



บริษัท น้ำมันพืชไทย จำกัด (มหาชน)
THAI VEGETABLE OIL PUBLIC COMPANY LIMITED

TVO/CP/22/010

May 13, 2022

Subject : Report of the Financial Statement, ended of March 31, 2022

Attention : The President of the Stock Exchange of Thailand

Thai Vegetable Oil Public Company Limited (“Company”) would like to submit the financial statements as ended March 31, 2022, which have been reviewed by the auditor together with the management discussion and analysis as an information for investors and those who are interested.

Operating Results

Operating results of the Company and its subsidiary for three-month period ended March 31, 2022 and 2021 were as follows;

Unit: Million Baht	2022	2021	Increase (Decrease)	
			Amount	%
Sales	9,223	7,662	1,561	20.37
Sales of packing materials	96	67	29	43.28
Total sales	9,319	7,729	1,590	20.57
Cost of sales	8,405	6,466	1,939	29.99
Gross profit	914	1,263	(349)	(27.63)
Gain on exchange rate and derivative	65	32	33	103.13
Other income	18	16	2	12.50
Selling expenses	139	125	14	11.20
Administrative expenses	66	56	10	17.86
Impairment loss on financial assets (Reversal)	5	14	(9)	(64.29)
Reduction cost of inventories to net realizable value (Reversal)	(39)	(1)	(38)	3,800
Financial cost	1	1	0	0.00
Profit before income tax expenses	825	1,116	(291)	(26.08)
Income tax expenses	157	220	(63)	(28.64)
Net profit attributable to equity holders of the Company	661	882	(221)	(25.06)
Non-controlling interests of the subsidiaries	7	14	(7)	(50.00)

In the first quarter of the year 2022, the Company and its subsidiary had a net profit Baht 661 million, decreased by Baht 221 million or down by 25.06% from Baht 882 million when compared to the same quarter in 2021. The main reasons were;

1. Sales Revenues

The Company and its subsidiary had total sales revenue of Baht 9,319 million, increased by Baht 1,590 million or up by 20.57% from Baht 7,729 million when compared to the first quarter of the year 2021. The revenue from sales of products was Baht 9,223 million, increased by Baht 1,561 million or up by 20.37% from Baht 7,662 million when compared to the first quarter of the year 2021, and the revenue from sales of packaging materials was Baht 96 million, increased by Baht 29 million or up by 43.28% from Baht 67 million when compared to the first quarter of the year 2021. The details were as follows;

- **Revenue from sales of soybean meal and other animal feed ingredients** increased when compared to the first quarter of the year 2021, mainly due to higher soybean meal selling price which followed the rise of domestic soybean meal price and international market since the end of the year 2021 as Brazil and Argentina experienced drought conditions that caused lower soybean production forecasts. The Russia-Ukraine conflict pushed up the prices of all raw materials. Freight rates have also continuously increased due to rising oil prices. In addition, the Company had more orders from the feed mills due to the delay of their imported soybean meal shipment.
- **Revenue from sales of refined soybean oil** increased when compared to the first quarter of the year 2021, mainly due to the increase in selling prices in line with the rising of vegetable oils prices in the global market due to tight stocks of all vegetable oils and the conflict between Russia and Ukraine affecting sunflower oil exports which is the second largest vegetable oil in world trade market after palm oil. In addition, the situation in domestic market has benefited from the low domestic palm oil stocks causing the domestic palm oil prices to rise above soybean oil, led consumers switch to soybean oil instead of palm oil. For international market, the tight vegetable oil stocks and the palm oil export tax adjustment by Indonesia allowed the Company to adjust the selling prices, which was beneficial to the Company's soybean oil export.
- **Revenue from sales of packaging materials** increased when compared to the first quarter of the year 2021, due to an increase in selling prices and overall sales volume.

2. Cost of Sales and Gross Profits

The Company and its subsidiary's cost of sales was Baht 8,405 million, increased by Baht 1,939 million or up by 29.99% from Baht 6,466 million in accordance with the sales revenue. The gross profits of the Company and its subsidiary was Baht 914 million, decreased by Baht 349 million or down by 27.63% from Baht 1,263 million when compared to the first quarter of the year 2021. The main reasons were;

- **Cost of Sales and Gross Profits of the Company:** The cost of sales was higher when compared to the first quarter of the year 2021 mainly due to the rising price of soybeans, the main raw material, which in line with the soybean prices in global market as soybean yields were expected to decrease due to a drought in South America. Even though the selling price of soybean meal and soybean oil had increased when compared to the same period of last year, the increasing rate of cost of sales was higher than sales revenue. As a result, the Company's gross profit was decreased when compared to the first quarter of the year 2021.
- **Cost of Sales and Gross Profits of the Company's subsidiary:** The cost of sales of the Company's subsidiary increased in accordance with the rising in crude oil and plastic raw materials price when compared to the first quarter of the year 2021, resulting in higher cost of plastic pellets, which were the main raw material used in packaging production in the first quarter of the year 2022. Even though the sales volume and the selling price had increased, the increasing rate of cost of sales was higher than sales revenue. As a result, the Company's subsidiary had lower gross profit when compared to the first quarter of the year 2021.

3. Gain on Exchange Rate and Derivative

Despite of fluctuations in the exchange rate and commodity prices, the Company was able to manage and hedge against exchange rate risk. As a result, the Company and its subsidiary gained on exchange rate and derivative totaling Baht 65 million increased by Baht 33 million or up by 103.13% from Baht 32 million when compared to the first quarter of the year 2021.

4. Other income

The Company and its subsidiary generated other income of Baht 18 million, increased by Baht 2 million or up by 12.50% from Baht 16 million. The increasing of gain was mainly due to sale of the idle assets.

5. Selling and Administrative Expenses

The Company and its subsidiary's selling expenses was Baht 139 million, increased by Baht 14 million or up by 11.20% from Baht 125 million when compared to the first quarter of the year 2021 due to the increase in export expenses. Administrative Expenses was Baht 66 million, increased by Baht 10 million or up by 17.86% from Baht 56 million when compared to the first quarter of the year 2021, mainly due to the expenses of salaries, wages and employee benefits.

6. Reduction of inventory to net realizable value

In the first quarter of the year 2022, the Company recorded loss on reduction of inventory to net realizable value received (Reversal) of Baht 39 million in some products items.

Conclusion of the operational performance for the three-month period ended March 31, 2022

For the operational performance for the three-month period ended March 31, 2022, the Company and its subsidiary had total sales revenue of Baht 9,223 million, increased by Baht 1,561 million or up by 20.37% from Baht 7,662 million. Total cost of sales was Baht 8,405 million, increased by Baht 1,939 million or up by 29.99% from Baht 6,466 million. Total gross profit was Baht 914 million, decreased by Baht 349 million or down by 27.63% from Baht 1,263 million. While the total selling expense was Baht 139 million, increased by Baht 14 million or up by 11.20% from Baht 125 million. The total administrative expense was Baht 66 million, increased by Baht 10 million or up by 17.86% from Baht 56 million. Overall, the Company and its subsidiary had a net profit of Baht 661 million, decreased by Baht 221 million or down by 25.06% from Baht 882 million when compared to the same period last year.

Yours sincerely,

Miss Kanutsorn Bunditnate

Company Secretary

Authorized Signatory