



11 November 2022

Subject Report on the operating performance for nine months ended 30 September 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 September 30, 2022, details are as follows:

As for the Company’s performance for 9 months ended 30 September 2022 (9M’22), the Company generated total revenue of THB5,141.5 million, increased THB104.0 million or +2.1% from the same period of last year (YoY) and recorded the Company’s total profit at the amount of THB179.5 million, declined THB24.5 million or -12.0% YoY mainly due to a lower sales volume of industrial-grade ethanol. Thus, 9M’22 earnings per share was THB 0.05, decreased THB0.03 due to the following reasons:

Income Statement	9M’22		9M’21		% YoY
	THB mn	(%)	THB mn	(%)	
Ethanol business sale revenue	2,648.3	51.5%	2,541.7	50.5%	4.2%
Starch and flour business sale revenue	2,248.5	43.7%	2,357.5	46.8%	-4.6%
Other business sales revenue ⁽¹⁾	244.6	4.8%	138.3	2.7%	76.9%
Total sale revenue	5,141.5	100.0%	5,037.5	100.0%	2.1%
COGS ⁽²⁾	-4,489.8	-87.3%	-4,249.2	-84.4%	5.7%
Gross profit	651.6	12.7%	788.3	15.6%	-17.3%
Other income/Other Cost	15.4	0.3%	13.1	0.3%	18.1%
Gain (loss) from exchange rate	-93.3	-1.8%	-64.0	-1.3%	45.7%
Selling Expense	177.3	3.4%	204.7	4.1%	-13.4%
Admin Expense	176.3	3.4%	212.8	4.2%	-17.1%
SG&A	-353.6	-6.9%	-417.5	-8.3%	-15.3%
EBIT	220.2	4.3%	319.8	6.3%	-31.2%
Interest expenses	-40.7	-0.8%	-115.8	-2.3%	-64.8%
Taxes	0.0	0.0%	0.0	0.0%	
Net Profit	179.5	3.5%	204.0	4.0%	-12.0%

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 Q3’21 have been reclassified to conform to the financial statements in Q3’22, Q2’22 and Q1’22



Sales revenue

In the first nine months of 2022, the Company recorded total sales revenue of THB5,141.5 million, increased THB104.0 million or +2.1% (YoY), mainly attributable from an increasing volume of fuel-grade ethanol and stronger ethanol selling price.

Sales revenue from ethanol business improved (+4.2% YoY) to THB2,648.3 million as a result of higher volume of fuel-grade ethanol due to promising signs of travel restriction and high global oil price. However, sales from starch business declined 4.6% YoY to THB2,248.5 million as most of the conventional starch orders were postponed to Q4'22. Sales of other segment rose significantly by 76.9% to THB244.6 million, mainly attributable to the outstanding sales of coffee products.

Cost of sales

In 9M'22, the Company's cost of sales was THB4,489.8 million, or 87.3% of total sale revenue, increased THB240.7 million (+5.7% YoY) , mainly due to higher raw material costs, especially cassava. Thus, overall gross profit margin in 9M'22 dropped to 12.7% from 15.6% in 9M'21.

Expenditures on sales and administration

In 9M'22, the Company's expenditures on sales and administration was THB 353.6 million (of which THB177.3 million is expenditures on sales and THB176.3 million is administration expense), or 6.9% of total sale revenue. The company is prudent on spending and %SG&A to sales is well-controlled or declined from 8.3% in 9M'21. This is as a result of a reduction in export charge from a decline in conventional starch volume, a change in 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 9M'22, the financial cost of the Company was THB40.7 million, decreased THB75.1 million or -64.8% YoY due to lower short-term debt from financial institutions.



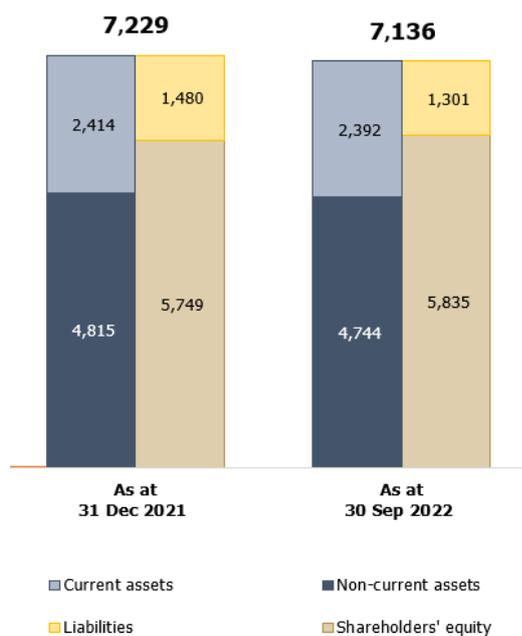
Net profit

In 9M'22, the Company generated the net profit of THB179.5 million, decreased by THB24.5 million (-12.0% YoY). Net profit margin was recorded at 3.5% from 4.0% in 9M'21, mainly from a volume drop of industrial-grade ethanol.

Excluding the foreign exchange impact from hedging strategy, the adjusted net profit in 9M'22 was THB227.0 million, decreased THB 6.7 million. Net profit margin excluding FX impact was recorded at 4.4%, from 4.6% in 9M'21.

Financial Position

Unit: THB million



Balance Sheet (THB million)	30-Sep-22	31-Dec-21
Asset		
Cash and cash equivalent	221.5	475.6
Account Receivable	580.2	790.6
Inventory	1,340.7	917.6
Other Current Asset	249.9	230.7
PPE and Intangible Asset	4,681.1	4,777.1
Other Non Current Asset	62.7	37.6
Total Asset	7,136.1	7,229.3
Liability and Equity		
Account Payable	313.5	267.6
Short Term Loan	-	-
Financial Leasing	53.8	61.1
Long Term Loan	827.6	1,086.0
Other Liabilities	106.4	65.3
Total Liabilities	1,301.3	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	352.1	266.5
Total Equity	5,834.8	5,749.2
Total Liability and Equity	7,136.1	7,229.3

Assets

As at 30 September 2022, the Company's total assets amounted to THB 7,136.1 million, a decrease of THB93.2 million or -1.3% from 31 December 2021, mainly from a decrease in cash and cash equivalent to be used as a working capital to buy raw materials during harvesting season and a decline in account receivable, partially offsetting with an increase in inventory.



Liabilities

As at 30 September 2022, the Company's total liabilities amounted to THB1,301.3 million, a decrease of THB178.7 million or -12.1% from 31 December 2021, mainly from a repayment in long-term loans.

Shareholders' Equity

As at 30 September 2022, the Company's shareholders' equity amounted to THB5,834.8 million, an increase of THB85.6 million or +1.5% from 31 December 2021, mainly from higher retained earnings from profit for the period.