



# บริษัท น้ำมันพืชไทย จำกัด (มหาชน)

## THAI VEGETABLE OIL PUBLIC COMPANY LIMITED

TVO/CP/21/026

November 12, 2021

Subject : Report of the Financial Statement, ended of September 30, 2021

Attention : The President of the Stock Exchange of Thailand

Thai Vegetable Oil Public Company Limited would like to inform you the audited operating results of the Company and its subsidiary (collectively called the “Company”) as ended September 31, 2021, together with the management discussion and analysis as an information for investors and those who found interested.

### Operating Results

Operating results of the Company and its subsidiary for three-month and nine-month period ended September 30, 2021 and 2020 were as follows;

Unit: Million Baht	For three-month period, ended September 30				For nine-month period, ended September 30			
	2021	2020	Increase/(Decrease)		2021	2020	Increase/(Decrease)	
Sales	7,662	5,966	1,696	28.43%	22,923	18,137	4,786	26.39%
Sale of packing materials	92	54	38	70.37%	240	199	41	20.60%
<b>Total sales</b>	<b>7,754</b>	<b>6,021</b>	<b>1,733</b>	<b>28.78%</b>	<b>23,163</b>	<b>18,336</b>	<b>4,827</b>	<b>26.33%</b>
Cost of sales	7,330	5,396	1,934	35.84%	20,383	16,301	4,082	25.04%
<b>Gross profit</b>	<b>424</b>	<b>625</b>	<b>(201)</b>	<b>(32.16%)</b>	<b>2,780</b>	<b>2,035</b>	<b>745</b>	<b>36.61%</b>
Profit on exchange rate	109	18	91	505.56%	154	25	129	516.00%
Other income	106	29	77	265.52%	162	55	107	194.55%
Selling expenses	144	128	16	12.50%	392	382	10	2.62%
Administrative expenses	68	82	(14)	(17.07%)	197	194	3	1.55%
Reversal of impairment loss on financial assets	(7)	(1)	(6)	(600.00%)	6	(1)	7	700.00%
Reduction cost of inventories to net realisable value (Reversal)	(15)	11	(26)	(236.36%)	(0.3)	(4)	3.7	92.50%
Net Financial cost	(1)	(1)	0	0.00%	(3)	(1)	(2)	(200.00%)
<b>Profit before income tax expenses</b>	<b>449</b>	<b>452</b>	<b>(3)</b>	<b>(0.66%)</b>	<b>2,499</b>	<b>1,543</b>	<b>956</b>	<b>61.96%</b>
Income tax expenses	81	87	(6)	(6.90%)	(501)	(301)	(200)	(66.45%)

Unit: Million Baht	For three-month period, ended September 30				For nine-month period, ended September 30			
	2021	2020	Increase/(Decrease)		2021	2020	Increase/(Decrease)	
Net profit attributable to equity holders of the Company	360	355	5	1.41%	1,968	1,190	778	65.38%
Non-controlling interests of the subsidiaries	8	9	(1)	(11.11%)	29	52	(23)	(44.23%)

In the third quarter of 2021, the Company and its subsidiary had a net profit Baht 360 million, increased by Baht 5 million or 1.41% from Baht 355 million when compared to the same quarter of 2020. The detail of operating results of the Company and its subsidiary were;

#### 1. Sales Revenues

The Company and its subsidiary had total sales revenue of Baht 7,754 million, increased by Baht 1,733 million or up by 28.78% from Baht 6,021 million when compared to the same quarter last year. The revenue from sales of products was Baht 7,662 million, increased by Baht 1,696 million or up by 28.43% from Baht 5,966 million in the same quarter last year, and the revenue from sales of packaging materials was Baht 92 million, increased by Baht 38 million or up by 70.37% from Baht 54 million in the same quarter last year. The details were as follows;

- **Revenue from sales of soybean meal and other animal feed ingredients** increased when compared to the same quarter last year, mainly due to the increase in selling prices which were in line with the soybean meal prices in the global market as a result of rising price of soybean. However, the sales volumes decreased as the COVID-19 pandemic, which led to the decrease in domestic meat consumption, coupled with the outbreak of African Swine Fever (ASF) in many Asian countries. Although there was no report of the outbreaks in Thailand, the animal farms have reduced the risk by reducing the number of animals. Therefore, the number of pigs in the system has decreased which affecting the consumption of feed ingredients directly. In addition, the severe flood in many regions of the country, also caused obstacles in the transportation of feed ingredients to customers in some areas.
- **Revenue from sales of refined soybean oil** increased when compared to the same quarter last year, mainly due to the increase in selling prices which was a result of the sharp rise in domestic palm oil prices since the beginning of 2021, and also rising of global vegetable oil prices due to tight stock. In addition, the price gap between soybean oil and palm oil was narrow, more consumers have switched to buy soybean oil instead of palm oil. Moreover, the COVID-19 pandemic has led people to cook at home, as a result, the sales volume

of soybean oil continued to grow. For the industrial oil customers, the export volumes also increased due to the increasing demand of food manufacturers and industrial customers, together with competitive selling prices and the capability to arrange export plans that meet the customers' needs.

- **Revenue from sales of packaging materials** increased when compared to the same quarter last year, mainly due to the increase in sales of the preform and drinking water packaging sectors.

## 2. Cost of Sales and Gross Profits

The Company and its subsidiary cost of sales was Baht 7,330 billion increased by Baht 1,934 million or 35.84% from Baht 5,396 million in accordance with the sales revenue. However, the cost of sales increased at higher rate than the increase of sales revenue. Therefore, the gross profit of the Company and its subsidiaries was Baht 424 million decrease by Baht 201 million or 32.16% from Baht 625 million when compared to the third quarter of 2020. The main reasons were;

- **Cost of Sales and Gross Profits of the Company:** The Company's cost of sales increased when compared to the third quarter of 2020, mainly due to the increase of company's cost of soybean which in line with soybean prices in the global market. The soybean ending stocks of the U.S, which is the world's second-largest soybean producer, has decreased to lowest level in 7 years. While China's soybean imports continued to grow. As a result, soybean prices in the global market have increased when compared to last year.
- **Cost of Sales and Gross Profits of the Company's subsidiary:** The cost of sales of the Company's subsidiaries increased when compared to the third quarter of 2020, mainly due to the rising of the plastic pellet prices, which was in the same direction as crude oil prices, Therefore, the main raw material cost for packaging production in the third quarter of 2021 have increased, while the selling prices were relatively stable. As a result, the subsidiary's gross profit decreased when compared to the third quarter of 2020.

## 3. Gain (Loss) on Exchange Rate

The Company managed to hedge against foreign exchange rate risk by entering into a forward exchange contract and the Thai Baht has begun to depreciate. Therefore, in the third quarter of 2021, the Company had gain from the foreign exchange rate amounted to Baht 109 million.

#### **4. Other income**

The Company had other income of Baht 106 million, increased by Baht 77 million or up by 265.52% from Baht 29 million when compared to the third quarter of 2020, mainly due to gain the commodity price hedging contracts, dividend income and the reversal the promotional expenses.

#### **5. Selling and Administrative Expenses**

The Company and its subsidiary's selling expenses was Baht 144 million, increased by Baht 16 million or 12.50% from Baht 128 million when compared to the same quarter last year, mainly due to the increase in export expenses which is in accordance with the sales volume.

Administrative Expenses was Baht 68 million, decreased by Baht 14 million or 17.07% from Baht 82 million when compared to the same quarter last year because in the third quarter of last year there were losses from disposal of assets.

#### **6. Reduction cost of inventories to net realisable value**

In the third quarter of 2021, the Company recorded (Reversal) a loss from reduction of inventories to net realisable value Baht 15 million.

#### **Conclusion of the operational performance for the nine-month period ended September 30, 2021**

For the first nine-month of 2021, the Company and its subsidiary had total sales revenue of Baht 23,163 million, increased by Baht 4,827 million or 26.33%. Total cost of sales was Baht 20,383 million, up by Baht 4,082 million or 25.04%. Total gross profit was Baht 2,780 million, increased by Baht 745 million or 36.61%. The total selling expense was Baht 392 million, increased by Baht 10 million or 2.62%. The total administrative expense was Baht 197 million, increased by Baht 3 million or 1.55%. Overall, the Company and its subsidiary had a net profit of Baht 1,968 million, increased by Baht 778 million or 65.38% when compared to the same period last year.

Yours sincerely,

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Company Secretary

Authorized Signatory