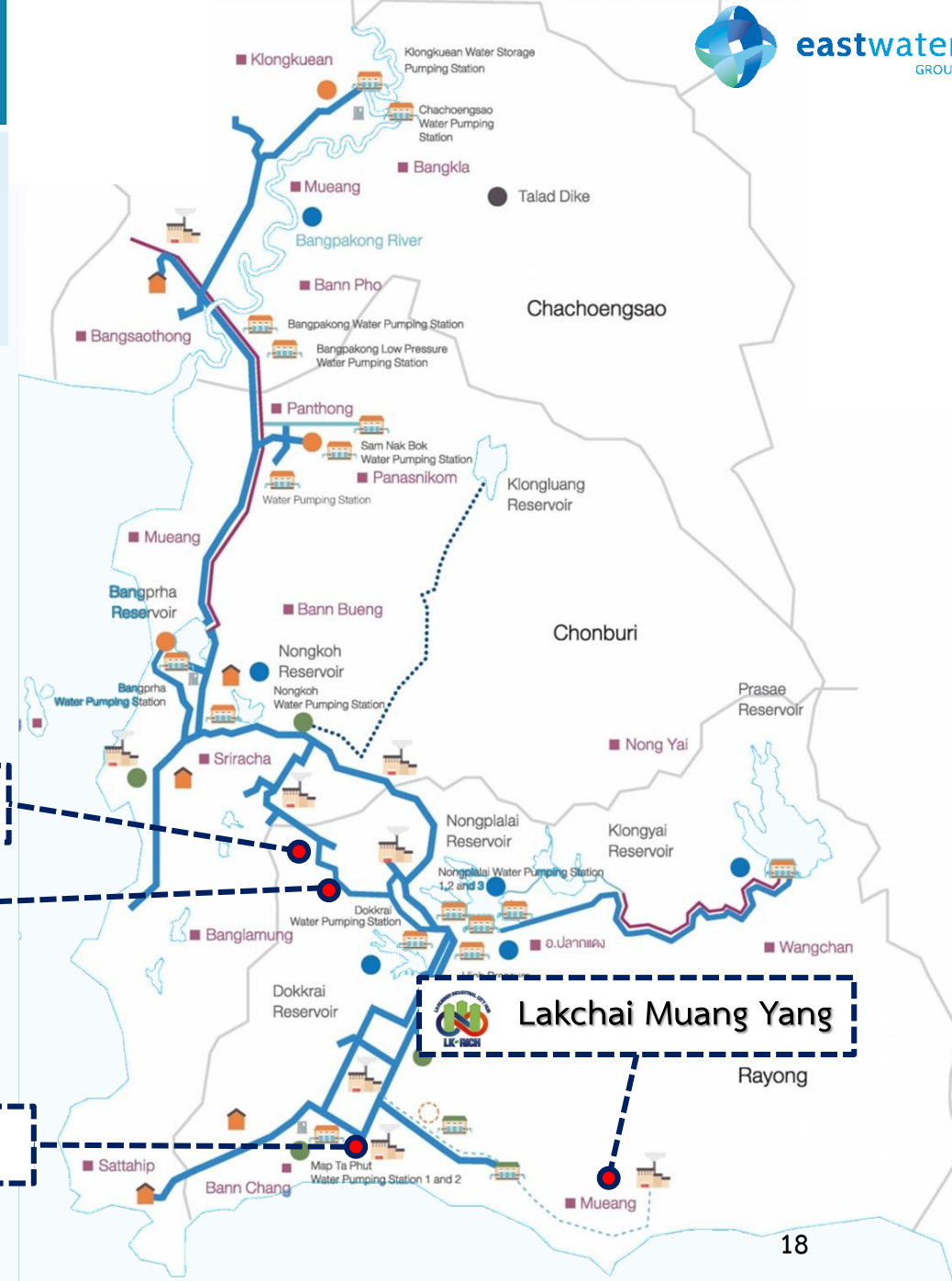
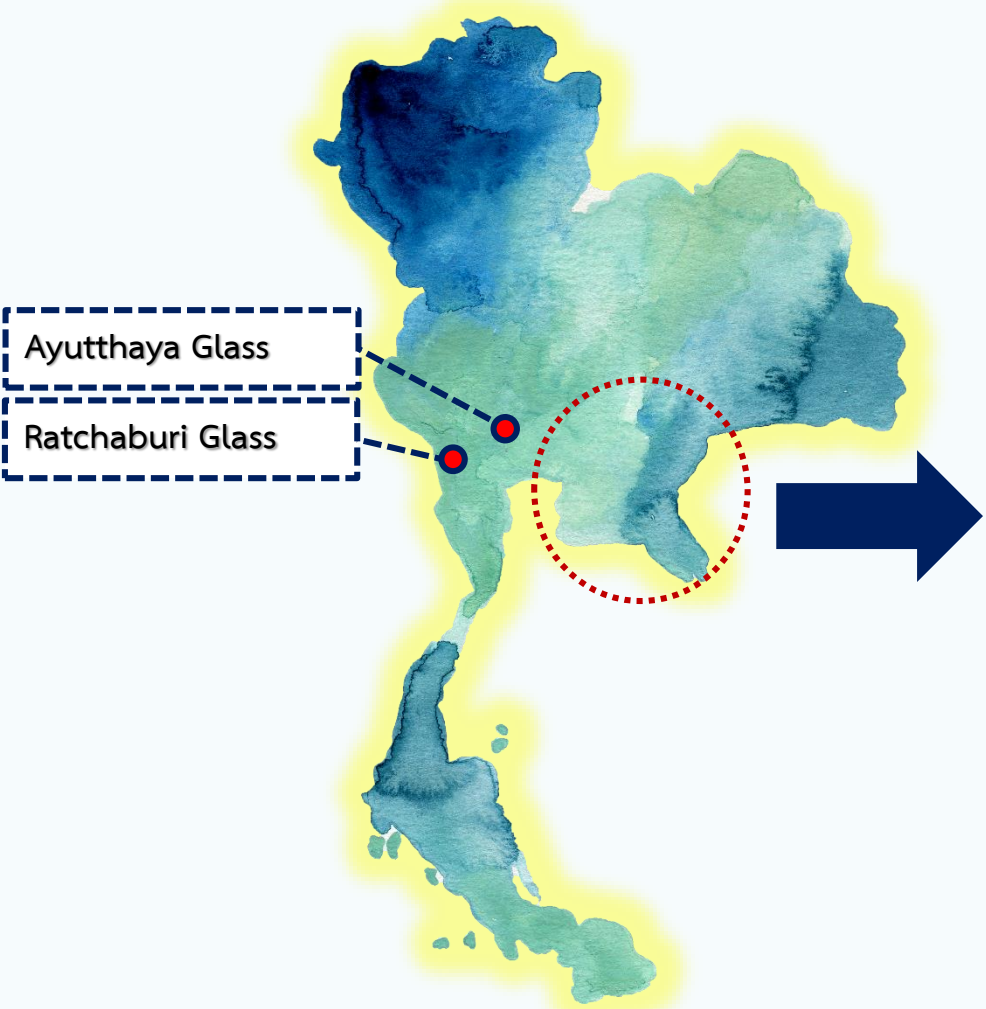
6 MAIN WATER SOURCES + 3 RESERVE WATER SOURCES



15 WATER PUMPING STATIONS



LIMIT WATER LOSS TO LOWER THAN **3%**





# AGENDA

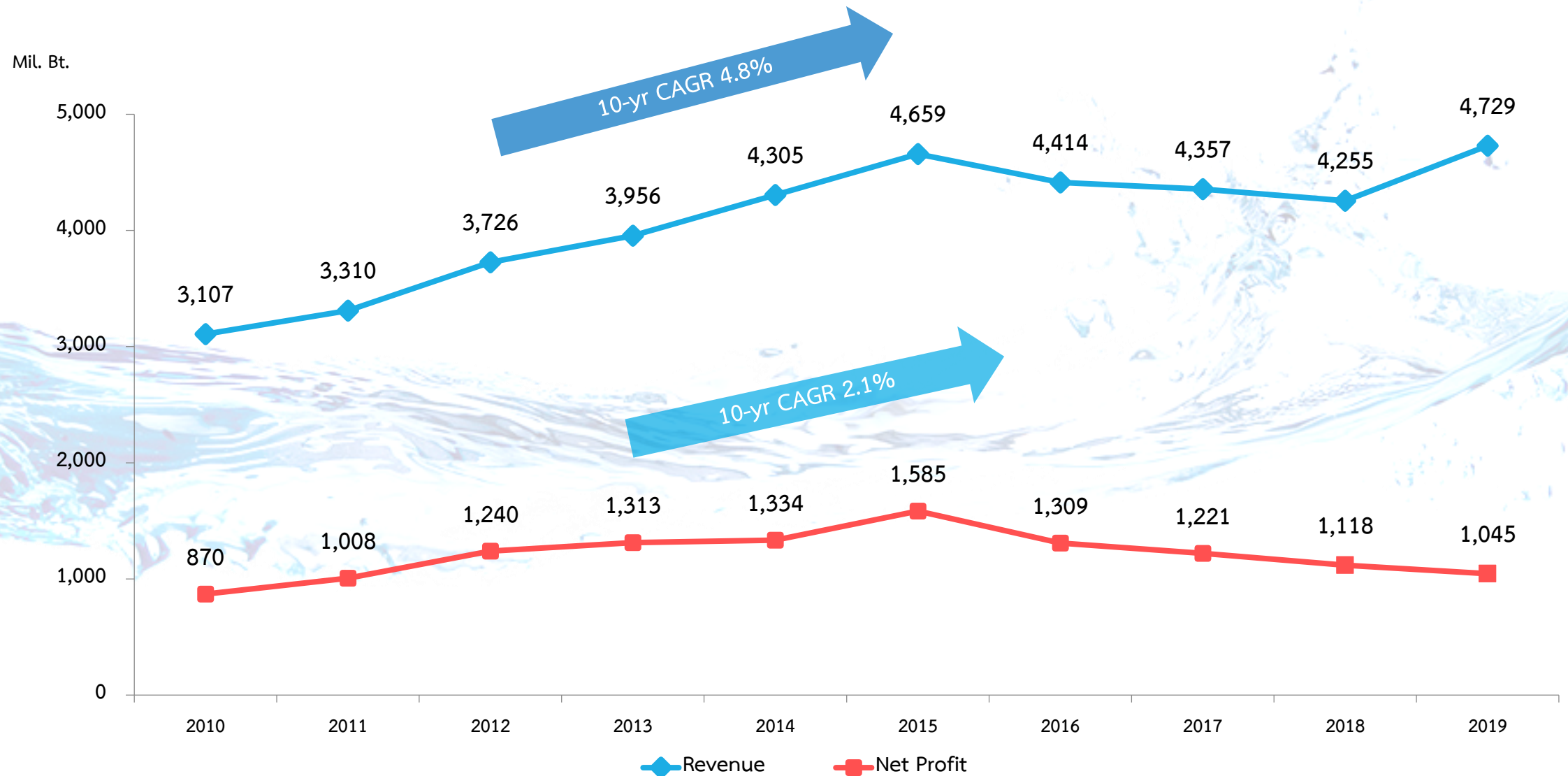
Business Overview

Outlook & Strategies

## Financial

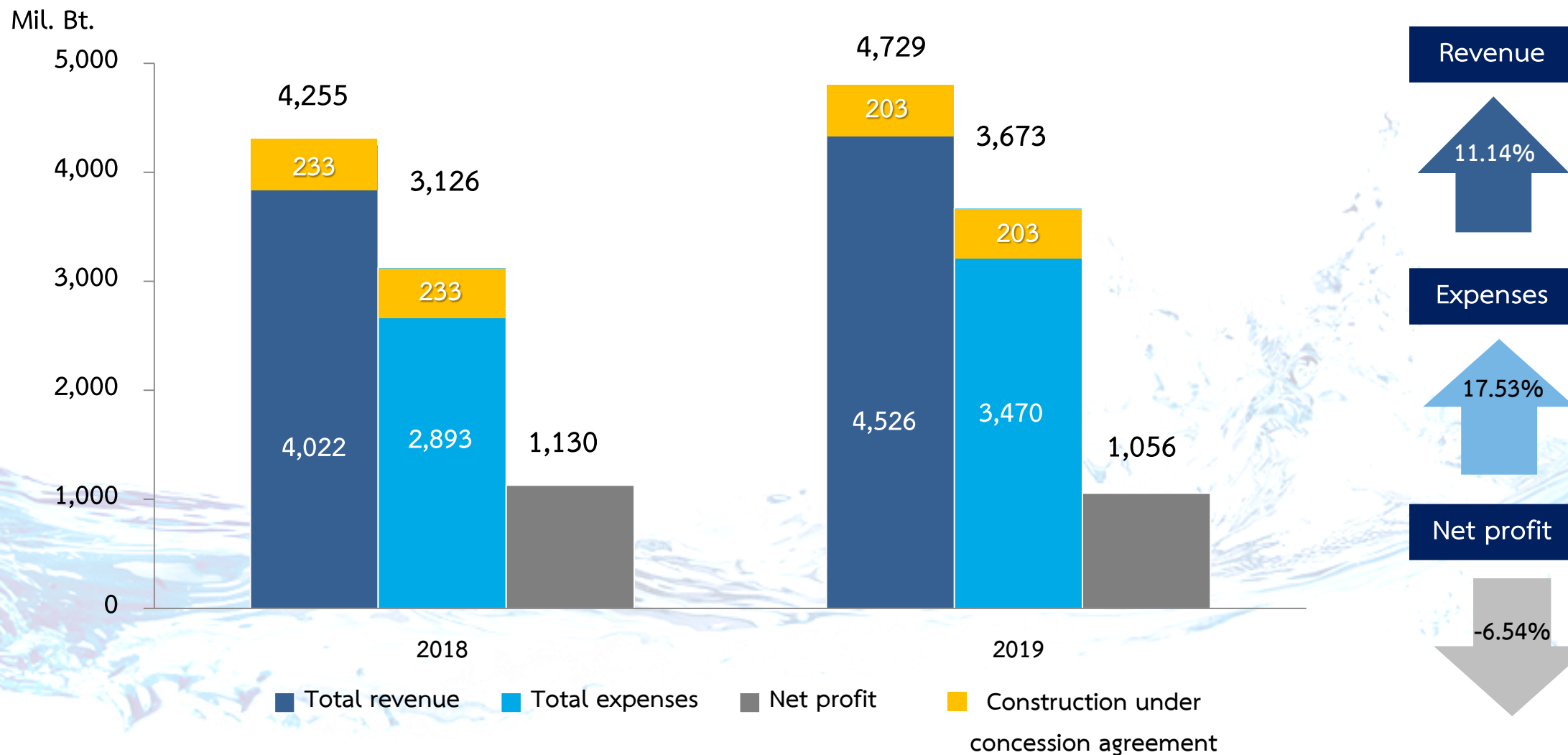
- Financial Highlight 2019
- Financial Ratios
- Dividend Policy and Dividend Payout

# 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

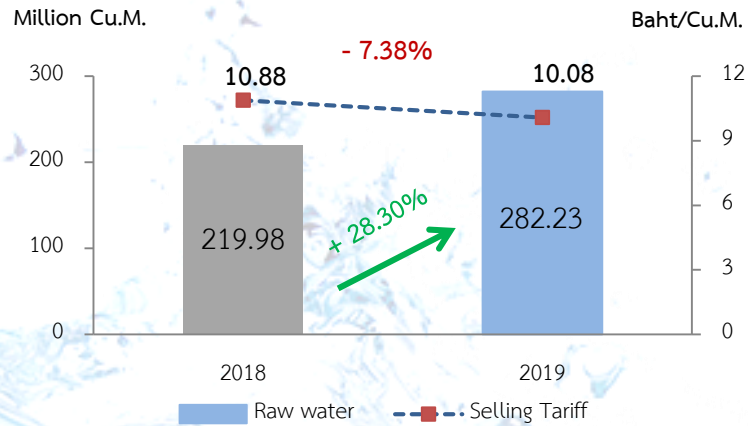
# FINANCIAL HIGHLIGHTS OF 2019



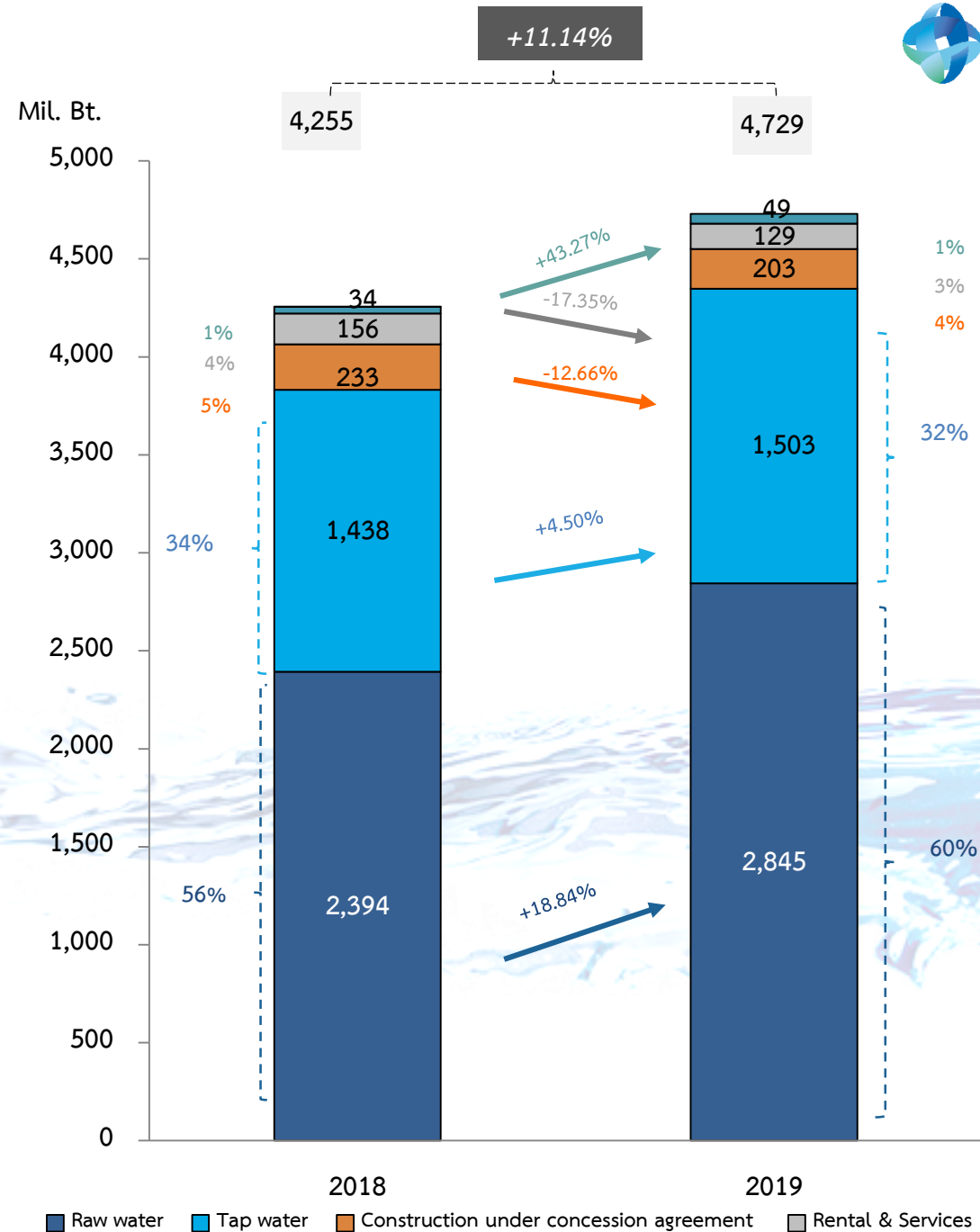
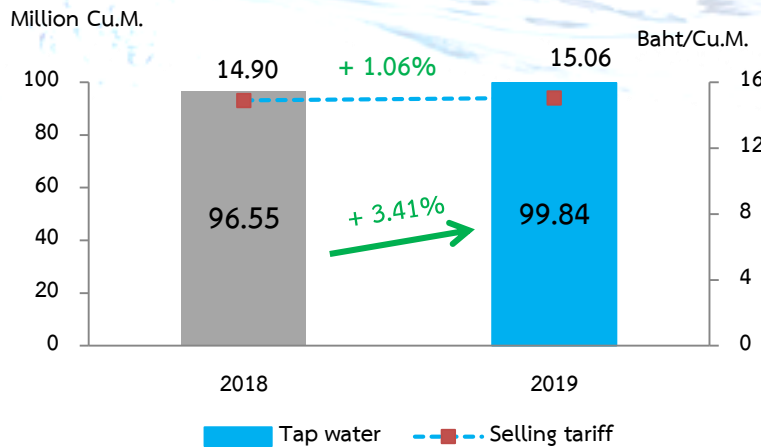
• Total revenue included construction revenue and cost under concession agreement (TFRIC.12)

# REVENUES 2019

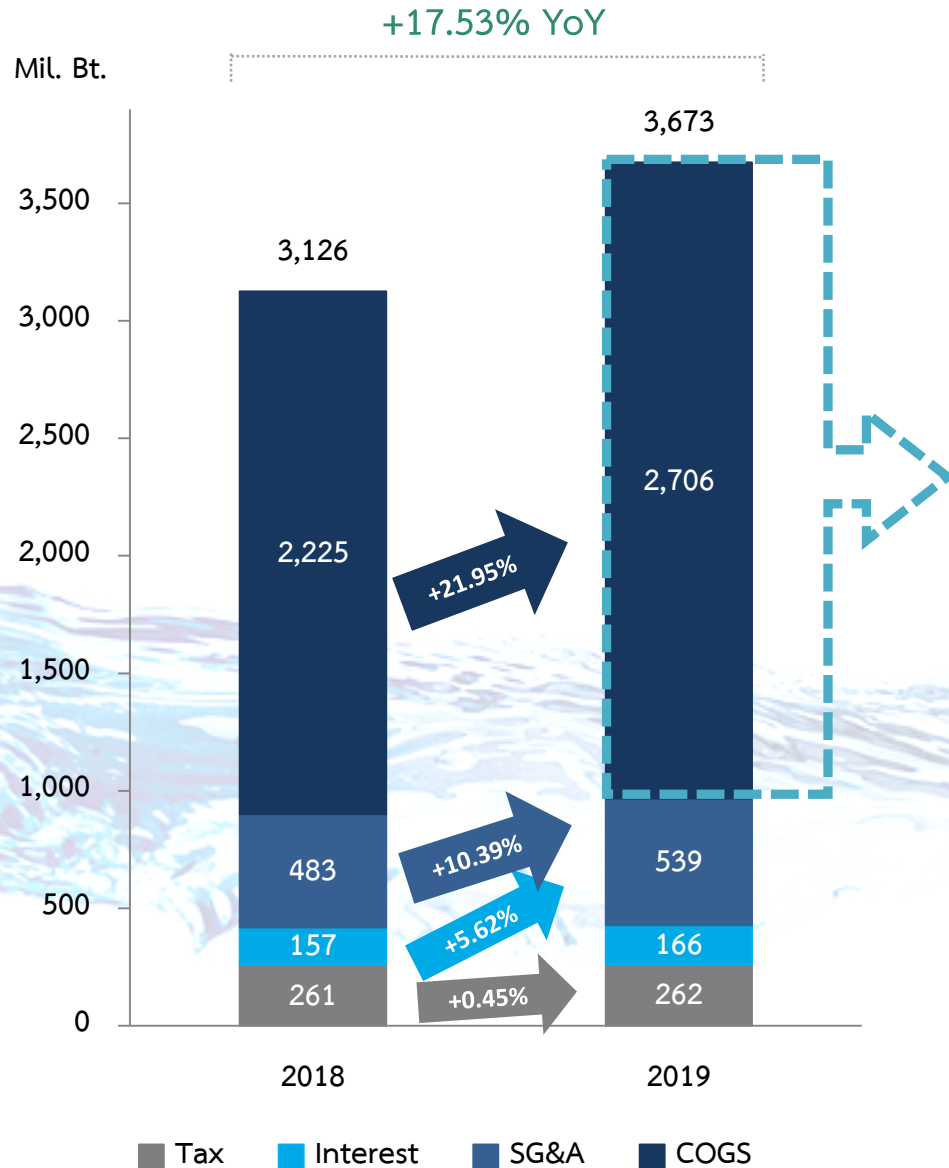
## RAW WATER: Sales volume



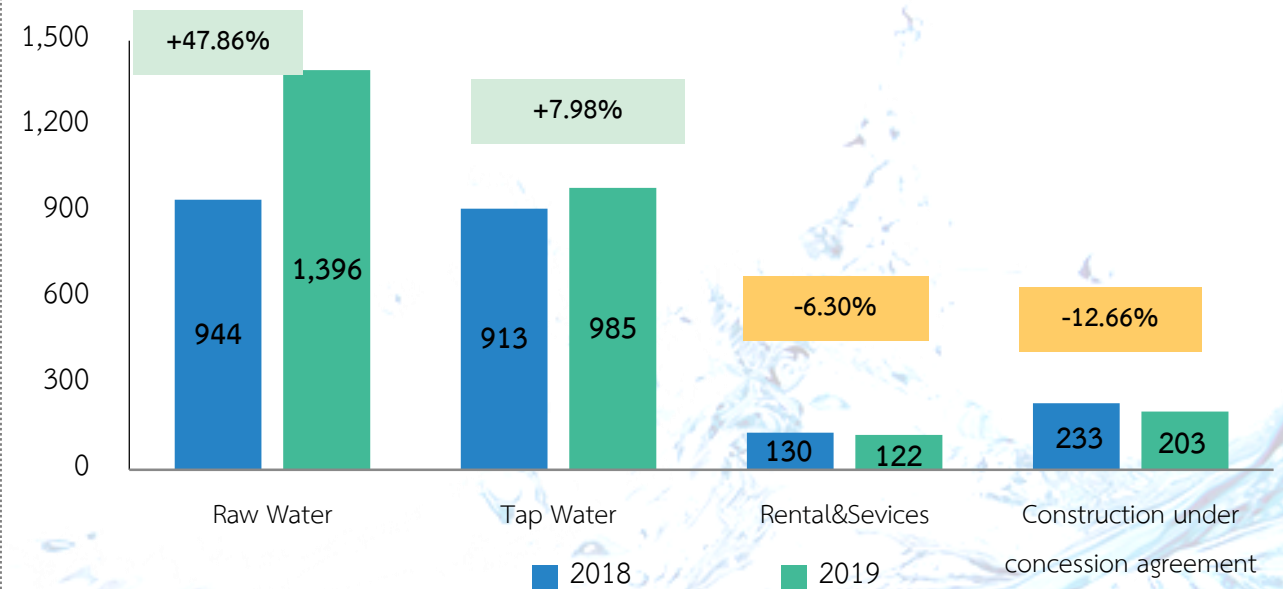
## TAP WATER: Sales volume



# TOTAL EXPENSES 2019



COGS increased by 21.95% YoY;



Cost of Raw Water increased by 47.86% yoy: because of

- Increasing of volume sales from Household customers,
- Increasing raw water cost from 1) rising Electricity cost 2) purchasing raw water from private source 3) Maintenance cost and 4) depreciation and amortization

Cost of Sales for Tap Water increased by 7.98% yoy : because of

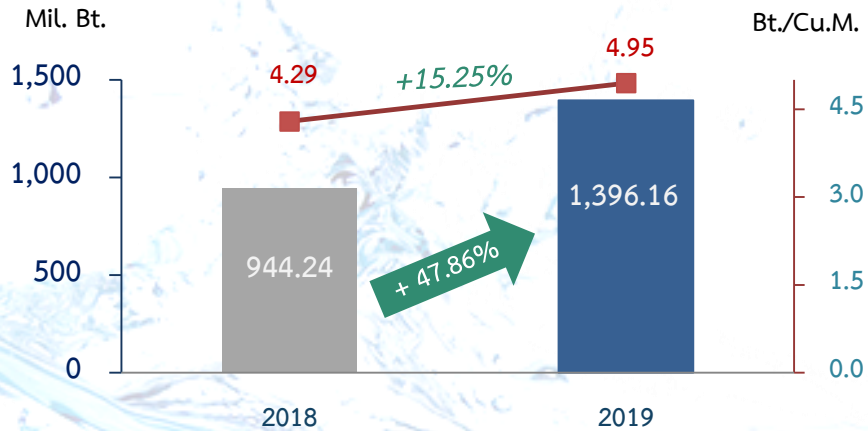
- Increasing of in raw water cost, pipeline maintenance, estimate replacement cost and depreciation & amortization from capacity expansion investment.

Cost of Construction under concession agreements decreased by 12.66% yoy:

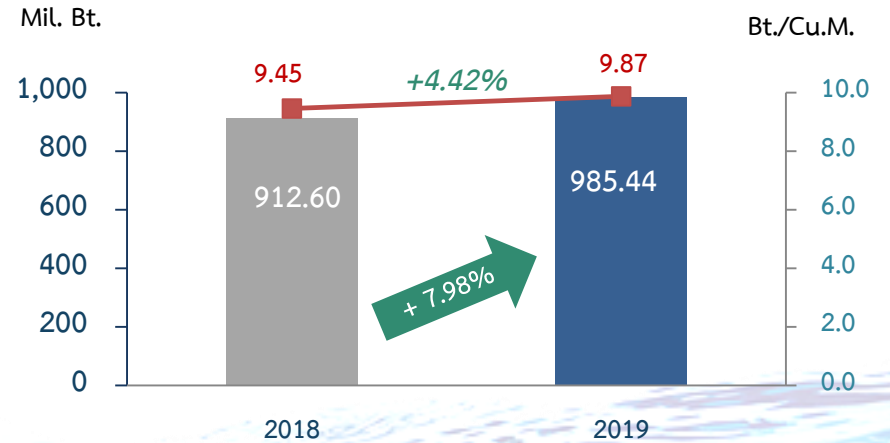
according to accounting standard TFRIC12

# COSTS BREAKDOWN 2019

## Raw Water



## Tap Water



### Depreciation

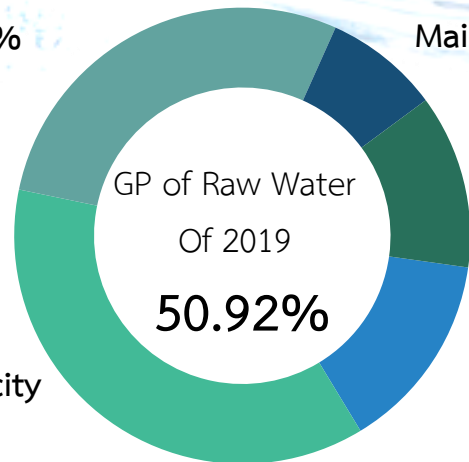
29%

Maintenace 8%

Other 12%

Raw water 14%

Electricity 37%



### Raw Water

18%

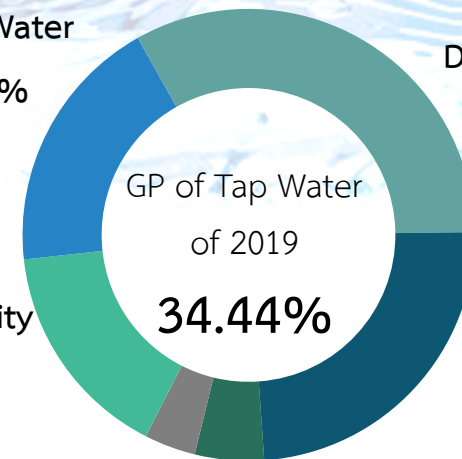
Depreciation 33%

Electricity 16%

Chemical 4%

Other 5%

Wages 24%





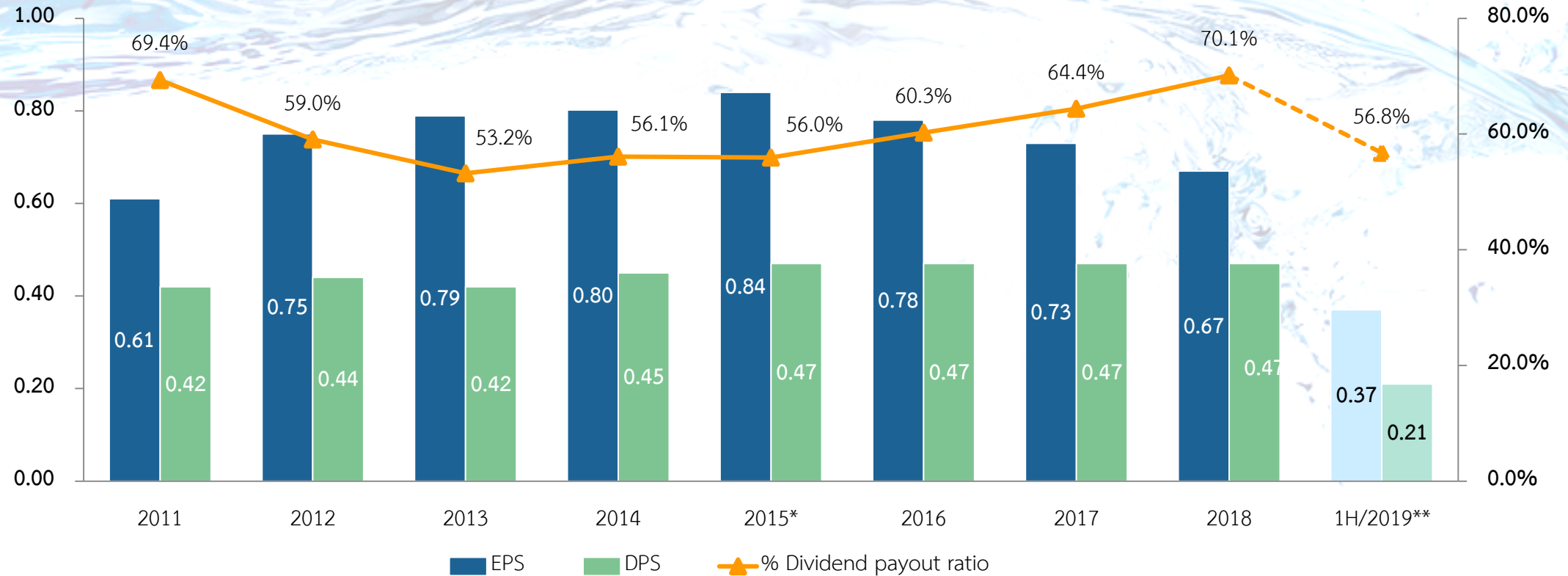
# FINANCIAL RATIOS

| Key Financial Ratios                                | As of 2018 | As of 2019 |
|---|------------|------------|
| <b>Liquidity Ratio</b>                              |            |            |
| Current ratio (time)                                | 0.66       | 0.37       |
| <b>Profitability Ratio<sup>(1)</sup></b>            |            |            |
| Gross profit / total sales and services revenue (%) | 50.05%     | 44.08%     |
| Net profit / total sales and services revenue (%)   | 28.33%     | 23.59%     |
| <b>Performance Ratio</b>                            |            |            |
| Return on Equity (ROE) (%)                          | 10.71%     | 9.74%      |
| Return on Assets (ROA) (%)                          | 5.64%      | 5.06%      |
| <b>Capital Structure and Debt Ratio</b>             |            |            |
| Debt to Equity ratio (time)                         | 0.88       | 0.94       |
| Debt Service Coverage ratio (DSCR) (time)           | 2.19       | 2.20       |

# 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 Tara

\*\* Interim dividend for the 1H2019 is 0.21 THB per share and has been paid on 11<sup>th</sup> September 2019.

# CONTACT US



## Eastern Water Resources Development and Management Public Company Limited

*Floor 23-26, East Water Building,*

*1 Vibhavadi Rangsit Road, Jomphol, Chatuchak, Bangkok 10900*

*Tel: 02-272-1600 Fax: 02-272-1601*

*Website: [www.eastwater.com](http://www.eastwater.com)*

For further information & enquiries, please contact our investor relations at:

*Tel: 02-272-1600 ext 2438, 2411 and 2420*

*Email: [IR@eastwater.com](mailto:IR@eastwater.com)*