



# บริษัท ยูนิออน ปิโตรเคมีคอล จำกัด (มหาชน) UNION PETROCHEMICAL PUBLIC COMPANY LIMITED

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UKEM 018/2023

9<sup>th</sup> November 2023

Subject : Management Discussion and Analysis for the period ended 30<sup>th</sup> September 2023

To : Managing Directors and Directors, The Stock Exchange of Thailand

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED and its subsidiaries according (“Company”), would like to clarify the operating results and financial status g to the financial statements for the period ended 30<sup>th</sup> September 2023 as follows:

(Unit : Thousand Baht)

Consolidated	For the three month		Change		For the nine month		Change	
	2023	2022	Million baht	%	2023	2022	Million baht	%
<b>Revenues</b>								
Sales and services	711.13	752.86	(41.73)	(5.54)	2,153.42	2,398.84	(245.42)	(10.23)
Cost of sales and services	(627.77)	(711.30)	83.53	(11.74)	(1,947.95)	(2,181.72)	233.77	(10.71)
<b>Gross profit</b>	<b>83.36</b>	<b>41.56</b>	<b>41.80</b>	<b>100.58</b>	<b>205.47</b>	<b>217.12</b>	<b>(11.65)</b>	<b>(5.37)</b>
<b>Expenses</b>								
Other income	1.55	2.00	(0.45)	(22.50)	43.23	4.72	38.51	815.89
Selling expenses	(23.78)	(24.07)	0.29	(1.20)	(67.81)	(70.79)	2.98	(4.21)
Administrative expenses	(40.00)	(43.70)	3.70	(8.47)	(129.72)	(131.21)	1.49	(1.14)
<b>Profit (loss) from operating activities</b>	<b>21.13</b>	<b>(24.21)</b>	<b>45.34</b>	<b>(187.28)</b>	<b>51.17</b>	<b>19.84</b>	<b>31.33</b>	<b>157.91</b>
Finance Cost	(3.68)	(3.09)	(0.59)	19.09	(12.79)	(8.86)	(3.93)	44.36
<b>Profit (loss) before income tax expenses from continuing operations</b>	<b>17.45</b>	<b>(27.30)</b>	<b>44.75</b>	<b>(163.92)</b>	<b>38.38</b>	<b>10.98</b>	<b>27.40</b>	<b>249.54</b>
Income tax expenses (revenues)	(3.38)	4.87	(8.25)	(169.40)	(37.73)	(3.59)	(34.14)	950.97
<b>Profit (loss) for the period from continuing operations</b>	<b>14.07</b>	<b>(22.43)</b>	<b>36.50</b>	<b>(162.73)</b>	<b>0.65</b>	<b>7.39</b>	<b>(6.74)</b>	<b>(91.20)</b>
Profit (loss) for the period from discontinued operation net If income tax	0.00	(1.26)	1.26	(100.00)	(4.02)	(6.10)	2.08	(34.10)
<b>Profit (loss) for the period</b>	<b>14.07</b>	<b>(23.69)</b>	<b>37.76</b>	<b>(159.39)</b>	<b>(3.37)</b>	<b>1.29</b>	<b>(4.66)</b>	<b>(361.24)</b>
<b>Gross profit margin (%)</b>	<b>11.72%</b>	<b>5.52%</b>	<b>6.20%</b>		<b>9.54%</b>	<b>9.05%</b>		<b>0.49%</b>
<b>Net profit margin (%)</b>	<b>1.98%</b>	<b>-3.15%</b>	<b>5.13%</b>		<b>-0.16%</b>	<b>0.05%</b>		<b>-0.21%</b>

## ➤ Revenue from sales and administrative

Operating results Revenue from sales and administrative for the 9-month period ended 30<sup>th</sup> September 2023 was shown at 2,153.42 million baht, compared to the same period of the previous year the revenue an increase of 245.42 million or equivalent to 10.23%, It is the result of the average selling price of products in all product groups. The price has decreased compared to the previous year. The decreased income was from sales of general chemical products(Solvent), and special chemical product group

Operating results for the 3-month period ended 30<sup>th</sup> September 2023 was shown at 711.13 million baht, compared to the same period of the previous year the revenue an increase of 41.73 million or equivalent to 5.54%, The price has decreased compared to the previous year. The decreased income was from sales of general chemical products(Solvent).

### ➤ **Gross profit**

Operating results gross profit for the 9-month period ended 30<sup>th</sup> September 2023 was shown at 205.47 million baht, compared to the same period of the previous year the revenue an increase of 11.65 million or equivalent to 5.37% , because the products procured and sold down and down rapidly due to a sharp decrease in market supply in every industry, causing product costs to increase And the increase in the average product cost increased more than the average selling price, resulting in a decrease in gross profit, especially in the first 6 months, especially in the general chemical product group (Solvent).

Operating results gross profit for the 3-month period ended 30<sup>th</sup> September 2023 was shown at 83.36 million baht, compared to the same period of the previous year, an increase of 41.80 million baht or an increase of 100.58%. This is because in the first six months, high-cost products were released to absorb the cost of new products. This resulted in better inventory management and the average selling price of the products decreased less than the average selling price. Especially the general chemical product group (Solvent) and special chemical product group

### ➤ **Selling expenses**

Operating results Selling expenses for the 3-month and for the 9-month period ended 30<sup>th</sup> September 2023 was shown at 67.81 million baht and 23.78 million baht, compared to the same period of the previous year the expenses a decrease of 2.98 million and 0.29 million or equivalent to 4.21% and 1.20% , this is because promotional costs decreased which was associated with lower sales.

### ➤ **Administrative expenses**

Operating results administrative expenses for the 3-month and for the 9-month period ended 30<sup>th</sup> September 2023 was shown at 129.72 million baht and 40.00 million baht, compared to the same period of the previous year the administrative expenses an increase of 1.49 million and 3.70 million or equivalent to 1.14% and 8.47%, due to unrealized profits from investment units Compared to the previous year, there were unrealized losses from investment units. Various expenses have decreased in the same direction as income and product prices per unit decreased from raw material prices.

## ➤ Finance expenses

Operating results finance expenses for the 3-month and for the 9-month period ended 30<sup>th</sup> September 2023 was shown at 12.79 million baht and 3.68 million baht, compared to the same period of the previous year the finance express an increase of 12.79 million and 3.68 million or equivalent to 44.36% and 19.09%, This is because the bank has increased the interest rate.

## ➤ Net profit

The Company's overall operating result the 9-month period ended 30<sup>th</sup> September 2023 was shown at 3.37 million baht, a decrease of 4.66 million baht or equivalent to 361.24%, because during the first six months the company There is a high product cost. Gross profit decreased and started to manage product inventory better in the third quarter, resulting in an overall loss during the nine months.

The Company's overall operating result for the 3-month period ended 30<sup>th</sup> September 2023 was shown at 14.07 million baht, The net profit a decrease of 37.76 million baht or equivalent to 159.39%, because the company Able to manage stock better, control average product costs lower and Sell products at a higher average price and control expenses have decreased.

## Statement of financial position

( Unit : Thousand Baht )	As at	As at	Change	
	September	December	Increase (DecreaseX)	
	30 , 2023	30 , 2022	Amount	%
<b>Total assets</b>	<b>1,570.46</b>	<b>2,051.71</b>	<b>(481.25)</b>	<b>(23.46)</b>
<b>Total liabilities</b>	<b>756.45</b>	<b>1,041.42</b>	<b>(284.97)</b>	<b>(27.36)</b>
<b>Total shareholders'equity</b>	<b>814.11</b>	<b>1,010.29</b>	<b>(196.18)</b>	<b>(19.42)</b>

## ➤ Assets

As of 30<sup>th</sup> September 2023, the company had total assets of 1,570.46 million baht, a decrease from the same period of the previous year of 481.25 million baht, or 23.46 percent, with the main cause being

1. Trade receivables and other receivables decreased by 56.77 million baht or a decrease of 7.39 percent, resulting from sales of receivables from the general chemicals group (Solvent), consistent with the decrease in sales revenue. The age of most trade receivables is classified as not yet due and payments not exceeding 3 months.

2. Inventories decreased by 38.00 million baht, representing 10.00 percent, due to a decrease in purchases of products in the general chemical group, with sales volume exceeding the purchase volume during the period.

3. Non-current assets held for sale decreased by 513.09 million baht, accounting for 100 percent, resulting from the sale of all common shares held by the company in Gratitude Infinite Public Company Limited, amounting to 221.60 million shares. or equivalent to 66.99 percent of the shares issued and fully paid to new shareholders who are not related to the company.

### ➤ **Liabilities**

As of 30<sup>th</sup> September 2023, the company had total liabilities of 756.45 million baht, decreased from the same period of the previous year, 284.97 million baht, accounting for 27.36 percent, due to a decrease in short-term loans from financial institutions, during which there was a decrease in product purchases and this corresponds to a decrease in sales income as well.

### ➤ **Shareholders' equity**

As of 30<sup>th</sup> September 2023, the company had total shareholders' equity of 814.11 million baht, a decrease from the same period of the previous year of 196.18 million baht, or 19.42 percent, due to a decrease in the equity of stakeholders who do not have control over the company. Subsidiary company and operating losses

Best regards



(Mr. Peeraphon Suwannaphasri)

Managing Director