

Management Discussion & Analysis

BBGI Public Company Limited

For Q1/2022 Operating Results



Group Business Performance

THB Million	Q1/2022	Q1/2021	YoY	Q4/2021	QoQ
Sales revenue	3,740	3,398	10%	4,001	(7%)
Cost of goods sold	(3,420)	(3,030)	13%	(3,774)	(9%)
Gross profit	320	368	(13%)	227	41%
Other income	8	11	(33%)	9	(16%)
Distribution costs and administrative expenses	(85)	(66)	29%	(83)	2%
Share of profit of subsidiaries accounted for using equity method	(1)	8	(111%)	(0.3)	173%
Profit (loss) from operating activities	242	322	(25%)	152	59%
Finance costs	(26)	(23)	15%	(27)	(1%)
Income tax expense	(18)	(26)	(29%)	5	(478%)
Profit (Loss) for the period	197	273	(28%)	130	51%
Profit (loss) attributable to owners of the Parent	130	203	(36%)	57	128%
Basic earnings per share (in Baht)	0.12	0.20		0.06	

Note : Basic earnings per share for the period ended March 31, 2022 were calculated from profit attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year, after adjusting for the change in the number of ordinary shares as a result of reduction in par value on January 6, 2022 and the increase in paid-up capital on March 15, 2022, by using the weighted average method based on the number of issued ordinary shares.

Performance in Q1/2022, BBGI Public Company Limited (the Company) and its subsidiaries recorded EBITDA THB 344 million and the net profit attributable to owners of the parent is THB 130 million, an increased 128% QoQ, or in basic earning per shares of THB 0.12 mainly due to the following reasons:

○ Sales Revenue

Performance in Q1/2022, the Company and its subsidiaries recorded total revenue from sales of THB 3,740 million, decreased by THB 261 million or 7% QoQ. However, the total sales revenue was increased of THB 342 million when compared with Q1/2021 or 10% YoY, details are as follow;

- (1) Revenue from production and distribution of ethanol business amounted to THB 987 million, decreased by THB 312 million or 24% QoQ due to a holiday season in Q4/2021 resulting in a demand for ethanol in gasohol production is at a high level. Whereas, ethanol sale volume has increased 13% YoY, causing revenue from the ethanol production and distribution business to increase by THB 111 million or 13% YoY.
- (2) Revenue from production and distribution of biodiesel (B100) business amounted to THB 2,752 million, increased by THB 52 million or 2% QoQ and increased by THB 230 million or 9% YoY in accordance with the price of crude palm oil increased due to the delay in palm production and the export of crude palm oil causing the country's crude palm oil inventories maintained at low level. Consequently, the price of B100 increased accordingly. Although the Committee on Energy

Policy Administration (CEPA) has announced a reduction in the proportion of B100 blend from B7 to B5 from February 5, 2022 to June 30, 2022 due to a high price of both world oil price and B100 price. Consequently, the sales volume of B100 products decreased QoQ and YoY.

- (3) Revenue from high value bio-based products came from the sale of pharmaceutical-grade hand-washing alcohol products certified by GHPs and HACCP, safe and free of fragrances including with food supplement products "ASTA-IMMU" and "ASTA-ViS" under the brand B nature+ (B Nature Plus) via online channels, including Facebook: BNaturePlus, Line official: @BNaturePlus, Market Place : BBGI Store. In addition to build up market awareness, the company has started to expand distribution channels through 50 branches of Inthanin throughout Bangkok and its vicinity and also available through other leading stores such as Gourmet Market and COSCEN in late March 2022.

○ Gross Profit

For the first quarter of this year, the Company and its subsidiaries recorded gross profit of THB 320 million, increased by THB 93 million or 41% QoQ due to higher selling price of ethanol and B100 but lower cost of goods sold of ethanol business. However, raw material costs, utility, and chemical cost has continued to increase resulting in gross profit has decreased 13% YoY.

○ Distribution costs and administrative expenses

For the period of Q1/2022, the Company and its subsidiaries recorded distribution costs and administration expenses of THB 85 million, increased by 2% QoQ and 29% YoY mainly from the expenses related to initial public offering (IPO) and listing on the Stock Exchange of Thailand.

○ Net Profit

For the first quarter of this year, the Company and its subsidiaries recorded the net profit attributable to parent company at amount of THB 130 million, increased by 128% QoQ and decreased by 36% YoY.

Financial Position

Statement of Financial Position (THB Million)	31 Mar 2022	31 Dec 2021
Total Assets	17,146	12,907
Total Liabilities	5,612	6,003
Total Equity	11,534	6,904

○ Assets

As of the 31st March 2022, the Company and its subsidiaries had total assets in the amount of THB 17,146 million, an increase of THB 4,239 million or 33% compared to end of last year. The total assets were separated into total current assets in the amount of THB 7,327 million equivalent to 43% of total assets and total non-current assets in the amount of THB 9,819 million equivalent to 57% of total assets, in which key changes were from an increase in cash and cash equivalent and current investment THB 3,962 million mainly from IPO and an increase in inventories THB 891 million due to seasonal increase in raw materials and ethanol products.

○ Liabilities

At the end of the first quarter of this year, the Company and its subsidiaries had total liabilities THB 5,612 million, a decrease of THB 391 million or 7% compared to end of last year. The total liabilities at the end of March 2022 were separated into total current liabilities in the amount of THB 2,626 million equivalent to 47% of total liabilities and total non-current liabilities in the amount of THB 2,986 million equivalent to 53% of total liabilities, in which key changes in liabilities were short-term and long-term loans from financial institutions decreased THB 288 million.

○ Shareholders' Equity

As of the 31st March 2022, the Company and its subsidiaries had total shareholders' equity THB 11,534 million, an increase of THB 4,630 million or 67% compared to end of last year. Mainly from the net profit for the period and an increase in paid-up share capital and share premium from IPO.

Cash Flow Statement

As of 31st March 2022, the Company and subsidiaries had cash and cash equivalent in the amount of THB 3,266 million, details are as follow;

Cash Flows (THB Million)	31 Mar 2022	31 Mar 2021
Net cash from (used in) operating activities	(116)	73
Net cash from (used in) investing activities	(1,201)	(79)
Net cash from (used in) financing activities	4,160	423
Net increase (decrease) in cash and cash equivalents	2,842	417
Cash and cash equivalents at 1 January	384	157
Cash and cash equivalents at 31 March	3,226	574

Net cash used in operating activities was THB 116 million. The main items that affected an increase in cash were from earnings before depreciation and amortization, finance costs, and tax expenses in the amount of THB 344 million. In addition, the main items that affected a decrease in cash were change in net operating assets and liabilities THB 458 million.

Net cash used in investing activities was THB 1,201 million primarily due to increasing in current investment from fixed deposits cash received from IPO of THB 1,120 million and the payment for construction the ethanol plant of KSL Green Innovation Public Company Limited at Khon Kaen province and the biogas plant of BBGI Utility and Power Company Limited of THB 81 million.

Net cash received from financing activities was THB 4,160 million, mainly from cash received from IPO THB 4,464 million and cash used for repayment short-term and long-term loans of subsidiaries THB 392 million.

Key Financial Ratios

	Q1/2022	Q1/2021	Q4/2021
Gross Profit Margin (%)	8.55%	10.82%	5.67%
Net Profit Margin (%)	5.27%	8.02%	3.26%
Return On Equity (ROE) (%)	12.15%	14.05%	15.21%
Return On Assets (ROA) (%)	9.62%	10.48%	10.85%
Current Ratio (Times)	2.79	0.95	1.03
Interest Bearing Debt to Equity (IBD/E) (Times)	0.35	0.78	0.63

Note:	Gross Profit Margin (%)	=	Gross Profit / Total Revenue
	Net Profit Margin (%)	=	Net Profit / Total Revenue
	Return on Equity (ROE) (%)	=	Profit Attributable to Owners of the Parent (Yearly) / Total Equity Attributable to Owners of the Parent (Average)
	Return on Assets (ROA) (%)	=	EBIT (Yearly) / Total Asset (Average)
	Current Ratio (Times)	=	Current Assets / Current Liabilities
	Interest Bearing Debt to Equity (IBD/E) (Times)	=	Interest Bearing Debt / Total Equity