



15 August 2023

Subject Report on the operating performance for Q2'23 and 1H'23
 To President
 The Stock Exchange of Thailand

Ubon Bio Ethanol Public Company Limited and its subsidiaries (hereinafter referred to as “**Company**”) would like to clarify the operating results of the Company for the period ending on June 30, 2023, details are as follows:

The financial data used for the first-half period of the years 2022 and 2023, as shown in the following table, has been reclassified by the company's management for the purpose of financial performance analysis. Some of the key items have been reclassified as follows:

- (1) The presentation of production expenses under idle capacity cost, which is a cost incurred due to the inability to fully utilize production capacity, has been reclassified from being recorded as part of the cost of goods sold to other expenses.
- (2) The presentation of revenue from transportation services using transportation trucks (“UD Trucks”), which, the Company used to allocate the operating costs of UD Trucks as administrative expenses, and offset against the revenue generated from transportation services using UD Trucks. The management has reclassified these items to reflect the revenue from transportation services using UD Trucks as other income and the operating costs of UD Trucks as other expenses.

However, the aforementioned reclassification of items does not impact the net profit of the company as reported in the audited financial statements. Following the update and adjustment of the above items, there are three key items that have been affected as follows:

Items in the profit and loss statement (Unit: THB million)	Q1/22	Q2/22	Q1/23	First Half-Year Period	
				2022	2023
COGS - Old	1,301.3	1,568.7	1,400.2	2,871.9	2,540.2
<i>adjustments (1)</i>	(7.8)	(17.7)	(12.7)	(25.5)	-
<i>adjustments (2)</i>	(1.6)	(4.9)	-	(6.5)	-
COGS - New	1,291.9	1,546.1	1,387.5	2,839.9	2,540.2
Other expense - Old	5.3	12.6	5.6	17.8	106.7
<i>adjustments (1)</i>	7.8	17.7	12.7	25.5	-
Other expense - New	13.0	30.3	18.2	43.3	106.7
Other income - Old	6.0	8.5	10.9	14.5	15.2
<i>adjustments (2)</i>	3.6	7.7	-	11.4	-
Other income - New	9.6	16.2	10.9	25.8	15.2



The profit and loss statement after categorizing the new items is as follows:

Income Statement (Unit: THB mn)	Q2'23	Q2'22	YoY	Q1'23	QoQ	1H'23	1H'22	1H'23 vs. 1H'22
Ethanol business sale revenue	820.7	815.8	0.6%	844.1	-2.8%	1,664.7	1,729.1	-3.7%
Starch and flour business sale revenue	321.6	901.1	-64.3%	567.0	-43.3%	888.6	1,487.4	-40.3%
Other business sale revenue ⁽¹⁾	110.3	108.7	1.4%	88.1	25.1%	198.4	149.5	32.8%
Total sale revenue	1,252.5	1,825.2	-31.4%	1,499.2	-16.5%	2,751.7	3,365.9	-18.2%
COGS	-1,152.6	-1,546.1	-25.4%	-1,387.5	-16.9%	-2,540.2	-2,840.0	-10.6%
Gross profit	99.9	279.1	-64.2%	111.7	-10.5%	211.6	526.0	-59.8%
Other income	15.2	16.2	-6.0%	10.9	40.3%	26.1	25.8	1.0%
Net gain (loss) on Exchange	-7.5	-42.4	-82.4%	-5.6	33.9%	-13.0	-37.4	-65.1%
Selling and distribution expenses	-32.7	-65.3	-49.9%	-48.8	-32.9%	-81.5	-123.5	-34.0%
Administrative expenses	-77.8	-59.1	31.8%	-60.8	28.0%	-138.6	-118.7	16.8%
Other expenses	-88.4	-30.3	192.0%	-18.2	385.1%	-106.7	-43.3	146.3%
Operating Profit	-91.3	98.3	-193.0%	-10.9	-740.6%	-102.2	228.9	-144.7%
Finance cost	-15.2	-14.5	5.2%	-15.3	-0.7%	-30.6	-29.5	3.8%
Profit income before tax expense	-106.6	83.8	-227.2%	-26.2	-306.6%	-132.8	199.4	-166.6%
Taxes	-	-	-	-	-	-	-	-
Profit for the period	-106.6	83.8	-227.2%	-26.2	-306.6%	-132.8	199.4	-166.6%

Remark: (1) Include revenue from sales of biogas-based electricity, sales of new organic agricultural products such as coffee beans, rice, organic fertilizers, and Napier.

As for the Company's performance for 3 months ended 30 June 2023 (Q2'23), the Company generated total revenue of THB1,252.5 million, declined THB572.6 million or -31.4% YoY and reported net losses of THB106.6 million, declined THB190.4 million or -227.2% YoY and the earnings per share was THB -0.03 mainly due to a lower sales volume of starch and sharply increase of raw material cost (+14.5% YoY for fresh cassava). Also, the Company booked one-time items in Q2'23 as follows:

- 1) Idle Capacity Cost in the amount of THB69.6 million as the starch plant temporary shutdown in Q2'23 due to raw material shortage. This Idle Cost was presented as other expenses.
- 2) Annual Shutdown Expenses of the Ethanol plant in the amount of THB29.9 million. This Shutdown Expenses was presented in COGS, while last year, these Annual Shutdown Expenses was recorded in Q3'22.
- 3) Expected Credit Loss of THB24.1 million which was presented in SG&A.



As for the Company's performance for 6 months ended 30 June 2023 (1H'23), the Company generated total revenue of THB2,751.7 million, declined THB614.2 million or -18.2% YoY and recorded net losses of THB132.8 million, declined THB332.2 million or -166.6% YoY Thus, 1H'23 earnings per share was THB -0.03.

Sales revenue

In Q2'23, the Company recorded total sales revenue of THB1,252.5 million, declined THB572.6 million or -31.4% YoY mainly attributable from a decreasing volume of starch.

Sales revenue from ethanol business increased (+0.6% YoY) to THB820.7 million due to the higher selling price of fuel-grade ethanol, which has been upwards in line with the increase in raw material prices of molasses and cassava. While, sales from starch business declined 64.3% YoY to THB321.6 million due to global recession and high raw material prices caused by the impact of floods in Ubon Ratchathani Province. Sales of other segment slightly increased by 1.4% YoY to THB110.3 million, mainly attributable to the sales of coffee products.

In the first six months of 2023, the Company recorded total sales revenue of THB2,751.7 million, declined THB614.2 million or -18.2% YoY, mainly attributable from a decreasing volume of ethanol and starch.

Sales revenue from ethanol business declined (-3.7% YoY) to THB1,664.7 million as a result of lower volume of ethanol industrial-grade due to the relaxing of COVID-19 policy. While, sales from starch business declined 40.3% YoY to THB888.6 million due to global recession and the majority of the cassava plantation areas have been affected by floods. Sales of other segment rose significantly by 32.6% to THB198.4 million, mainly attributable to the outstanding sales of coffee products.

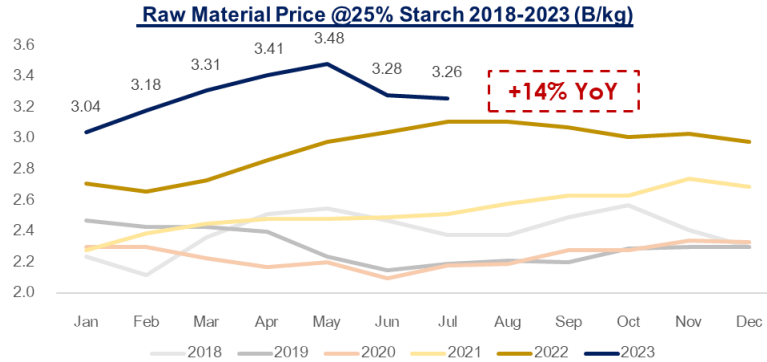
Cost of sales

In Q2'23, the Company's cost of sales was THB1,152.6 million, or 92.0% of total sale revenue and declined THB393.5 million (-25.4% YoY) due to the decreasing in sales volume. The Company was planning an annual shutdown in May, resulting in maintenance expenses for the year totaling THB29.9 million Which in the previous year, the annual shutdown was occurred in quarter 3. Thus, overall gross profit margin in Q2'23 dropped to 8.0% from 15.3% in Q2'22.

In 1H'23, the Company's cost of sales was THB2,540.2 million, or 92.3% of total sale revenue, due to higher raw material costs, especially cassava and declined THB299.7 million (-10.6% YoY) due to the decreasing in sales volume. Thus, overall gross profit margin in 1H'23 dropped to 7.7% from 15.6% in 1H'22.



Raw Material Price



Source: The Thai Tapioca Trade Association

The price of fresh cassava at the end of July 2023 was 3.26 baht per kilogram, reflecting a reduction from the end of March 2023 when it was 3.31 baht per kilogram, marking a decrease rate of 1.5%. Meanwhile, the average price of fresh cassava in the Q2'23 was 3.39 baht per kilogram, +14.5% YoY.

Expenditures on sales and administration

In Q2'23, the Company's expenditures on sales and administration were THB110.6 million, or 8.8% of total sales revenue. Of which THB32.7 million is expenditures on sales as a result of a reduction in export charge from a decline in starch sales volume and THB77.8 million is administration expense which the Company set aside provision for doubtful debts in the amount of THB24.1 million.

In 1H'23, the Company's expenditures on sales and administration were THB 220.1 million (of which THB81.5 million is expenditures on sales and THB138.6 million is administration expense), or 8.0% of total sale revenue. This is as a result of a reduction in export charge from a decline in starch sales volume.

Other Expenses

In Q2'23, the Company's other expenses were THB88.4 million, or 7.1% of total sale revenue which most of the expenses were idle capacity costs THB69.6 million, resulting from the scheduled annual shutdowns.

In 1H'23, the Company's other expenses were THB106.7 million, or 3.9% of total sale revenue which most of the expenses were idle capacity costs resulting from the scheduled annual shutdowns.

Financial cost

In Q2'23, the financial cost of the Company was THB15.2 million, increased by THB0.7 million or +5.2% YoY

In 1H'23, the financial cost of the Company was THB30.6 million, increased by THB1.1 million or +3.8%

YoY



บริษัท อูบอ ไบโธ เอทานอล จำกัด (มหาชน)
UBON BIO ETHANOL PUBLIC COMPANY LIMITED
 333 หมู่ 9 ต.นาดี อ.นาเขีย จ.อุบลราชธานี 34160
 333 Moo 9 , Nadee Sub-district ,Na Yia District, Ubon Ratchathani Province 34160
 Tel : +66 4525 2777, Fax : +66 4525 2776



Net profit

In Q2'23, the Company generated the net loss of THB106.6 million, decreased by THB190.4 million (-227.2% YoY). Net profit margin was recorded at -8.5% vs. 4.6% in Q2'22 mainly due to dramatically decline of high margin products and higher raw material cost resulted from floods in Q4'22 and the additional expenses from annual shutdown and doubtful debts.

In 1H'23, the Company generated the net loss of THB132.8 million, decreased by THB332.2 million (-166.6% YoY). Net profit margin was recorded at -4.8% vs. 5.9% in 1H'22, mainly due to dramatically decline of high margin products and higher raw material cost resulted from floods in Q4'22.

Assets

As at 30 June 2023, the Company's total assets amounted to THB 7,628.4 million, an increase of THB409.1 million or +5.7% from 31 December 2022, mainly from an increase in inventory from the purchase of cassava chips during the season.

Liabilities

As at 30 June 2023, the Company's total liabilities amounted to THB1,924.1 million, an increase of THB698.4 million or +57.0% from 31 December 2022, mainly from a short-term loan used as a working capital to purchase raw materials during the season.

Shareholders' Equity

As at 30 June 2023, the Company's shareholders' equity amounted to THB5,704.4 million, a decrease of THB289.4 million or -4.8% from 31 December 2022 due to the net loss in 1H'66 and dividends payment of THB156.6 million.