



บริษัท เอไอ เอนเนอร์จี้ จำกัด (มหาชน)

AI Energy Public Company Limited

ทะเบียนเลขที่ 0107556000311

AIE 123/2023

August 11, 2023

**Subject:** Management's Discussion and Analysis for 2<sup>st</sup> quarter of 2023 ended as of June 30, 2023

**Attention:** President,

The Stock Exchange of Thailand

AI Energy Public Company Limited ("the Company") would like to submit the financial statement for 2<sup>st</sup> quarter of 2023 ended as of June 30, 2023, which details are as following:

Operating results (Consolidated)	2 <sup>nd</sup> quarter	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	% Increase (Decrease)		Six-month period		%
	2023	2023	2022	YoY	QoQ	2023	2022	
Revenue from sales and services	2,200.24	2,020.62	2,106.72	4.44%	8.89%	4,220.85	4,458.11	-5.32%
Cost of sales and services	2,161.56	2,002.51	2,060.71	4.89%	7.94%	4,164.06	4,268.89	-2.46%
Gross profit	38.68	18.11	46.01	-15.93%	113.58%	56.79	189.23	-69.99%
Other income	2.29	1.90	0.61	276.35%	20.50%	4.18	3.22	29.85%
Selling and administrative expenses	30.13	29.73	24.50	23.00%	1.35%	59.84	50.51	18.48%
Profit from operations	10.59	(9.72)	21.99	-51.84%	208.95%	0.87	141.79	-99.38%
EBITDA	44.16	7.88	116.54	-62.11%	460.11%	66.05	267.19	-75.28%
Finance cost and tax income	0.01	0.00	1.82	-99.45%	100.00%	0.02	(1.21)	101.32%
Net profit	10.83	(9.72)	46.08	-76.49%	211.42%	1.11	165.59	-99.33%
Basic earnings per share (Baht per share)	0.0080	(0.0073)	0.0350			0.0008	0.1262	

### Net Profit

For 2<sup>nd</sup> quarter of 2023 ended as of June 30, 2023, the Company and subsidiaries (Consolidated) realized net profit of Baht 10.83 million, decreased by Baht 35.25 million or 76.49% as compared to the same period of last year which incurred the realized net profit of Baht 46.08 million, increased by Baht 20.55 million or 211.42% as compared to the 1<sup>st</sup> quarter of 2023 ended as of March 31, 2023 which incurred the realized net loss of Baht 9.72 million. For the six-month period ended June 30, 2023, the Company and subsidiaries (Consolidated) realized net profit of Baht 1.11 million, decreased by Baht 164.48 million or 99.33% as compared to the same period of last year which incurred the realized net profit of Baht 165.59 million. However, the Company reported EBITDA in amounting of Baht 44.16 million, decreased by Baht 72.38 million or 62.11 % as compared to the same period of last year which incurred at Baht 116.54 million, increase by Baht 36.28 million or 460.11% as compared to the 1<sup>st</sup> quarter of 2023 ended as of March 31, 2023 which incurred the realized net profit of Baht 7.88 million. For the six-month period ended June 30, 2023, the Company reported EBITDA in amounting of Baht 52.05 million, decreased by Baht 215.14 million or 80.52% as compared to the same period of last year which incurred at Baht 267.19 million. The decrease in operating results was mainly due



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to the price of raw materials has decreased according to the global market price since the end of June 2022, and there is still a fluctuation in raw material prices during the six-month period of 2023. The Company still manages the turnover of inventories for maximum efficiency.

## **Revenue**

### **1. Revenue from Sales and Services**

For 2<sup>nd</sup> quarter of 2023, the Company and subsidiaries realized the revenue of Baht 2,200.24 million, increase by Baht 93.52 million or 4.44% as compared to the same period of last year which incurred the realized revenue of Baht 2,106.72 million and increase by Baht 179.62 million or 8.89% as compared to the 1<sup>st</sup> quarter of 2023 ended as of March 31, 2023 which incurred the realized revenue of Baht 2,020.62 million. For the six-month period ended June 30, 2023, the Company and subsidiaries realized the revenue of Baht 4,220.82 million, decrease by Baht 237.26 million or 5.32% as compared to the same period of last year which incurred the realized revenue of Baht 4,458.11 million, where the reasons are summarized as follows;

#### **1.1 Sales of Biodiesel, Edible oil Refined Glycerine, Raw material and By-product**

- For 2<sup>nd</sup> quarter of 2023, the revenue from Biodiesel business increase by Baht 300.07 million, or 24.78% as compared to the same period of last year and the revenue from Biodiesel business increase by Baht 179.61 million or 13.49% as compared to the 1<sup>st</sup> quarter of 2023 and for the six-month period ended June 30, 2023 the revenue from Biodiesel business increase by Baht 373.66 million, or 15.13% as compared to the same period of last year, the main factors are the existing customers have increased, Although the sale volume increased from the government's policy to adjust the biodiesel mandatory increased from B5 to B7, effective from October 10, 2022 onwards, resulting in the Company's sales volume increased compared to the same period of the previous year, but unable to make the Company maintain a better performance than the same period of the previous year.
- For 2<sup>nd</sup> quarter of 2023, the revenue from Edible Oil business decrease by Baht 1.25 million, or 9.14% as compared to the same period of last year and revenue decrease by Baht 19.11 million, or 60.66% as compared to the 1<sup>st</sup> quarter of 2023. As of June 30, 2023, the revenue from Edible Oil business increase by Baht 17.07 million, or 63.66%, as a result of receiving more orders from industrial customers, hotels, restaurants, and the wholesaler, so the sales volume increased. The Company entered short-term contract with specific quantities and delivery term (Made to Order). This helps the Company to efficiently control inventories aging and procurement that prevent risk from CPO's prices fluctuation.
- For 2<sup>nd</sup> quarter of 2023, the revenue from Refined Glycerine business decreased by Baht 32.33 million or 31.88% as compared to the same period of last year and the revenue from Refined Glycerine business decrease by Baht 11.53 million or 14.31% as compared to the 1<sup>st</sup> quarter of 2023, the main factors from the yearly maintenance and change catalyst. As of June 30, 2023, the revenue from Refined Glycerine business decreased by Baht 92.45 million or 38.18%, the main factors from the price are decrease 64.41% as compared to the same period of last year, the decline



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in selling price of Refined Glycerine was due to the lower demand for the product both domestically and internationally. Due to Refined Glycerine outputs have flooded into the market, which came from biodiesel production increased in accordance with the biodiesel blending mandate Indonesia, and altogether with the global economic recession. Therefore, the selling price of Refined Glycerine continued to decrease.

- For 2<sup>nd</sup> quarter of 2023, the revenue from raw material and by-product decreased by Baht 152.55 of 20.19% as compared to the same period of last year and revenue increased by Baht 36.48 million or 6.45% as compared to the 1<sup>st</sup> quarter of 2023 from sales volume increased by 7.30%. As of June 30, 2023, the revenue from raw material and by-product decreased by Baht 521.74 or 30.89%, due to a decrease in average selling price of main raw materials of 54.27% while sales volume increased by 51.14%. The customers are oleochemical producer and related-products producers in overseas. However, the Company will only sell by-products that excess the need of its biodiesel and Refined Glycerine productions.

## 1.2 Revenue from Services

For 2<sup>nd</sup> quarter of 2023, the revenue from production services has decreased by Baht 20.72 million or 78.82% as compared to the same period of last year, the revenue from production services for Edible oil increased by 100% and the revenue from production services for Refined Glycerine decreased by 100%. As compared to the 1<sup>st</sup> quarter of 2023, the revenue from production services for Edible oil decreased by Baht 5.83 million or 51.17%. As of June 30, 2023, the revenue from production services decreased by Baht 13.79 million or 44.84%, the revenue from production services for Edible oil increased by 100% and the revenue from production services for Refined Glycerine decreased by 100%, comparing to the same period of 2022. Presently, the Company has enough capacity left for production services, however the Company is considering to offer the production services that are suitable to the Company from time to times.

## 2. Other Income

Other Income consist of sales of scrap materials, interest income, gain on changes in fair value of short-term investment, oil storage service etc. For 2<sup>nd</sup> quarter of 2023, the Company and its subsidiaries had revenue from other income of Baht 2.29 million, increase by Baht 1.68 million, or 276.35% as compared to the same period of last year, and other income increase by Baht 0.39 million or 20.50% as compared to the 1<sup>st</sup> quarter of 2023. As of June 30, 2023, the Company and its subsidiaries had revenue from other income of Baht 4.18 million, increased by Baht 0.96 million, or 29.85% as compared to the same period of last year which was Baht 3.22 million, the main reason are the increased in revenue from oil storage services and income from sale of scrap materials.

## Cost of Sales and Services

For 2<sup>nd</sup> quarter of 2023, the Company's cost of sales was Baht 2,161.56 million, increased by Baht 100.85 million or 4.89% as compared to the same period of last year and increased by Baht 159.05 million or 7.94% as compared to the 1<sup>st</sup> quarter of 2023, which was Baht 2,002.51 million. As of June 30, 2023, the Company's cost of sales was Baht 4,164.06 million, decreased by Baht



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104.83 million or 2.46% as compared to the same period of last year, which was Baht 4,268.89 million. The reasons are summarized as follows;

#### 1. Cost of Sales- Biodiesel, Edible Oil, Refined Glycerine, Raw material and By-product

For 2<sup>nd</sup> quarter of 2023, The Company's cost of sales per sales ratio increased from the same quarter of the previous year by 2.41% and decreased from the 1<sup>st</sup> quarter of 2023 by 0.93%, for ended June 30, 2023, an increase of 4.04% as a result of crude palm oil prices that have fluctuated over time. However, the Company still maintains the policy to manage inventory for maximum efficiency which is divided by product groups as follows;

- For 2<sup>nd</sup> quarter of 2023, the Biodiesel's ratio of cost of sales to total revenue was increased by 1.37% or 1.42% as compared to the same period of last year and the Biodiesel's ratio of cost of sales to total revenue was decreased by 2.99% or 2.98% as compared to the 1<sup>st</sup> quarter of 2023. As of June 30, 2023, the Biodiesel's ratio of cost of sales to total revenue was increased by 4.44% or 4.70% as compared to the same period of last year, due to the fluctuation in the price of raw materials. However, the Company has emphasised on controlling production yield and managing inventory turnover rate by keeping it in between 15-25 days in order to mitigate the risk from the raw material prices' fluctuation, which is an important factor of the Company's profitability.
- For 2<sup>nd</sup> quarter of 2023, the edible oil's ratio of cost of sales to total revenue was decreased by 0.02% or 0.02% as compared to the same period of last year, and the edible oil's ratio of cost of sales to total revenue was increased by 3.67% or 4.04% as compared to the 1<sup>st</sup> quarter of 2023. As of June 30, 2023, the edible oil's ratio of cost of sales to total revenue was decreased by 2.34% or 2.48% as compared to the same period of 2022 due to the price of raw materials that fluctuate over time. However, the Company was possible to generate profit from this business unit since there were Made to Order, which is allowed the Company maintaining profitable sales. But the storage of crude palm oil cannot be stored separately. As a result, the production cost fluctuates according to the raw material price during the changing period.
- For 2<sup>nd</sup> quarter of 2023, Refined Glycerine's ratio of cost of sales to total revenue was increased by 38.33% or 69.78% as compared to the same period of last year and the Refined Glycerine's ratio of cost of sales to total revenue was increased by 23.61% or 33.89% as compared to the 1<sup>st</sup> quarter of 2023. As of June 30, 2023, the Refined Glycerine's ratio of cost of sales to total revenue was increased by 21.25% or 35.84% as compared to the same period of last year, due to the decreased in the selling price.
- For 2<sup>nd</sup> quarter of 2023, the raw material, and by-products' ratio of cost of sales to total revenue was decreased by 0.37% or 0.36% as compared to the same period of last year and the raw material and by-products' ratio of cost of sales to total revenue was increased by 0.06% or 0.06% as compared to the 1<sup>st</sup> quarter of 2023. As of June 30, 2023, the raw material and by-products' ratio of cost of sales to total revenue was increased by 0.25% or 0.25% as compared to the same period of last year, However, the Company still determines the cost of sales of by-products according to the market price of the products expected to be sold.

#### 2. Cost of Services



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For 2<sup>nd</sup> quarter of 2023, the cost from production services decreased by 15.07% or 18.66% as compared to the same period of last year, and was decreased by 8.63% or 11.62% as compared to the 1<sup>st</sup> quarter of 2023. As of June 30, 2023, the cost from production services decreased by 7.44% or 9.44% as compared to the same period of last year, from the production services for edible oil in 2023 and the production services for refined glycerin in 2022.

### **Selling Expenses**

For 2<sup>nd</sup> quarter of 2023, the Company and its subsidiaries' selling expenses were Baht 10.55 million, increase by Baht 6.02 million or 132.89% as compared to the same period of last year and increase by Baht 0.19 million or 1.83% as compared to the 1<sup>st</sup> quarter of 2023. As of June 30, 2023, the Company and its subsidiaries' selling expenses were Baht 20.90 million, increase by Baht 10.80 million or 106.96% as compared to the same period of last year due to the logistic expenses were increased in quantities sold in biodiesel and edible oil, according to the terms of delivery agreed.

### **Administration Expenses**

For 2<sup>nd</sup> quarter of 2023, the Company and subsidiaries' administration expenses were Baht 19.58 million, decreased by Baht 0.38 million or 1.90% as compared to the same period of last year, and increased by Baht 0.21 million or 1.08% as compared to the 1<sup>st</sup> quarter of 2023. As of June 30, 2023, the administration expenses decreased by Baht 1.47 million or 3.63% from the same period of 2022. As of June 30, 2022, the Company has reversal of expected credit loss of Baht 22.44 million.

### **Financial Cost and Income Tax Expense**

For 2<sup>nd</sup> quarter of 2023, the Company and subsidiaries had financial cost of Baht 0.012 million, decreased by Baht 0.14 million or 92.31% as compared to the same period and increased by Baht 0.008 million or 200% as compared to the 1<sup>st</sup> quarter of 2023, which was Baht 0.004 million. As of June 30, 2023, the Company had financial cost of Baht 0.016 million, which decreased by Baht 0.147 million or 90.18% as compared to 2022.

For 2<sup>nd</sup> quarter of 2023, the Company and subsidiaries had income tax (income) decreased by Baht 1.98 million or 100.00% as compared to the same period. As of June 30, 2023, the Company and subsidiaries had income tax (income) decreased by Baht 1.38 million or 100.00% as compared to 2022.



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### Statement of Financial Position

Consolidated	June 30, 2023	December 31, 2022	Unit : Million Baht	
			Increase (Decrease)	%
Cash and cash equivalents	243.96	102.34	141.62	138.39%
Short-term investments	2.86	2.84	0.01	0.52%
Trade and other receivables	521.44	538.16	-16.72	-3.11%
Inventories	396.57	426.30	-29.74	-6.98%
Other current assets	8.53	6.60	1.93	29.21%
<b>Total current assets</b>	<b>1,173.35</b>	<b>1,076.24</b>	<b>97.11</b>	<b>9.02%</b>
Restricted bank deposits	56.01	56.40	-0.39	-0.68%
Property, plant and equipment	1,306.03	1,346.28	-40.25	-2.99%
Other non-current assets	3.62	2.33	1.28	55.01%
<b>Total assets</b>	<b>2,539.01</b>	<b>2,481.25</b>	<b>57.76</b>	<b>2.33%</b>
Trade and other payables	419.06	417.33	1.73	0.41%
Other current liabilities	44.93	48.59	-3.65	-7.52%
Other non-current liabilities	11.82	10.64	1.17	11.01%
<b>Total liabilities</b>	<b>475.80</b>	<b>476.56</b>	<b>-0.76</b>	<b>-0.16%</b>
Shareholder's equity	2,063.20	2,004.69	58.51	2.92%
<b>Total liabilities and shareholder's equity</b>	<b>2,539.01</b>	<b>2,481.25</b>	<b>57.76</b>	<b>2.33%</b>

### Assets

As of June 30<sup>th</sup>, 2023, the Company and subsidiaries had total assets of Baht 2,539.01 million, increased by Baht 57.76 million or 2.33% from December 31<sup>st</sup>, 2022, due to the increased in cash and cash equivalents from the exercised AIE-W2 that has been allocated to the existing shareholders of the Company.

### Liabilities

As of June 30<sup>th</sup>, 2023, the Company and subsidiaries had total liabilities of Baht 475.80 million, decreased by Baht 0.76 million or 0.16%, which has changed slightly from 2022.



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### **Shareholders' equity**

As of June 30<sup>th</sup>, 2023, the Company and subsidiaries had total shareholders' equity of Baht 2,063.20 million, increased by Baht 58.51 million or 2.92%. The main reason was the exercised of rights of AIE-W2 on May, 2023 for Baht 57.40 million, which are allocated to the existing shareholders and had realized a net profit from operations of Baht 1.11 million.

Please be informed according

Yours Sincerely,

AI Energy Public Company Limited

Miss Pimwan Thareratanavibool

Managing Director

Corporate Secretary Tel: 034-877-485-8 Ext. 500 Email: [ir@aienergy.co.th](mailto:ir@aienergy.co.th)