



LTR.SEA 131/2022

11 November 2022

Subject: Management Discussion and Analysis for Quarter 3 and for 9 month ended 30 September 2022

ATTN: The Director and Manager
The Stock Exchange of Thailand

Sea Oil Public Company Limited (the "Company") would like to clarify operating results of the Company and subsidiaries for Quarter 3/2022 and for 9 month ended 30 September 2022 as follow:

Unit: Million Baht

Statement of Comprehensive Income (Unit: Million Baht)	For Quarter 3			For 9 months period		
	2022	2021	% Increase / (Decrease)	2022	2021	% Increase / (Decrease)
Revenue from sales and services	5,779.79	2,571.53	124.76	16,201.40	7,181.79	125.59
Gross Profit	129.70	46.62	178.22	245.92	166.48	47.72
Other Income	3.92	3.63	8.16	13.54	10.05	34.67
Selling and Administrative Expenses	(82.96)	(65.09)	27.45	(273.36)	(187.68)	45.65
Other Gains (losses), net	(34.53)	8.21	(520.38)	36.53	11.90	207.04
Finance costs	(6.10)	(4.53)	34.84	(15.48)	(14.32)	8.09
Share of profit from a joint venture	114.14	72.85	56.67	365.94	159.23	129.82
Profit for the period	120.44	61.48	95.92	379.71	118.92	219.29
Profit (loss) attributable to:						
Owners of the Company	116.86	60.45	93.30	370.19	115.47	220.59
Non-controlling interests	3.58	1.02	250.39	9.52	3.45	175.75

Overview of the Business Operation of Quarter 3 ended 30 September 2022

The Statement of Comprehensive Income of the Company and its subsidiaries had a net profit of Baht 120.44 million, an increased by 58.96 million or 95.92%, compared to the same quarter of the previous year which consisted of the net profit of owners of the Company of Baht 116.86 million and net profit of non-controlling interests of Baht 3.58 million. The main reasons were as follows:

Share of Profit from a Joint Venture

The Company and its subsidiaries recognized share of profit from the joint venture, Pan Orient Energy (Siam) Limited, of Baht 114.14 million, increased by 56.67% compared to the same quarter of the previous year. Due to the continual increase of world crude oil price which causes an increase in revenue from crude oil sales.

Revenue

The Company and its subsidiaries had Total revenue from sales and services income of Baht 5,779.79 million, increased by 124.76 %, compared to the same quarter of the previous year, as mainly resulting from the increase of oil trading revenue. The increase in oil trading revenue resulted from a continually increased in oil price, including an oil trading volume increase 35.24% compared to the same quarter of the previous year, mainly from international customers and income from Catering & Services increased 41.43% compared to the same quarter of the previous year due to the Company receive Catering service contract and income of provision supply services.

Gross profit

The Company and its subsidiaries had a Total Gross profit of Baht 129.70 million, increased by 178.22%, compared to the same quarter of the previous year and the gross margin increased compared to the same quarter of the previous year due to the increase of oil trading volume form expanding overseas market in both of Asia & Europe

Selling and Administrative Expenses

The Company and its subsidiaries had selling and administrative expenses of Baht 82.96 million increased 27.45% compared to the same quarter of the previous year mainly due to the increase from sales staff, marketing expenses, and freight expenses in the oil trading business both domestic and international increased.

Other Gains (losses), net

The Company and its subsidiaries had other losses, net of Baht 34.53 million increased 520.38% compared to the same quarter of the previous year because of loss from oil derivatives of oversea subsidiary.

Overview of the Business Operation for the nine-month period ended 30 September 2022

The Statement of Comprehensive Income of the Company and its subsidiaries had a net profit of Baht 379.71 million, increased by Baht 260.79 million or 219.29%, compared to the same period of the previous year which consisted of the net profit of owners of the Company of Baht 370.19 million and net profit of non-controlling interests at the of Baht 9.52 million. The main causes were as follows:

Share of Profit from a Joint Venture

The Company and its subsidiaries recognized share of profit from the joint venture, Pan Orient Energy (Siam) Limited, of Baht 365.94 million, increased by 129.82% compared to the same period of the previous year. Due to the continual increase in world crude oil price which causes an increase in revenue from crude oil sales.

Revenue

The Company and its subsidiaries had Total revenue from sales and services of Baht 16,201.40 million, or increased by 125.59%, compared to the same period the previous year, as mainly resulting from the increase in oil trading revenue. The increase in oil trading revenue resulted from a continually increased in oil price and oil trading volume increased by 25.34% from expansion market both of domestic & international including revenues from Catering & Services increased due to the Company receiving Catering service contracts and income of provision supply services.

Gross profit

The Company and its subsidiaries had a Total Gross profit of Baht 245.92 million, increased 47.72 % compared to the same period of the previous year but decreased of gross margin compared to the same period of previous year due to price competition in order to increase market share from international customers including cost of Catering & Services which highly increases whether the Cost of goods sold, protection equipment and increase of employees expense due to Covid-19 situation.

Other gains (losses), net

The Company and its subsidiaries had other gains net of Baht 36.53 million increased by 207.04% compared to the same period of the previous year because of profit from oil derivatives of oversea subsidiary.

Selling and Administrative Expenses

The Company and its subsidiaries had selling and administrative expenses of Baht 273.36 million increased by 45.65% compared to the same period of the previous year mainly from sales staff expenses, marketing expenses, and freight expenses in the oil trading business both domestic and international increased, including employees expense for business expansion.

Statement of Financial Position

Statement of Financial Position (Unit: Million Baht)	Consolidated FS		
	30 September 2022	31 December 2022	% Increase / (Decrease)
Current assets	2,893.93	1,740.82	66.24
Non-current assets	1,124.05	1,355.78	(17.09)
Total assets	4,017.98	3,096.60	29.75
Current liabilities	1,906.90	1,369.60	39.23
Non-current liabilities	44.19	49.72	(11.11)
Total liabilities	1,951.09	1,419.32	37.47
Equity attributable to owners of the Company	2,037.43	1,648.01	22.60
Non-controlling interests	29.46	29.27	0.63
Total Owner's Equity	2,066.88	1,677.28	23.23

Assets

The Company and its subsidiaries had total assets of Baht 4,017.98 million, increasing by 921.38 million or 29.75% compared to ended of year 2021, due to an increase of Current assets at the amount of 1,153.11 million or 66.24%, from increasing of Trade and other receivables and cash according to the increase of oil trading volume.

Liabilities

The Company and its subsidiaries had total liabilities of Bah 1,951.09 million, increased by 531.77 million or 37.47% compared to ended of year 2021 due to an increase in Current liabilities from increasing in Trade payables in line with business growth.

Shareholders' Equity

The shareholders' equity of the Company and its subsidiaries of Baht 2,066.88 million, consisting of the owners of the company of 2,037.43 million and non-controlling interests of 29.46 million. The total shareholders' equity increased from ended of 2021 to 389.60 million or 23.23% from the increase of common share capital from stock dividend and total increased comprehensive income of the period.

Please be informed accordingly,

Sincerely Yours,

(Miss Neeracha Panboonhom)
President and Chief Executive Officer