

(Translation)

UAC.CS/021/2020

November 11, 2020

Subject: Explanation of the operating results for the third quarter period ended September 30, 2020

To: President  
The Stock Exchange of Thailand

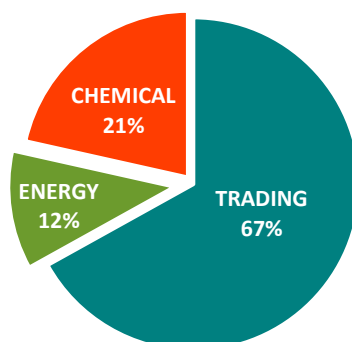
Attachment: Auditor's Report and Financial Statement for the third quarter period ended September 30, 2020

### [Executive Summary](#)

UAC GLOBAL Public Company Limited ("UAC") would like to report the operating result of UAC according to the financial statement for the 3-month and 6-month period ended June 30, 2020, details are as follows:

The global economy over the past nine months has continued to be significantly affected by the spread of the new corona virus (COVID-19), resulted in a decrease in sales of Baht 1,389.43 million from the delaying orders of oil refinery and petrochemical customers at the amount of Baht 1,299.43 million, the decrease in revenue from energy sector by Baht 39.15 million due to raw materials and the decrease in revenue from chemicals by Baht 49.98 million. However, the Company and its subsidiaries were able to achieve a higher-than-expected profit of the company and EBITDA of Baht 163.55 million and Baht 296.92 million, respectively.

### REVENUE BREAKDOWN 9M/2020



Trading: There was a decrease in the volume of orders from customers of all industries, especially the oil refinery and petrochemical groups, as a result of the oil price war in March, together with the impact of the COVID-19 epidemic situation, the performance of Trading business felt 66.10% YoY, mostly from sales of the catalyst for aromatics production is over Baht 800 million, which is Big Lot sales based on customer orders and other chemicals decreased lower than the sale target. However, the company has focused on increasing the margin in sales which can be done above the average target of 18%.

Manufacturing – Energy: The performance of the Energy business declined 25.37% YoY, mostly due to the lack of Associated Gas from PPP to produce C1 gas, resulting in Sao Thian power plant receiving less C1 gas to produce electricity as well.

Manufacturing – Chemical: Over the past nine months, the Chemical business has benefited from a significant drop in raw material prices. As a result, the gross profit was more than 35%, but at the same time, in the second quarter and the third quarter, the main customers in the Coating group have continued to slow down their orders, causing sales of the chemical business to drop 18.98%.

## Performance Analysis

The operating results of the separated financial statement for the 3-month and 9-month period ended September 30, 2020

The Consolidated Financial Statement (Unit: Million Baht)			YOY				YOY	
	Q3/2020	Q3/2019	Million Baht	%	9M/2020	9M/2019	Million Baht	%
Sales and Services	208.40	269.26	(60.86)	(22.60%)	757.60	2,093.56	(1,335.97)	(63.81%)
<b>Gross Profit</b>	<b>20.04</b>	<b>37.17</b>	<b>(17.13)</b>	<b>(46.09%)</b>	<b>116.02</b>	<b>206.65</b>	<b>(90.63)</b>	<b>(43.86%)</b>
Other Income	82.66	7.81	74.86	958.74%	171.55	38.74	132.81	342.85%
Selling & Administrative Expenses	31.08	32.49	(1.41)	(4.35%)	96.38	111.48	(15.09)	(13.54%)
Finance Cost	7.34	9.28	(1.94)	(20.91%)	24.27	29.23	(4.96)	(16.96%)
<b>EBT</b>	<b>64.28</b>	<b>3.20</b>	<b>61.08</b>	<b>1,907.28%</b>	<b>166.91</b>	<b>104.68</b>	<b>62.23</b>	<b>59.45%</b>
Tax	1.56	(0.62)	2.18	(351.08%)	(4.78)	(20.90)	16.12	77.14%
<b>Net Profit</b>	<b>65.84</b>	<b>2.58</b>	<b>63.26</b>	<b>2,450.52%</b>	<b>162.13</b>	<b>83.78</b>	<b>78.36</b>	<b>93.53%</b>
<b>EBITDA</b>	<b>89.73</b>	<b>29.17</b>	<b>60.55</b>	<b>207.56%</b>	<b>245.08</b>	<b>182.99</b>	<b>62.08</b>	<b>33.93%</b>

The operating results of the separated financial statement for third quarter period ended September 30, 2020, resulted in increase in Net Profit of Baht 63.26 million or +2,450.52% from the corresponding period of the previous year as the following details below:

1. Revenue from sales and services decreased Baht 60.86 million or 22.60% from the corresponding period of the previous year, mostly from revenue from Trading in Energy & Petroleum which decreased Baht 46.08 million, resulting from economic recession from pandemic of COVID-19.
2. Gross profit was Baht 20.04 million which decreased Baht 17.13 million or 46.09% from the corresponding period of the previous year, in compliance with the decrease in revenue from sales and services. Gross profit margin of the third quarter of 2020 was 9.61% of revenue from sales and services decreased from the corresponding period of the previous year (Q3/2019 = 13.80%)
3. Other income increased Baht 74.86 million or 958.74% from the corresponding period of the previous year, mostly from the interim dividend income from investment in BBF at the amount of Baht 71.78 million from the performance of first half of this year.
4. Finance Cost decreased Baht 1.94 million or 20.91% from the corresponding period of the previous year due to the decrease in liabilities.
5. Net Profit increased Baht 63.26 million or 2,450.52% from the corresponding period of the previous year, mostly from dividend income from BBF and the decrease in selling and administrative expenses due to the expenses control policy during pandemic of COVID-19.

The operating results of the separated financial statement for the 9-month period ended September 30, 2020, resulted in increase in Net profit of Baht 78.36 million or +93.53% from the corresponding period of the previous year as the following details below:

1. Revenue from sales and services decreased Baht 1,335.97 million or 63.81% from the corresponding period of the previous year, mostly from revenue from Big Lot of Trading which was a non-regular transaction decreased Baht 854.14 million, together with the decrease of regular transactions of Trading at the amount of Baht 445.29 million and the decrease of revenue from Manufacturing-Energy (PPP) at the amount of Baht 48.78 million resulting from the decrease of raw material and selling price.
2. Gross profit was Baht 116.02 million which decreased Baht 90.63 million or 43.86% from the corresponding period of the previous year, in compliance with the decrease in revenue from sales and services from Trading. Gross profit margin was 15.31% of revenue from sales and services increased from the corresponding period of the previous year (9M/2019 = 9.87%)
3. Other income increased Baht 132.81 million or 342.85% from the corresponding period of the previous year, mostly from the dividend income from investment in BBF at the amount of Baht 143.56 million
4. Selling and administrative expenses decreased Baht 15.09 million or 13.54% from the corresponding period of the previous year due to the expenses control policy during pandemic of COVID-19.
5. Finance Cost decreased Baht 4.96 million or 16.96% from the corresponding period of the previous year due to decrease in liabilities.
6. Net Profit increased Baht 78.36 million or 93.53% from the corresponding period of the previous year.

The operating results of the consolidated financial statement for the 3-month and 9-month period ended September 30, 2020

The Consolidated Financial Statement (Unit: Million Baht)	YOY				YOY			
	Q3/2020	Q3/2019	Million Baht	%	9M/2020	9M/2019	Million Baht	%
Sales and Services	276.39	362.50	(86.12)	(23.76%)	996.13	2,385.56	(1,389.43)	(58.24%)
Gross Profit	41.66	63.77	(22.11)	(34.67%)	194.32	281.78	(87.46)	(31.04%)
Other Income	46.88	12.73	34.15	268.34%	158.98	50.90	108.08	212.32%
Selling & Administrative Expenses	45.85	53.56	(7.71)	(14.39%)	148.87	161.03	(12.16)	(7.55%)
Finance Cost	13.71	15.86	(2.15)	(13.56%)	44.61	47.05	(2.44)	(5.19%)
EBT	28.98	7.08	21.90	309.47%	159.82	124.60	35.22	28.26%
Tax	1.11	0.38	0.73	193.99%	(5.35)	(17.87)	12.52	70.04%
Net Profit	30.10	7.46	22.64	303.61%	154.47	106.73	47.74	44.72%
Total Comprehensive Income	32.23	12.60	19.63	155.84%	163.55	112.96	50.59	44.78%
EBITDA	73.41	52.42	21.00	40.06%	296.92	258.07	38.85	15.05%

The operating results of the consolidated financial statement for the third quarter period ended September 30, 2020, resulted in increase in total comprehensive income of Baht 19.63 million or +155.84% from the corresponding period of the previous year as the following details below:

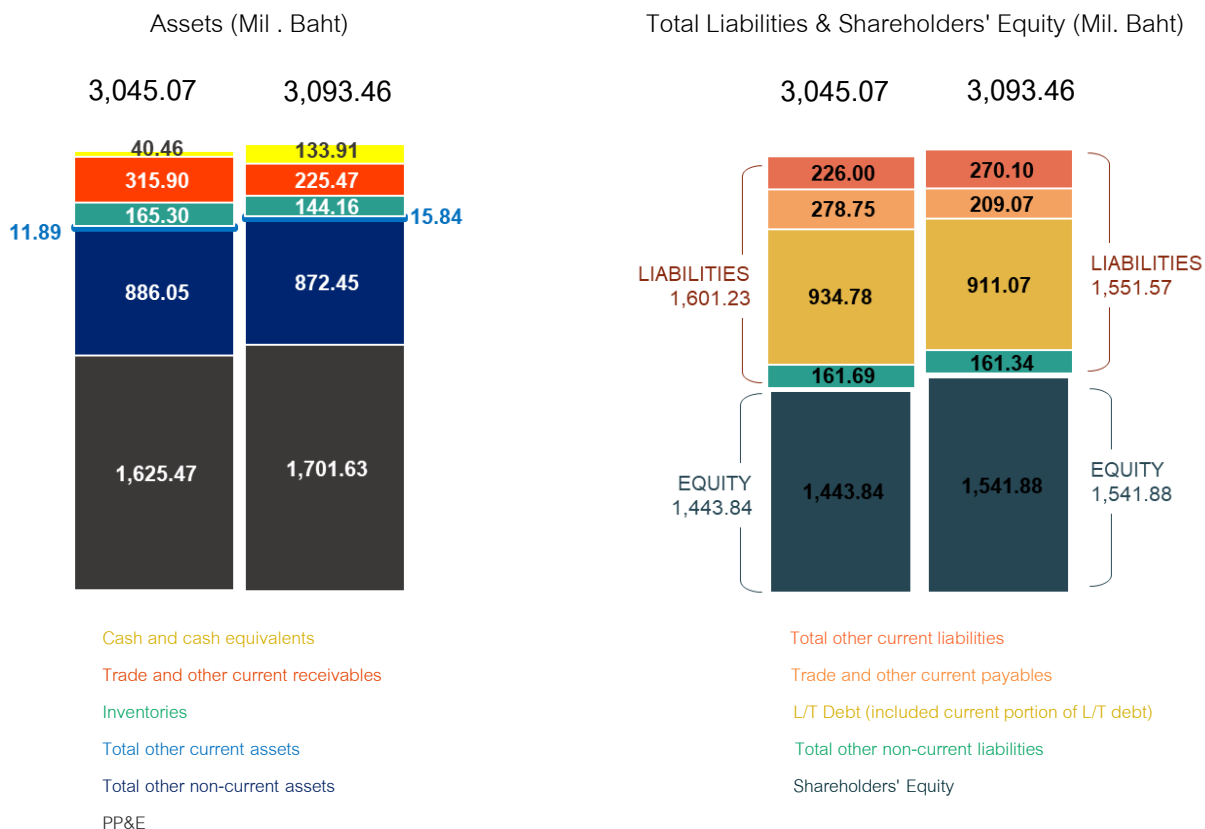
1. Revenue from sales and services decreased Baht 86.12 million or 223.76% from the corresponding period of the previous year, mostly from the decrease of revenue from Trading and Manufacturing-Energy at the amount of Baht 56.63 million and Baht 5.38 million, respectively.

2. Gross profit was Baht 41.66 million which decreased Baht 22.11 million or 34.67% from the corresponding period of the previous year, in compliance with the decrease in revenue from sales and services. Gross profit margin was 15.07% of revenue from sales and services increased from the corresponding period of the previous year (Q3/2019 = 17.59%)
3. Other income increased Baht 34.15 million or 268.34% from the corresponding period of the previous year, mostly from the profit sharing from investment in BBF at the amount of Baht 37.98 million
4. Finance cost decreased Baht 2.15 million or 13.56% from the corresponding period of the previous year due to the decrease in liabilities.
5. Comprehensive Income increased Baht 19.63 million or 155.84% from the corresponding period of the previous year.

**The operating results of the consolidated financial statement for the 9-month period ended September 30, 2020, resulted in increase in total comprehensive income of Baht 50.59 million or 44.78% from the corresponding period of the previous year as the following details below:**

1. Revenue from sales and services decreased Baht 1,389.43 million or 58.24 % from the corresponding period of the previous year, mostly from the decrease of revenue from Big Lot of Trading which was a non-regular transaction decreased Baht 854.14 million, the decrease of revenue from Manufacturing-Energy and Manufacturing-Chemical at the amount of Baht 39.15 million and Baht 49.98 million, respectively.
2. Gross profit was Baht 194.32 million which decreased Baht 87.46 million or 31.04% from the corresponding period of the previous year, in compliance with the decrease in revenue from sales and services. Gross profit margin was 19.51% of revenue from sales and services increased from the corresponding period of the previous year (9M/2019 = 11.81%)
3. Other income increased Baht 108.08 million or 212.32% from the corresponding period of the previous year, mostly from the profit sharing from investment in BBF at the amount of Baht 138.99 million due to the promote of using B10 which increased the demand of biodiesel.
4. Finance Cost decreased Baht 2.44 million or 5.19% from the corresponding period of the previous year due to decrease in liabilities.
5. Comprehensive Income increased Baht 50.59 million or 44.78% from the corresponding period of the previous year.

The Statements of Financial Position as of September 30, 2020 has changed from December 31, 2019 as follows:



**Total Assets** was Baht 3,093.45 million, increased Baht 48.39 million or 1.59%, mostly from the decrease in current assets of Baht 14.17 million and non-current assets of Baht 62.57 consisted of;

1. Cash and cash equivalents increased Baht 93.44 million.
2. Trade and other receivables decreased Baht 90.44 million in compliance with the decrease in revenue from sales
3. Property, plant and equipment was Baht 1,701.63 million which increased Baht 76.17 million, consisted of Property, plant and equipment of Baht 1,578.08 million and right-of-use assets due to TFRS 16 adoption of Baht 123.55 million.

**Total Liabilities** was Baht 1,551.57 million, decreased Baht 49.65 million or 3.10%, mostly from the decrease in current liabilities of Baht 546.84 million and the increase in non-current liabilities of Baht 497.19 million, consisting of;

1. O/D and short term loans increased Baht 40.39 million, mostly from short term loans of the company and subsidiaries
2. Current portion of debenture decreased Baht 400 million by fully repayment of bond on June 12, 2020. Then, the company issued and offered new bond (Name-Registered Certificate of Unsubordinated and Unsecured Debentures) of Baht 300 million on June 18, 2020 which will be due on June 18, 2022.
3. Current portion of long-term loan decreased Baht 122.33 million due to principal repayment exemption for 6-12 months from financial institution.
4. Current portion of liabilities under long-term lease agreements of Baht 25.58 million consisted of TFRS 16 adoption at the amount of Baht 4.23 million.
5. Lease liabilities, net of current portion of Baht 124.83 million consisted of lease agreement at the amount of Baht 121.53 million.

Total Shareholders' Equity was Baht 1,541.88 million, increased Baht 98.04 million or 6.79%, resulting from income of business performance.

The Cash flow statement as of September 30, 2020 has changed from December 31, 2019 as follows;

(Unit: Million Baht)	9M/2020	9M/2019
Profit before tax	159.82	124.60
Profit from operating activities before changes in operating assets and liabilities	156.40	246.61
Net cash flows from operating activities	144.46	862.91
Net cash flows from (used in) investing activities	109.03	(9.76)
Net cash flows used in financing activities	(159.05)	(891.43)
Net activities	94.45	(38.29)
Decrease in translation adjustments	0.15	0.01
Effects of exchange rates on cash and cash equivalents	(1.15)	0.01
Net increase (decrease) in cash and cash equivalents	93.44	(38.26)
Cash and cash equivalents at beginning of period	40.46	78.78
Cash and cash equivalents at end of period	133.91	40.51

Cash flow statement for 9 months of 2020, the company has net cash flow from operating activities of Baht 144.46 million, mainly from profit before income tax Baht 159.82 million, receipt from trade receivable and other receivable Baht 90.30 million, payment of trade payable and other payable Baht 53.86 million and payment of interest and tax Baht 54.62 million.

Net cash flow acquired in investing activities of Baht 109.03 million, mainly from the receipt of dividend income from BBF of Baht 143.56 million and from purchase of fixed assets of Baht 32.23 million.

Statement of cash flows used in financing activities of Baht 159.05 million, mostly from the repayment of debentures (net) of Baht 100 million, loan repayment from financial institutions (net) of Baht 15.46 million and dividend payment of Baht 90.13 million.

From the above activities, the Company had a net increase in cash and cash equivalents of Baht 93.44 million, with cash brought forward as of January 1, 2020 in the amount of Baht 40.46 million, and cash ended as of September 30, 2020 was Baht 133.91 million.

## Financial Ratio

Consolidated financial statement	9M/2020	9M/2019
NET PROFIT (%)	15.51	4.47
COMPREHENSIVE INCOME (%)	16.42	4.74
EBIT (%)	20.52	7.20
EBITDA (%)	29.81	10.82
ROA (%)	7.10	4.21
ROE (%)	15.27	11.54

Consolidated financial statement	30 September 2020	31 December 2019
D/E RATIO (Times)	1.06	1.30
Net Debt/EBITDA (Times)	3.58	4.43

Please be informed accordingly

Yours sincerely,

*-Signature-*

(Miss Nilrat Jarumanopas)

Chief Financial Officer

Authorized to sign on behalf of the Company