



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

TVO/CP/23/006

May 12, 2023

Subject : Report of the Financial Statement, ended of March 31, 2023

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, 2023, 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, 2023 and 2022 were as follows;

Unit: Million Baht	2023	2022	Increase (Decrease)	
			Amount	%
Sales	9,355	9,223	132	1.43
Sales of packing materials	106	96	10	10.42
Total sales	9,461	9,319	142	1.52
Cost of sales	9,314	8,405	909	10.81
Gross profit	147	914	(767)	(83.92)
Gain on exchange rate and derivative	194	65	129	198.46
Other income	21	18	3	16.67
Selling expenses	138	139	(1)	(0.72)
Administrative expenses	69	66	3	4.55
Reversal of allowance for expected credit losses	(5)	5	(10)	(200.00)
Reversal of reduction of inventory to net realizable value	(6)	(39)	33	(84.62)
Financial cost	(6)	(1)	(5)	500.00
Profit before income tax expenses	160	825	(665)	(80.61)
Income tax expenses	(31)	(157)	126	(80.25)
Net profit attributable to equity holders of the Company	128	661	(533)	(80.64)
Non-controlling interests of the subsidiaries	1	7	(6)	(85.71)

In the first quarter of the year 2023, the Company and its subsidiary had a net profit Baht 128 million, decreased by Baht 533 million or down by 80.64% from Baht 661 million when compared to the same quarter in 2022. The main reasons were;

1. Sales Revenues

The Company and its subsidiary had total sales revenue of Baht 9,461 million, increased by Baht 142 million or up by 1.52% from Baht 9,319 million when compared to the first quarter of the year 2022. The revenue from sales of products was Baht 9,355 million, increased by Baht 132 million or up by 1.43% from Baht 9,223 million when compared to the first quarter of the year 2022, and the revenue from sales of packaging materials was Baht 106 million, increased by Baht 10 million or up by 10.42% from Baht 96 million when compared to the first quarter of the year 2022. The details were as follows;

- **Revenue from sales of soybean meal and other animal feed ingredients** increased when compared with the first quarter of the year 2022, mainly due to the increase of the selling price. However, sales volume decreased when compared to last year due to an annual maintenance of the factory in December. As a result, stock volumes in early 2023 were relatively low. Moreover, the livestock situation has not seen any signs of recovery, especially for pigs which faced the problem of illegal imports of pork from abroad (Brazil). As a result, the pork price at the farm had fallen significantly. Meanwhile, the price of major feed ingredients had risen considerably, against the price of livestock that remained low.
- **Revenue from sales of refined soybean oil** decreased when compared with the first quarter of the year 2022, mainly due to decreased sale volume. Because the level of domestic crude palm oil stock remained at high level, Palm oil prices have been steadily declining since mid-2022 until now, leading to the wider gap between soybean oil and palm oil prices. As a result, consumers had switched to buy palm oil. Moreover, the economy slowdown and higher inflation have affected purchasing power of consumers. As a result, consumers changed their purchasing behavior to buy in smaller quantities.
- **Revenue from sales of packaging materials** increased when compared to the first quarter of the year 2022, due to the overall increase in selling prices and sales volume.

2. Cost of Sales and Gross Profits

The Company and its subsidiary's cost of sales was Baht 9,314 million, increased by Baht 909 million or up by 10.81% from Baht 8,405 million. The gross profits of the Company and its subsidiary was Baht 147 million, decreased by Baht 767 million or down by 83.92% from Baht 914 million when compared to the first quarter of the year 2022. The main reasons were;

- **Cost of Sales and Gross Profits of the Company:** The cost of sales was higher when compared with the first quarter of the year 2022 mainly due to the increased price of imported soybeans from Brazil which was the Company's main raw material. The drought had caused the soybean production

in South America in 2021/2022 to decreased, especially in Brazil which production had decreased by around 20 million tones causing low ending stock. The Company's Gross Profits had decreased when compared to the first quarter of the year 2022 because the increase of soymeal selling price was unable to compensate the decrease of soybean oil selling price and the rising cost of sales.

- **Cost of Sales and Gross Profits of the Company's subsidiary:** The cost of sales of the Company's subsidiary increased when compared to the first quarter of the year 2022 mainly due to the rising prices of raw materials (plastic resins) which in line with global crude oil prices. The subsidiary has not passed on the burden of increasing costs to customers. As a result, the gross profit of the Company's subsidiary decreased when compared to the first quarter of the year 2022.

3. Gain on Exchange Rate and Derivative

Despite of fluctuations in foreign exchange rates and commodity prices, the Company managed by entering into hedging contracts in advance. As a result, the Company and its subsidiary gained on exchange rate and derivative totaling Baht 194 million increased by Baht 129 million or up by 198.46% from Baht 65 million when compared to the first quarter of the year 2022.

4. Other income

The Company and its subsidiary generated other income of Baht 21 million, increased by Baht 3 million or up by 16.67% from Baht 18 million when compared to the first quarter of the year 2022, which resulted from the Company's successful negotiation with business partners.

5. Selling and Administrative Expenses

The Company and its subsidiary's selling expenses was Baht 138 million, decreased by Baht 1 million or up by 0.72% from Baht 139 million when compared to the first quarter of the year 2022 due to the decrease in export expenses as freight costs returned to normal.

Administrative Expenses were Baht 69 million, increased by Baht 3 million or up by 4.55% from Baht 66 million when compared to the first quarter of the year 2022, mainly due to the expenses of salaries, wages and employee benefits.

6. Reversal of allowance for expected credit losses

In the first quarter of the year 2022, the Company and its subsidiaries reversed the recognition of allowance for expected credit losses value of Baht 5 million.

7. Reversal of reduction of inventory to net realizable value

In the first quarter of the year 2022, the Company recorded reversal of reduction of inventory to net realizable value received of Baht 6 million in some products items.

Conclusion of the operational performance for the three-month period ended March 31, 2023

For the operational performance for the three-month period ended March 31, 2023, the Company and its subsidiary had total sales revenue of Baht 9,461 million, increased by Baht 142 million or up by 1.52% from Baht 9,319 million. Total cost of sales was Baht 9,314 million, increased by Baht 909 million or up by 10.81% from Baht 8,405 million. Total gross profit was Baht 147 million, decreased by Baht 767 million or down by 83.92% from Baht 914 million. While the total selling expense was Baht 138 million, decreased by Baht 1 million or down 0.72% from Baht 139 million. The total administrative expense was Baht 69 million, increased by Baht 3 million or up by 4.55% from Baht 66 million. Overall, the Company and its subsidiary had a net profit of Baht 128 million, decreased by Baht 533 million or down by 80.64% from Baht 661 million when compared to the same period last year.

Yours sincerely,

Miss Kanutsorn Bunditnate

Company Secretary

Authorized Signatory