



14 November 2023

Subject Report on the operating performance for Q3'23 and 9M'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 September 30, 2023, details are as follows:

As for the Company’s performance for 3 months ended 30 September 2023 (Q3'23), the Company generated total revenue of THB1,434.7 million, declined by THB340.9 million or -19.2% YoY and reported net profit of THB20.7 million, increased by THB40.7 million or +203.8% YoY and the earnings per share was THB0.005

As for the Company’s performance for 9 months ended 30 September 2023 (9M'23), the Company generated total revenue of THB4,186.4 million, declined by THB955.1 million or -18.6% YoY and recorded net losses of THB112.1 million, declined by THB291.6 million or -162.5% YoY Thus, 9M'23 earnings per share was THB -0.029.

Income Statement (Unit: THB mn)	Q3'23	Q3'22	YoY	Q2'23	QoQ	9M'23	9M'22	9M'23 vs. 9M'22
Ethanol business revenue	1,007.5	919.5	9.6%	820.6	22.8%	2,672.2	2,648.6	0.9%
Starch and flour business revenue	344.6	761.3	-54.7%	321.6	7.2%	1,233.2	2,248.7	-45.2%
Other business revenue ⁽¹⁾	82.6	94.8	-12.9%	110.3	-25.1%	281.0	244.2	15.1%
Total revenue	1,434.7	1,775.6	-19.2%	1,252.5	14.5%	4,186.4	5,141.5	-18.6%
COGS	-1,255.4	-1,608.4	-21.9%	-1,152.6	8.9%	-3,795.6	-4,448.4	-14.7%
Gross profit	179.3	167.2	7.2%	99.8	79.6%	390.8	693.1	-43.6%
Other income	24.2	16.8	43.9%	15.2	59.0%	50.3	42.7	17.9%
Net gain (loss) on Exchange	-8.5	-55.9	-84.8%	-7.5	13.8%	-21.5	-93.3	-76.9%
Selling and distribution expenses	-43.7	-53.8	-18.8%	-32.7	33.5%	-125.2	-177.3	-29.4%
Administrative expenses	-75.5	-57.2	32.0%	-77.8	-3.0%	-214.2	-176.0	21.7%
Other cost	-43.5	-25.4	71.1%	-88.4	-50.8%	-150.2	-68.7	118.5%
Operating Profit	32.3	-8.4	485.3%	-91.4	135.3%	-70.0	220.5	-131.7%
Finance cost	-10.9	-11.6	-6.3%	-15.2	-28.8%	-41.4	-41.1	0.9%
Profit income before tax expense	21.4	-20.0	207.4%	-106.6	120.1%	-111.4	179.5	-162.1%
Taxes	-0.7	-	-	-	-	-0.7	-	-
Profit for the period	20.7	-20.0	203.8%	-106.6	119.4%	-112.1	179.5	-162.5%

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.



Sales

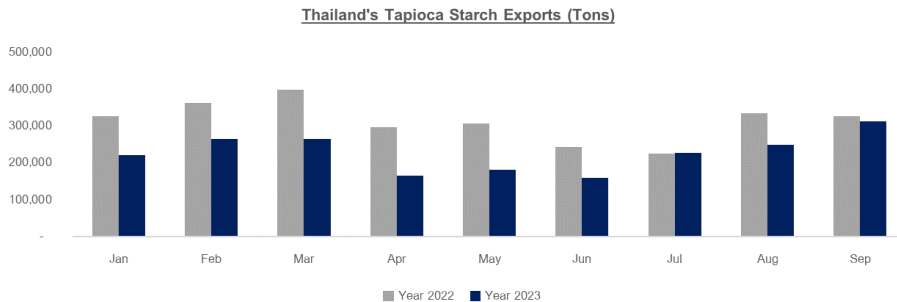
In Q3'23, the Company recorded total sales of THB1,434.7 million, declined by THB340.9 million or -19.2% YoY mainly from decreasing in sales volume of starch.

Sales from ethanol business increased (+9.6% YoY) to THB1,007.5 million due to the higher selling price of fuel-grade ethanol, which has been increased in line with the increase in raw material prices of molasses and cassava. While, sales from starch business declined by 54.7% YoY to THB344.6 million due to high raw material prices caused by the impact of floods in Ubon Ratchathani Province. Sales of other segment slightly decreased by 12.9% YoY to THB82.6 million, mainly attributable to the sales of coffee products.

In the first nine months of 2023, the Company recorded total sales of THB4,186.4 million, declined by THB955.1 million or -18.6% YoY, mainly attributable from decreasing in sales volume of starch.

Despite the decline in ethanol demand compared to the previous year, UBE sales volume in 2023 remains steady, coupled with the higher selling price driven by the increase in raw material costs of molasses and cassava. As a result, Sales from ethanol business increased (+0.9% YoY) to THB2,672.2 million. While, sales from starch business declined by 45.2% YoY to THB1,233.2 million due to the majority of the cassava plantation areas have been affected by floods and the delays in customer orders due to high inventory. When compared to the export of Thai cassava starch, the export quantity has also decreased. Sales of other segment rose by 15.1% to THB281.0 million, mainly attributable to the sales volume of coffee products.

Thailand's Tapioca Starch Exports



Source: Thai Customs

The cassava starch export volume from January to September 2023 is 2,041,944 metric tons, a decrease from the same period last year, which was 2,815,860 metric tons, representing a -27.5% YoY decline.

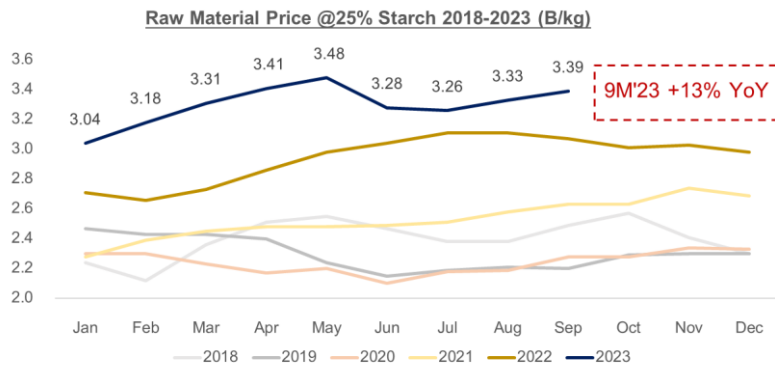
Cost of sales

In Q3'23, the Company's cost of sales was THB1,255.4 million, or 87.5% of total sale revenue and declined THB353.0 million (-21.9% YoY) due to the decreasing in sales volume. And in the previous year, the annual shutdown was occurred in quarter 3. Thus, overall gross profit margin in Q3'23 rose to 12.5% from 9.4% in Q3'22.



In 9M'23, the Company's cost of sales was THB3,795.6 million, or 90.7% of total sale revenue, due to higher raw material costs, especially cassava and declined by THB652.8 million (-14.7% YoY) due to the decreasing in sales volume. Thus, overall gross profit margin in 9M'23 dropped to 9.3% from 13.5% in 9M'22.

Raw Material Price



Source: The Thai Tapioca Trade Association

The price of fresh cassava at the end of September 2023 was 3.39 baht per kilogram, increased from the end of June 2023 when it was 3.28 baht per kilogram, marking an increase rate of 3.4%. Meanwhile, the average price of fresh cassava in the Q3'23 was 3.33 baht per kilogram, increase of 7.4% from the same period last year, and the average price for 9M'23 stands at 3.30 Baht per kilogram, reflecting a 13.0% increase from 9M'22.

Expenditures on sales and administration

In Q3'23, the Company's expenditures on sales and administration were THB119.2 million, or 8.3% of total sales revenue. Of which THB43.7 million is expenditures on sales as a result of a reduction in export charge from a decline in starch sales volume and THB75.5 million is administration expense.

In 9M'23, the Company's expenditures on sales and administration were THB339.4 million (of which THB125.2 million is expenditures on sales and THB214.2 million is administration expense), or 8.1% 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 Q3'23, the Company's other expenses were THB43.5 million, or 3.0% of total sale revenue which most of the expenses were idle capacity costs.

In 9M'23, the Company's other expenses were THB150.2 million, or 3.6% of total sale revenue which most of the expenses were idle capacity costs resulting from the scheduled annual shutdowns.



Financial cost

In Q3'23, the financial cost of the Company was THB10.9 million, declined by THB0.7 million or -6.3% YoY

In 9M'23, the financial cost of the Company was THB41.4 million, increased by THB0.4 million or +0.9% YoY

Net profit

In Q3'23, the Company generated the net profit of THB20.7 million, increased by THB40.7 million (+203.8% YoY). Net profit margin was recorded at 1.4% vs. -1.1% in Q3'22.

In 9M'23, the Company generated the net loss of THB112.1 million, decreased by THB291.6 million (-162.5% YoY). Net profit margin was recorded at -2.7% vs. 3.5% in 9M'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 September 2023, the Company's total assets amounted to THB7,214.1 million, a decrease of THB5.3 million or -0.1% from 31 December 2022.

Liabilities

As at 30 September 2023, the Company's total liabilities amounted to THB1,489.0 million, an increase of THB263.4 million or +21.5% 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 September 2023, the Company's shareholders' equity amounted to THB5,725.1 million, a decrease of THB268.6 million or -4.5% from 31 December 2022 due to the net loss in 9M'23 and dividends payment of THB156.6 million.