



UAC Global Public Company Limited
บริษัท ยูเอซี โกลบอล จำกัด (มหาชน)
www.uac.co.th | 02-936-1701-6

(Translation)

UAC.CS/0011/2023

August 11, 2023

Subject: Explanation of the operating results for the second quarter period ended June 30, 2022

To: President
The Stock Exchange of Thailand

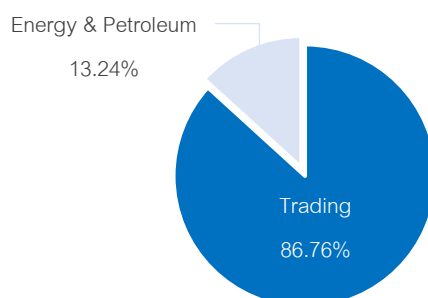
Attachment: Auditor's Report and Financial Statement for the second quarter period ended June 30, 20

Executive Summary

In 2023, the Company remains focused on maintaining liquidity and expanding its business with caution and controlling production costs and expenditures continuously, resulting in the Company's revenue from sales and services increased by Baht 151.90 million, or 23.51% YoY, for 1H/2023. The company achieved a net profit attributable to shareholders and an EBITDA of Baht 180.77 million and Baht 276.27 million, respectively. These significant increases were driven by improved operational performance and gain from investment activities, including profits from sale of investment, changes in investment status, and asset sales, totaling Baht 128.96 million. Moreover, the company received dividend income from Associated Companies, totaling Baht 57.33 million and profit sharing from investments (BBGI Biodiesel), amounting to Baht 34.91 million.

Under the situation of decelerating global economic conditions, inflation situation and rising interest rates, maintaining financial liquidity, reducing the risk of exchange rate fluctuations, work with prudence and caution to minimize the impact of potential risks, resulting that the Company's cash flow as of June 30, 2023 was Baht 141.96 million, which decreased by annual and interim dividend payment. Debt to equity ratio (D/E) of 0.80 times remained in line with the Company's financial policy that does not exceed 2 times.

REVENUE BREAKDOWN 6M/2023



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Trading, Total revenue was Baht 692.22 million, increased Baht 151.13 million or 27.93% YoY, from an increase in sales in the Energy group of Baht 233.28 million since the problem of transportation from main principles began to resolve. For the Industrial group, sales decreased by Baht 165.23 million from the decrease in purchase of equipment used in the petroleum exploration industry comparing to the 6M/2022 (non-recurring sales). In the 1H/2023, sales volume derived from the company at the amount of Baht 605.06 million and from UAC Trading Solutions Co., Ltd. (UACT) at the amount of Baht 87.16 million.

Manufacturing – Energy, Total revenue was Baht 105.68 million, increased Baht 0.76 million or 0.72% YoY, mostly from PPP and Mae Teang Power Plant had slightly lower revenue due to machine maintenance. Revenue from Sao Thien Power Plant had slightly lower revenue due to inadequate associated gas and Pradu Thao Power Plant plants and Solar Power Plants were able to generate electricity as set forth.

Manufacturing – Petroleum, Total revenue was Baht 12.23 million, derived from crude oil drilling activities at the Burapa (L11/43), which is still operating using natural flow cyclic production due to the natural decrease in pressure, and from the Arunothai (L10/43) field, which commenced natural flow testing and initiated the sale of crude oil in Q2/2023. The company has a plan to acquire machinery and equipment to elevate petroleum production to 250 bbl/day with in Q3/2023 – Q4/2023.

Manufacturing – Chemicals, Operated by UAC Advance Polymers and Chemicals Co., Ltd. (UAPC), has the status of being an associated company. There was a profit sharing from investments in associated companies according to the shareholding proportion in the amount of 0.12 million baht (Q2/2023) and Profit after tax for the period from discontinued operations in the amount of 3.34 million baht (Q1/2023). Total revenue continued to slow down in line with economic conditions Including higher selling and administrative expenses and financial cost than expected.

Progress of Projects under construction

- **Vientiane Waste Management Co., Ltd. (VWM)**: RDF3 Production Plant received a construction permit on December 1, 2022. The commissioning process was completed from May 30, 2023 to June 1, 2023. Additionally, RDF3 has been supplied to KCL cement plant at the end of July 2023.
- **Community Power Plant project (PPM)**: has already received a power purchase agreement (PPA) from the Provincial Electricity Authority (PEA) on February 27, 2023, with a plan to commence commercial operation (COD) to operate Generator# 1, production capacity of 1.5 MW., within Q3/2023 and will begin COD to operate Generator#2, production capacity of 1.5 MW., within Q4/2023, with total electricity distribution of 3 MW.
- **PT Cahaya Yasa Cipta (CYC)**: UAC Energy Co., Ltd has invested 70% in PT Cahaya Yasa Cipta to participate in the manufacturing and distribution of RDF3 in Indonesia. The estimated annual production capacity is 40,000 tons/year, primarily targeting the supply to cement plants in nearby area. The construction of the RDF3 plant is anticipated to start in Q3/2023.

- **EV Charging Station:** Operated by PPWE Company Limited (a joint venture), currently COD 2 stations in Nakhonratchasima province and has another station in preparation for commercial operation in Chanthaburi province. Furthermore, UAC Energy Co., Ltd. has invested in the EV Charging Station and has already COD with 1 station in the Eastern Economic Corridor of Innovation (EECI) in Rayong province.

Performance Analysis

The operating results of the separated financial statement for the 3-month and 6-month period ended June 30, 2023

The separated financial statement for the second quarter of 2023 ended June 30, 2023

The Separated Financial Statement (Unit: Million Baht)	Q2/2023	Q1/2023	Q2/2022	QoQ		YoY	
				Million Baht	%	Million Baht	%
Sales and Services	319.75	348.15	227.79	(28.40)	(8.16%)	91.96	40.37%
Gross Profit	60.38	51.41	24.20	8.97	17.45%	36.18	149.48%
Other Income	109.42	75.21	16.89	34.21	45.49%	92.53	547.84%
Selling & Administrative Expenses	39.65	37.09	38.92	2.56	6.90%	0.72	1.86%
Finance Cost	8.59	8.29	8.03	0.30	3.57%	0.56	6.96%
EBT	121.56	81.23	(5.86)	40.33	49.64%	127.42	2,173.95%
Tax	(16.82)	(13.27)	(3.20)	3.55	26.75%	13.62	425.04%
Net Profit	104.74	67.96	(9.06)	36.78	54.11%	113.80	1,255.44%
EBITDA	147.94	106.93	20.29	41.01	38.35	127.66	629.29%

The operating results of the separated financial statement for second quarter period ended June 30, 2023, resulted in increase in total Net Profit of Baht 36.78 million or 54.11% (QoQ) and in increase of Baht 113.80 million or 1,255.44% (YoY) as the following details below:

1. Revenue from sales and services increased Baht 91.96 million or 40.37% from the corresponding period of the previous year, mostly from revenue from Trading-Energy which increased Baht 145.37 million, revenue from Trading-Industrial sector decreased Baht 37.98 million, revenue from Manufacturing-Energy (PPP) decreased Baht 12.81 million, and revenue from MT decreased Baht 1.94 million resulting from machine maintenance.
2. Gross profit was Baht 60.38 million which increased Baht 36.18 million or 149.48% from the corresponding period of the previous year. Gross profit margin was 18.88% of revenue from sales and services increased from the corresponding period of the previous year (Q2/2022 = 10.62%)
3. Other income increased Baht 92.53 million or 547.84% from the corresponding period of the previous year, consisted of;
 - The dividend income from BBGI Biodiesel amount of Baht 42.22 million
 - Gain from sale of assets at the amount of Baht 57.05 million
4. Selling and Administrative expenses increased Baht 0.72 million or 1.86% from the corresponding period of the previous year, mostly from administrative and travelling expenses.
5. Finance cost increased Baht 0.56 million or 6.96% from the corresponding period of the previous year due to the debenture interest and bank fees.

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6. Net Profit increased Baht 113.80 million or 1,255.44% from the corresponding period of the previous year mostly from operating results, dividend income and gain from sale of assets.

The separated financial statement for 6-month period ended June 30, 2023

The Separated Financial Statement (Unit: Million Baht)	6M/2023	6M/2022	YOY	
			Million Baht	%
Sales and Services	667.90	618.18	49.71	8.04%
Gross Profit	111.78	62.72	49.06	78.22%
Other Income	184.62	34.10	150.52	441.38%
Selling & Administrative Expenses	76.74	73.25	3.49	4.76%
Finance Cost	16.88	14.61	2.27	15.50%
EBT	202.79	8.96	193.83	2,163.06%
Tax	(30.09)	(6.21)	23.88	384.21%
Net Profit	172.70	2.75	169.96	6,187.83%
EBITDA	255.23	59.59	195.64	328.30%

The operating results of the separated financial statement for the 6-month period ended June 30, 2023, resulted in increase in total Net Profit of Baht 169.96 million or 6,187.83% from the corresponding period of the previous year as the following details below:

- Revenue from sales and services increased Baht 49.71 million or 8.04% from the corresponding period of the previous year, mostly from revenue from Trading-Energy which increased Baht 233.29 million, revenue from Trading-Industrial sector decreased Baht 165.24 million, revenue from Manufacturing-Energy (PPP) decreased Baht 10.91 million, and revenue from MT decreased Baht 3.34 million resulting from machine maintenance.
- Gross profit was Baht 111.78 million which increased Baht 49.06 million or 78.22% from the corresponding period of the previous year. Gross profit margin was 16.74% of revenue from sales and services increased from the corresponding period of the previous year (6M/2022 = 10.15%)
- Other income increased Baht 150.52 million or 441.38% from the corresponding period of the previous year, consisted of;
 - The dividend income from BBGI Biodiesel and UAPC amount of Baht 57.33 million
 - Gain from sale of assets at the amount of Baht 57.05 million
 - Gain from sale of investments in subsidiaries at the amount of Baht 38.20 million, resulting from the sale of 630,000 shares of UAPC at a par value of 100 baht per share at a price of 160.64 baht per share to ICAP-SIRA group on Q1/2023
- Selling and Administrative expenses increased Baht 3.49 million or 4.76% from the corresponding period of the previous year, mostly from specific business tax.
- Finance cost increased Baht 2.27 million or 15.50% from the corresponding period of the previous year due to the debenture interest and bank fees.
- Net Profit increased Baht 169.96 million or 6,187.83% from the corresponding period of the previous year mostly from operating results, dividend income, gain from sale of assets and Investments in associates.

The operating results of the consolidated financial statement for the 3 - month and 6 - month period ended June 30, 2023

The consolidated financial statement for the second quarter of 2023 ended June 30, 2023

The Consolidated Financial Statement (Unit: Million Baht)	Q2/2023	Q1/2023	Q2/2022 (Revised)*	YoY		QoQ	
				Million Baht	%	Million Baht	%
Sales and Services	381.84	416.05	242.24	139.60	57.63%	(34.21)	(8.22%)
Gross Profit	76.00	65.38	31.63	44.37	140.28%	10.62	16.25%
Other Income	91.72	85.00	41.62	50.09	120.35%	6.71	7.90%
Selling & Administrative Expenses	55.16	45.15	50.84	4.32	8.50%	10.01	22.17%
Finance Cost	10.98	10.63	9.93	1.06	10.64%	0.35	3.32%
EBT	101.57	94.60	12.49	89.08	713.51%	6.97	7.37%
Tax	(17.83)	(13.32)	(3.47)	14.36	414.20%	4.51	33.87%
Profit for the period from continued operations	83.74	81.28	9.02	74.72	828.60%	2.46	3.03%
Profit (loss) after tax for the period from discontinued operations	0.00	3.34	2.51	(2.51)	(100.00%)	(3.34)	(100.00%)
Net Profit	83.74	84.62	11.53	72.21	626.35%	(0.88)	(1.04%)
Comprehensive Income	92.12	88.66	17.98	74.13	412.27%	3.46	3.90%
EBITDA	136.49	143.24	55.39	81.11	146.44%	(6.74)	(4.71%)

* Revised Q2/2022 financial statements by adjusting numbers for discontinued operations (UAPC).

The operating results of the consolidated financial statement for the second quarter period ended June 30, 2023, resulted in increase in total comprehensive income of Baht 3.46 million or 3.90% (QoQ) and in increase in total comprehensive income of Baht 74.13 million or 412.27% (YoY) as the following details below:

1. Revenue from sales and services increased Baht 139.60 million or 57.63% from the corresponding period of the previous year, mostly from the increase of revenue from Trading at the amount of Baht 143.52 million, and the decrease of revenue from Manufacturing – Energy & Petroleum at the amount of Baht 3.91 million.
2. Gross profit was Baht 76.00 million which increased Baht 44.37 million or 140.28% from the corresponding period of the previous year. Gross profit margin was 19.90% of revenue from sales and services increased from the corresponding period of the previous year (Q2/2022 = 13.06%)
3. Other income increased Baht 50.09 million or 120.35% from the corresponding period of the previous year, mostly from Gain from sale of assets at the amount of Baht 58.31 million
4. Selling and Administrative expenses increased Baht 4.32 million or 8.50% from the corresponding period of the previous year, mostly from the expenses from subsidiary operations, such as sales and exports expenses, petroleum operations expenses, and machinery improvement.
5. Finance cost increased Baht 1.06 million or 10.64% from the corresponding period of the previous year due to the debenture interest of UAC.

6. Profit after tax for the period from discontinued operations decreased Baht 2.51 million from the change in UAPC investment structure, shifting from a subsidiary to an associated company. As a result, UAPC operational performance will be reflected in the profit sharing from investment in associates starting from Q2/2023.
7. Comprehensive Income increased Baht 74.13 million or 412.27% from the corresponding period of the previous year, mostly from operating results and gain from sale of assets.

The consolidated financial statement for 6-month period ended June 30, 2023

The Consolidated Financial Statement (Unit: Million Baht)	6M/2023	6M/2022 (Revised)*	YoY	
			Million Baht	Million Baht
Sales and Services	797.89	645.99	151.90	23.51%
Gross Profit	141.37	76.78	64.59	84.12%
Other Income	176.72	122.10	54.62	44.73%
Selling & Administrative Expenses	100.31	96.63	3.68	3.81%
Finance Cost	21.61	18.28	3.33	18.24%
EBT	196.17	83.97	112.19	133.61%
Tax	(31.15)	(6.56)	24.59	374.96%
Profit for the period from continued operations	165.02	77.42	87.60	113.16%
Profit (loss) after tax for the period from discontinued operations	3.34	1.48	1.86	125.10%
Net Profit	168.36	78.90	89.46	113.39%
Comprehensive Income	180.77	89.86	90.91	101.17%
EBITDA	276.27	163.88	112.40	68.59%

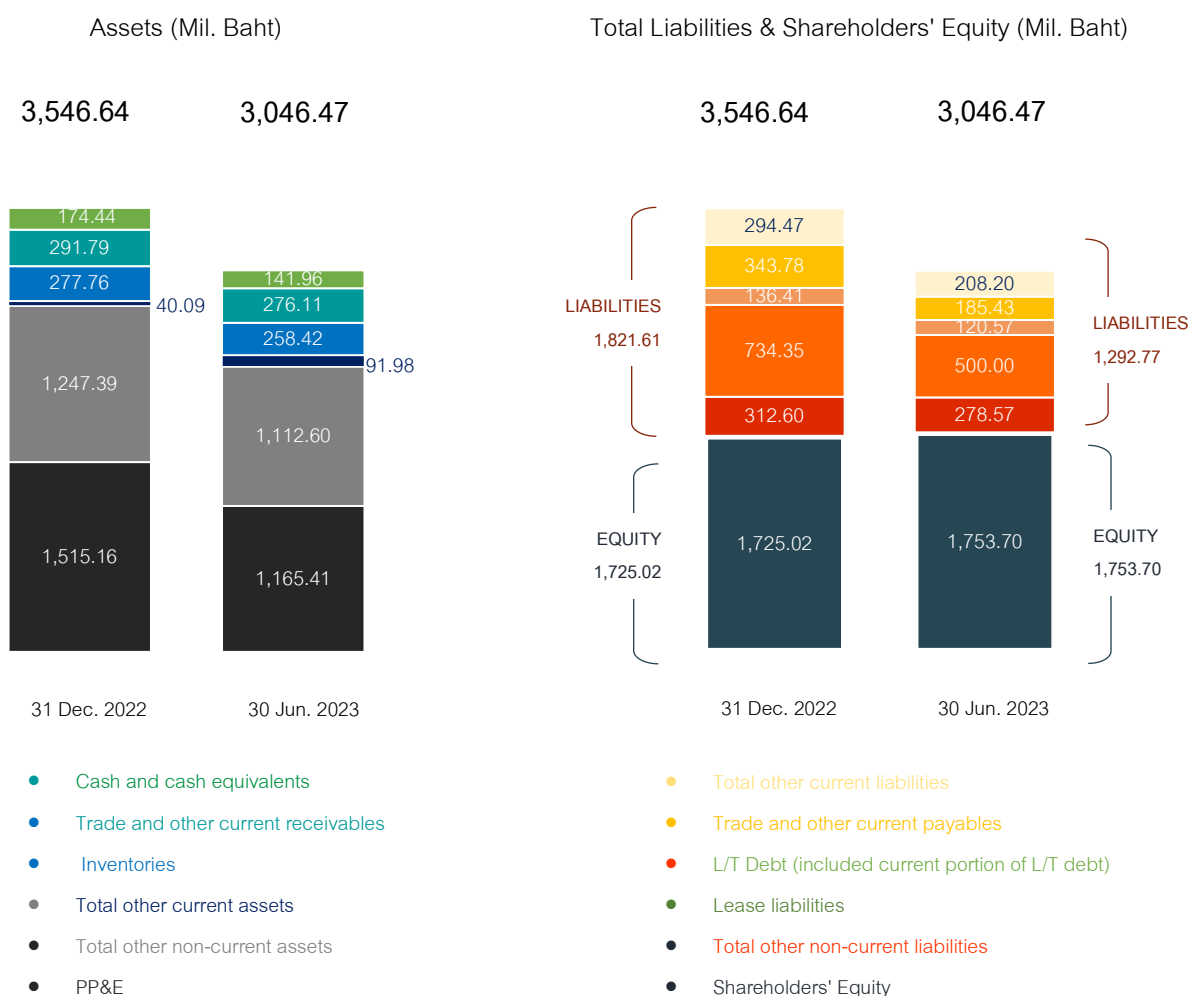
* Revised 6M/2022 financial statements by adjusting numbers for discontinued operations (UAPC).

The operating results of the consolidated financial statement for the 6-month period ended June 30, 2023, resulted in increase in total comprehensive income of Baht 90.91 million or 101.17% from the corresponding period of the previous year as the following details below:

1. Revenue from sales and services increased Baht 151.90 million or 23.51% from the corresponding period of the previous year, mostly from the increase of revenue from Trading at the amount of Baht 151.14 million, and Manufacturing – Energy & Petroleum at the amount of Baht 0.76 million.
2. Gross profit was Baht 141.37 million which increased Baht 64.59 million or 84.12% from the corresponding period of the previous year. Gross profit margin was 17.72% of revenue from sales and services increased from the corresponding period of the previous year (6M/2022 = 11.89%)
3. Other income increased Baht 54.62 million or 44.73% from the corresponding period of the previous year, consisted of;
 - Gain from sale of investments in subsidiaries and gains from changing the status of investments in subsidiaries to associates at the amount of Baht 70.65 million
 - Gain from sale of assets at the amount of Baht 58.31 million
 - Profit sharing from investments in associates decreased by Baht 63.47 million

4. Selling and Administrative expenses increased Baht 3.68 million or 3.81% from the corresponding period of the previous year, mostly from the expenses from subsidiary operations, such as sales and exports expenses, petroleum operations expenses, and machinery improvement.
5. Finance cost increased Baht 3.33 million or 18.24% from the corresponding period of the previous year due to the debenture interest of UAC.
6. Profit after tax for the period from discontinued operations was Baht 3.34 million, from the operating results of UAPC for the Q1/2023, the company will only recognize profits due to the restructuring of investments from subsidiaries to associates according to accounting standards. The company will recognize the operating results of UAPC from the profit sharing from investments in associated companies from the Q2/2023 onwards.
7. Comprehensive Income increased Baht 90.91 million or 101.17% from the corresponding period of the previous year, mostly from operating results and others income.

The Statements of Financial Position as of June 30, 2023 has changed from December 31, 2022 as follows;



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Total Assets was Baht 3,046.47 million, decreased Baht 500.16 million or 14.10%, mostly from the decrease in current assets of Baht 15.61 million and the decrease in non-current assets of Baht 484.55 million mostly from the restructuring of investments from subsidiaries to associates. The details are as follows.

- Cash and cash equivalents decreased Baht 32.48 million, from dividend payment.
- Short-term loans to related parties increased Baht 64.00 million, from short-term loans to associated companies and related companies.
- Property, plant and equipment and Goodwill decreased Baht 619.56 million, from the restructuring of investments from subsidiaries to associates. Therefore, assets and liabilities of UAPC were eliminated from the consolidated statement of financial position.
- Investments in associates increased Baht 149.99 million, from the restructuring of investments from subsidiaries to associates calculated from fair price of UAPC as of Q1/2023 and profit sharing from BBGI Biodiesel.

Total Liabilities was Baht 1,292.77 million, decreased Baht 528.85 million or 29.03%, mostly from both the decrease in current liabilities of Baht 290.73 million and the decrease in non-current liabilities of Baht 238.12 million of UAPC due to the restructuring of investment from subsidiaries to associates. The details are as follows.

- Bank overdrafts, short-term loans and Long-term loans decreased Baht 374.59 million, from the restructuring of investments from subsidiaries to associates. Therefore, assets and liabilities of UAPC were eliminated from the consolidated statement of financial position.

Total Shareholders' Equity was Baht 1,753.70 million, increased Baht 28.68 million or 1.66%, resulting from profit from operating results and dividend payment.

The Cash flow statement as of June 30, 2023 has changed from June 30, 2022 as follows;

Unit: Million Baht	30 Jun. 2023	30 Jun. 2022 (Revised*)
Profit before tax from continued operations	196.17	83.97
Profit (loss) before tax from discontinued operations	2.86	0.76
Profit from operating activities before changes in operating assets and liabilities	116.54	76.69
Net cash flows from (used in) operating activities	(66.01)	(137.60)
Net cash flows from (used in) investing activities	343.22	82.48
Net cash flows (used in) financing activities	(316.01)	87.01
Net activities	(38.81)	(31.89)
Decrease in translation adjustments	6.33	5.08
Effects of exchange rates on cash and cash equivalents	(0.00)	0.51

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Unit: Million Baht	30 Jun. 2023	30 Jun. 2022 (Revised*)
Net increase (decrease) in cash and cash equivalents	(32.48)	37.47
Cash and cash equivalents at beginning of period	174.44	55.35
Cash and cash equivalents at end of period	141.96	92.82

Cash flow statement for the 6-month ended June 30, 2023, the company has net cash flow acquired in operating activities of Baht 66.01 million, mainly from the increase in Profit from operating activities before changes in operating assets and liabilities of Baht 116.54 million. The decrease in cash resulted from the increase in hire-purchase receivables and trade receivables, other receivables, inventories of Baht 97.68 million, the decrease in trade payables, other payables and advances received from customers of Baht 70.46 million, and interest & tax payment of Baht 26.33 million.

Net cash flow acquired in investing activities of Baht 343.22 million, mostly from the increase in short-term loans to related parties of Baht 64.00 million, purchased non-current assets and Intangible assets amount of Baht 46.93 million, received from sales of assets of Baht 130.01 million, dividend income from the associates of Baht 42.22 million, and Cash receipt from the reduction of control in a subsidiary to an associate of Baht 308.09 million.

Net cash flow used in financing activities of Baht 316.01 million, mostly from the repayment short-term loans and long-term loans of Baht 160.64 million and dividend payment of Baht 160.23 million.

From the above activities, the Company had a net decrease in cash and cash equivalents of Baht 32.48 million, with cash brought forward as of January 1, 2023 in the amount of Baht 174.44 million, and cash ended as of June 30, 2023 was Baht 141.96 million.

Financial Ratio

Consolidated financial statement	Q2/2023	Q2/2022
NET PROFIT (%)	21.93	4.76
COMPREHENSIVE INCOME (%)	24.12	7.42
EBIT (%)	29.48	10.29
EBITDA (%)	35.75	22.86
EPS (Baht/Share)	0.138	0.027
NET PROFIT (%)	21.10	12.21
COMPREHENSIVE INCOME (%)	22.66	13.91
EBIT (%)	27.29	15.83
EBITDA (%)	34.63	25.37
EPS (Baht/Share)	0.271	0.135

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Consolidated financial statement	6M/2023	6M/2022
ROA (%)	10.97	5.25
ROE (%)	22.53	11.09
D/E RATIO (Times)	0.80	1.14
Net Debt/EBITDA (Times)	2.08	5.34

Please be informed accordingly.

Yours sincerely,

-Signature-

(Miss Nilrat Jarumanopas)

Chief Financial Officer

Authorized to sign on behalf of the Company

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