



15 August 2022

Subject Report on the operating performance for six months ended 30 June 2022

To President
The Stock Exchange of Thailand

Ubon Bio Ethanol Public Company Limited and its subsidiaries (hereinafter referred to as “Company”) would like to clarify the operating results of the Company for the period ending on June 30, 2022, details are as follows:

As for the Company’s performance for 6 months ended 30 June 2022 (1H’22), the Company generated total revenue of THB3,365.9 million, increased THB416.7 million or +14.1% from the same period of last year (YoY) and recorded the Company’s total profit at the amount of THB199.4 million, increased THB92.8 million or +87.0% YoY. Thus, 1H’22 earning per share was THB 0.05, increased THB0.02 due to the following reasons:

Income Statement	1H’22		1H’21		Change	
	THB mn	(%)	THB mn	(%)	THB mn	% YoY
Ethanol business sale revenue	1,729.1	51.4%	1,370.5	46.5%	358.5	26.2%
Starch and flour business sale revenue	1,487.4	44.2%	1,484.9	50.3%	2.6	0.2%
Other business sales revenue ⁽¹⁾	149.4	4.4%	93.8	3.2%	55.6	59.3%
Total sale revenue	3,365.9	100.0%	2,949.2	100.0%	416.7	14.1%
COGS ⁽²⁾	-2,871.9	-85.3%	-2,501.5	-84.8%	-370.4	14.8%
Gross profit ⁽²⁾	494.0	14.7%	447.7	15.2%	46.3	10.3%
Other income	14.5	0.4%	15.6	0.5%	-1.1	-7.0%
Gain (loss) from exchange rate	-37.4	-1.1%	-35.2	-1.2%	-2.2	6.1%
Selling Expense	123.5	3.7%	118.2	4.0%	5.3	4.5%
Admin Expense	119.1	3.5%	124.4	4.2%	-5.4	-4.3%
SG&A	-242.6	-7.2%	-242.7	-8.2%	0.1	0.0%
EBIT	228.6	6.8%	185.4	6.3%	43.1	23.3%
Interest expenses	-29.2	-0.9%	-78.8	-2.7%	49.6	-63.0%
Taxes	0.0	0.0%	0.0	0.0%	0.0	
Net Profit	199.4	5.9%	106.7	3.6%	92.8	87.0%

Remark:

- (1) Include revenue from sales of biogas-based electricity, sales of excess cassava chips from ethanol production, sales of new organic agricultural products such as coffee beans, rice, organic fertilizers, and napiers.
- (2) Cost of goods sold in Q2’21 have been reclassified to conform to the financial statements in Q2’22 and Q1’22



Sale revenue

In the first six months of 2022, the Company recorded total sales revenue at THB3,365.9 million increased THB416.7 million or +14.1% (YoY), mainly attributable from a strong recovery of ethanol business from low base impacted by COVID-19 widespread and travel restrictions last year. As travel restrictions were lifted and economic activities resumed, this boosts up demand for ethanol usage from the same period last year. This reflected in a higher volume of both fuel-grade and industrial-grade ethanol. Starch sales increased slightly by 0.2% YoY to THB1,487.4 million as the sales of flour enjoyed significant growth with 1H'22 volume of 961 tons, compared to 199 tons in FY2021. Sales of other segment rose significantly by 59.3% YoY to THB149.4 million, mainly from outstanding sales of coffee products.

Cost of sales

In 1H'22, the Company's cost of sales was THB2,871.9 million, or 85.3% of total sale revenue, increased THB370.4 million (+14.8% YoY) reflecting higher raw material costs, especially cassava. Thus, gross profit margin in 1H'22 dropped to 14.7% from 15.2% in 1H'21.

Expenditures on sales and administration

In 1H'22, the Company's expenditures on sales and administration was THB 242.6 million (of which THB123.5 million is expenditures on sales and THB119.1 million is administration expense), or 7.2% of total sale revenue. The company is prudent on spending and %SG&A to sales is well-controlled or declined from 8.2% in 1H'21. This is as a result of the change of transportation method from container ship to bulk carriers, which has a lower operating cost, and a reduction in rental expense from leasing warehouse from external parties by constructing its own warehouse to store starch products.

Financial cost

In 1H'22, the financial cost of the Company was THB29.2 million, decreased THB49.6 million or -63.0% YoY due to lower short-term debt from financial institutions.

Net profit

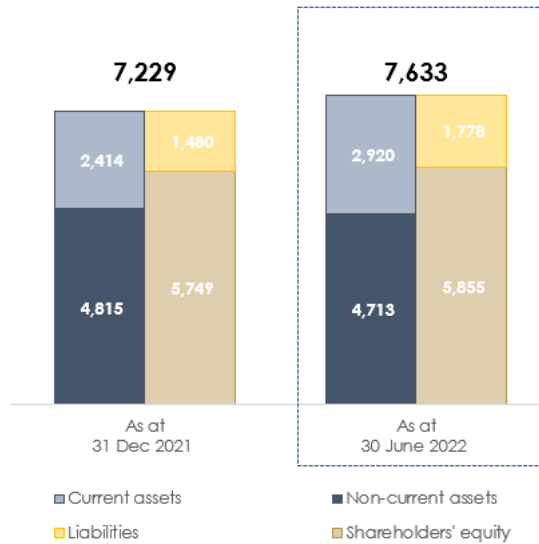
In 1H'22, the Company generated the net profit of THB199.4 million, increased by THB92.8 million (+87.0% YoY). Net profit margin was recorded at 5.9% from 3.6% in 1H'21, mainly driven by our starch business, reflecting higher selling price from baht weakening particularly in organic starch product, and lower interest expense.

Excluding the foreign exchange impact from hedging strategy, the adjusted net profit in 1H'22 was THB229.8 million, increased by THB102.0 million. Net profit margin excluding FX impact was recorded at 6.8%, from 4.3% in 1H'21.



Financial Position

Unit: THB million



Balance Sheet (THB million)	30-Jun-22	31-Dec-21
Asset		
Cash and cash equivalent	168.0	475.6
Account Receivable	779.7	790.6
Inventory	1,913.8	917.6
Other Current Asset	58.4	230.7
PPE and Intangible Asset	4,671.5	4,777.1
Other Non Current Asset	41.2	37.6
Total Asset	7,632.6	7,229.3
Liability and Equity		
Account Payable	370.0	267.6
Short Term Loan	350.5	-
Financial Leasing	59.5	61.1
Long Term Loan	905.2	1,086.0
Other Liabilities	92.6	65.3
Total Liabilities	1,777.9	1,480.1
Issued and paid-up share capital	3,914.3	3,914.3
Share premium	1,568.4	1,568.4
Retained earnings	372.0	266.5
Total Equity	5,854.7	5,749.2
Total Liability and Equity	7,632.6	7,229.3

Assets

As at 30 June 2022, the Company's total assets amounted to THB 7,632.6 million, an increase of THB403.3 million or +5.6% from 31 December 2021, mainly contributed by the increase in inventories i.e. cassava chips to prepare for the full year ethanol production and tapioca starch and cassava flour products, which were mainly produced during seasonal period.

Liabilities

As at 30 June 2022, the Company's total liabilities amounted to THB1,777.9 million, an increase of THB297.8 million or +20.1% from 31 December 2021 from the increase in short-term loans from financial institutions as a working capital during harvesting season.

Shareholders' Equity

As at 30 June 2022, the Company's shareholders' equity amounted to THB5,854.7 million, an increase of THB105.5 million or +1.8% from 31 December 2021, mainly from higher retained earnings from profit for the period.