



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

TVO/CP/22/020

November 11, 2022

Subject : Report of the Financial Statement, ended of September 30, 2022

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 30, 2022, 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, 2022 and 2021 were as follows;

Unit: Million Baht	For three-month period, ended September 30				For nine-month period, ended September 30			
	2022	2021	Increase/(Decrease)		2022	2021	Increase/(Decrease)	
Sales	10,187	7,662	2,525	32.95%	28,818	22,923	5,895	25.72%
Sale of packing materials	107	92	15	16.30%	334	240	93	39.17%
Total sales	10,294	7,754	2,540	32.76%	29,152	23,163	5,989	25.86%
Cost of sales	9,352	7,328	2,024	27.62%	26,115	20,380	5,735	28.14%
Gross profit	942	426	516	121.13%	3,037	2,783	254	9.13%
Profit (loss) on exchange rate / derivatives	51	163	(112)	(68.71%)	372	203	169	83.25%
Other income	29	51	(22)	(43.14%)	102	112	(10)	(8.93%)
Selling expenses	163	144	19	13.19%	456	392	64	16.33%
Administrative expenses	82	69	13	18.84%	224	199	25	12.56%
Reversal of allowance for expected credit losses	(4)	(7)	3	(42.86%)	(6)	6	(12)	(200.00%)
Reduction cost of inventories to net realisable value (Reversal)	34	(15)	49	(326.67%)	(10)	0.3	(10)	3,233.33%
Loss on write-off of plant, machinery and equipment	2	0	2	-	75	0	75	-

149 ถนนรัชดาภิเษก (ท่าพระ-ตากสิน) แขวงบุคคโล เขตธนบุรี กรุงเทพฯ 10600 โทร. 0 2477 9020 โทรสาร 0 2477 9894
 149 RATCHADAPISEK ROAD (THAPRA-TAKSIN) BUKKHALOW THONBURI BANGKOK 10600 TEL: +66 (0) 2477 9020 FAX: +66 (0) 2477 9894
 โรงงาน : 81/7 หมู่ 1 ตำบลไทยาวาส อำเภอนครชัยศรี จังหวัดนครปฐม 73120 โทร. 0 3426 5620-9 โทรสาร 0 3426 5610
 FACTORY : 81/7 MOO 1 THAIYAWAT NAKHONCHAI SI NAKHONPATHOM 73120 TEL: +66 (0) 3426 5620-9 FAX: +66 (0) 3426 5610

Unit: Million Baht	For three-month period, ended September 30				For nine-month period, ended September 30			
	2022	2021	Increase/(Decrease)		2022	2021	Increase/(Decrease)	
Financial cost	1	1	0	0.00%	(4)	(3)	(1)	33.33%
Profit before income tax expenses	744	449	295	65.70%	2,768	2,499	269	10.76%
Income tax expenses	(144)	(81)	(63)	77.78%	(534)	(501)	(33)	6.59%
Net profit attributable to equity holders of the Company	593	360	233	64.72%	2,207	1,968	239	12.14%
Non-controlling interests of the subsidiaries	7	8	(1)	(12.50%)	26	29	(3)	(10.34%)

In the third quarter of 2022, the Company and its subsidiary had a net profit Baht 593 million, increased by Baht 233 million or 64.72% from Baht 360 million when compared to the same quarter of 2021. The main reasons were;

1. Sales Revenues

The Company and its subsidiary had total sales revenue of Baht 10,294 million, increased by Baht 2,540 million or 32.76% from Baht 7,754 million when compared to the third quarter of 2021. The sales revenue of the Company from sales of products was Baht 10,187 million, increased by Baht 2,525 million or 32.95% from Baht 7,662 million when compared to third quarter of 2021, and the revenue from sales of packaging materials was Baht 107 million, increased by Baht 15 million or 16.30% from Baht 92 million when compared to the third quarter of 2021. The details were as follows;

- **Revenue from sales of soybean meal and other animal feed ingredients** increased when compared to the third quarter of 2021, mainly due to the increase in selling prices which in line with the rising price of soybeans in the global market while the sales volume was at the same level as the third quarter of 2021. The company focuses on maintaining sales in customers with purchasing power, such as the large domestic animal feed ingredient producers that increased orders. Moreover, the increase in pork sales price encouraged the large farms to raise more pigs. Although the epidemic still needs to be monitored but the large farms have adapted to better cope with African Swine Fever (ASF) and invested in Bio-Security to prevent and mitigate the impact of the epidemic. In addition, the consumption of chicken meat was still at the level similar to that of the beginning of this year while the selling price of chicken meat has increased. The export volume of chicken has increased due to the economic conditions of many countries around the world that have recovered from last year.

- **Revenue from sales of refined soybean oil** increased when compared to the third quarter of 2021, mainly due to the increase in selling prices which in line with the rising prices of soybean and all vegetable oils in the global market while the sales volume was at the same level as the third quarter of 2021. On the consumer oil, the sales volume has declined as the shortage of domestic palm oil began to ease and the palm oil prices began to decrease. Consumers are more cautious about their spending, thus focusing mainly on the consumption of inexpensive products. In terms of export customers, sales volume has increased through a strategy to incentivize the existing customers to order continually which will stimulate confidence in the brand. The company also expanded the market to new customers in Indonesia and Malaysia. In addition, the selling price of soybean oil in the export market has increased due to the depreciation of the Thai Baht resulting in higher selling price when converting to Thai Baht.
- **Revenue from sales of packaging materials** increased when compared to the third quarter of 2021, mainly due to the increase of sales prices and overall sales volume of all groups of products.

2. Cost of Sales and Gross Profits

The Company and its subsidiary's cost of sales was Baht 9,352 million, increased by Baht 2,024 million or 27.62% from Baht 7,328 million when compared to the third quarter of 2021 which in accordance with the sales revenue. The gross profits of the Company and its subsidiary was Baht 942 million, increased by Baht 516 million or up by 121.13% from Baht 426 million when compared to the third quarter of 2021. 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 2021, mainly due to the rising price of soybeans, the company's main raw material, which in line with soybean prices in the global market. The impact of La Niña phenomenon caused drought in South America's soybean plantations. As a result, the global soybean production is lower than the consumption. Therefore, the world's soybean stock has declined and was at the lowest level in 8 years. However, the Company was able to increase the selling price. The company's gross profit increased compared to the third quarter of 2021 because the sales revenue rose at a higher rate than the increase in the cost of sales.
- **Cost of Sales and Gross Profits of the Company's subsidiary:** The cost of sales of the Company's subsidiaries increased in accordance with higher sales volume when compared to the third quarter of 2021, mainly due to the rising of plastic pellet prices, which was in the same direction as crude oil prices. As a result, the cost of plastic pellets which is the main raw material for packaging production has increased.

3. Gain (Loss) on Exchange Rate and Derivatives

The Company has managed to hedge foreign exchange risk with a forward exchange contract. The Thai Baht had depreciated in this quarter, therefore the Company had gain on the foreign exchange rate amounted to Baht 51 million decreased by Baht 112 million or 68.71% from Baht 163 million when compared to the third quarter of 2021.

4. Other income

The Company and its subsidiaries had other income of Baht 29 million, decreased by Baht 22 million or 43.14% from Baht 51 million when compared to the third quarter of 2021, mainly due to the decrease in the reversal of the promotional expenses.

5. Selling and Administrative Expenses

The Company and its subsidiary's selling expenses were Baht 163 million, increased by Baht 19 million or 13.19% from Baht 144 million when compared to the third quarter of 2021. This was mainly due to the increase in the export expenses.

Administrative Expenses were Baht 82 million, increased by Baht 13 million or 18.84% from Baht 69 million when compared to the third quarter of 2021 due to the increase in salary, wages, employee benefits and extraordinary general meeting of shareholders' expenses.

6. Reversal of allowance for expected credit losses

In the third quarter of 2022, the Company and its subsidiaries reversed the recognition of allowance for expected credit losses value of Baht 4 million.

7. Reduction cost of inventories to net realisable value (Reversal)

In the third quarter of 2022, the Company and its subsidiaries reversed the recognition of loss from reduction of inventories to net realisable value of Baht 34 million in some products.

8. Loss on write-off of plant, machinery and equipment

In the third quarter of 2022, the Company and its subsidiaries recorded a loss on write-off of plant, machinery and equipment value of Baht 2 million because the Company plans to renovate some parts of its factories, resulting in the demolition of factory buildings, and the write-off of deteriorated machineries and equipment.

Conclusion of the operational performance of nine-month period ended September 30, 2022

For the first nine-month of 2022, the Company and its subsidiary had total sales revenue of Baht 29,152 million, increased by Baht 5,985 million or 25.86%. The total cost of sales was Baht 26,115 million, increased by Baht 5,735 million or 28.14%. Gross profit was Baht 3,037 million, increased by Baht 254 million or 9.13%. While the selling expenses were Baht 456 million, increased by Baht 64 million or 16.33% and the administrative expenses were Baht 224 million, increased by Baht 35 million or 12.56%. Overall, the Company and its subsidiary had a net profit of Baht 2,207 million, increased by Baht 239 million or 12.14% when compared to the same period last year.

Yours sincerely,

Miss Kanutsorn Bunditnate

Company Secretary

Authorized Signatory