



# Management Discussion & Analysis

## BBGI Public Company Limited

Earning Results

For the 1<sup>st</sup> Quarter Period Ended March 31<sup>st</sup>, 2024

## Executive Summary

	Q1/2024	Q1/2023	YoY	Q4/2023	QoQ
Ethanol Sale Volume (Million Liters)	25.42	28.09	-10%	50.11	-49%
Average Ethanol Reference Price (Baht/Liter) *	31.17	29.20	7%	30.21	3%
Biodiesel Sale Volume (B100) (Million Liters)	120.41	67.06	80%	77.77	55%
Average B100 Reference Price (Baht/Liter) *	35.77	33.74	6%	33.90	6%

\*From Energy Policy and Planning Office (EPPO), Ministry of Energy

THB Million	Q1/2024	Q1/2023	YoY	Q4/2023	QoQ
Sales revenue	4,958	2,942	69%	4,240	17%
Gross profit	239	75	220%	193	24%
<b>Profit (loss) attributable to owners of the Parent</b>	<b>120</b>	<b>(31)</b>	<b>490%</b>	<b>79</b>	<b>51%</b>

The Thai economy improved in Q1/2024 over the previous quarter, with exports increasing and industrial production contracting less. Private consumption and service activities rose as tourism revenue increased. Furthermore, inflationary pressures remained low due to the government's cost-cutting policies. As a result, inflation estimates have been revised downward. Nevertheless, there are other significant issues that will influence the Thai economy, including: (1) global geopolitical conflicts in diverse locations may escalate. It may be a limitation and have an impact on the Thai economy's growth in the coming years, such as strategic competition between China and the United States, the war between Israel and Hamas, which may cause an increase in energy prices, and the extension of the war between Russia and Ukraine. 2) Situation of leadership elections in Thailand's important trading partners, such as the United States, Russia, India, etc., which may affect the implementation of Thailand's international policy. 3) Volatility in the global financial market due to the strict monetary policies of the main trading partners and problems with financial institutions abroad, especially, the United States and European Union and 4) China's economic situation may affect exports and the recovery of Thailand's tourism sector.

The government's policy on biofuel promotion, the Committee on Energy Policy Administration (CEPA), announced that the blending ratio of biodiesel in high-speed diesel will be B7 by April 30, 2024. From May 1, 2024 onwards, the Department of Energy Business has issued an announcement to maintain two types of high-speed diesel fuel remaining: 1. Ordinary high-speed diesel fuel (B7) is the country's base diesel fuel. Because it is compatible with all current car models and brands. 2. High-speed diesel fuel B20 (B20) is an alternative fuel for large trucks. In addition, the period for paying compensation for the price of fuel containing biofuels (biodiesel, ethanol) in accordance with the Fuel Fund Act 2019 has been extended in order to ensure national energy security, reduce energy imports, and support the use of fuel blended biofuel and to help farmers generate income through the sale of agricultural crops such as oil palm, sugarcane, and cassava until September 24, 2024, and is being considered for an extension of no more than two years, or September 24, 2026.



For performance in Q1/2024, BBGI Public Company Limited ("the Company") and its subsidiaries recorded total revenue from sales of THB 4,958 million, increased by 69% YoY and increased by 17% QoQ with EBITDA of THB 284 million, increased by 165% YoY and increased by 12% QoQ, and net profit attribute to owners of the parent at THB 120 million. Performance of each business group are as follow:

▲ YoY	▲ QoQ
<p>(-)For the ethanol business, recognition of the modest fall in gross profit due to the decrease in sales volume in accordance with the sale management plan.</p>	<p>(-)For the ethanol business, recognition of the lower gross profit due to the decrease in sales volume in accordance with the sale management plan.</p>
<p>(+) For the biodiesel business (B100), recognition of the higher gross profit due to an increase in sales volume as a result of Bangchak Corporation PLC, or BCP, acquiring the shares of Bangchak Sriracha PLC, or BSRC.</p>	<p>(+)For the biodiesel business (B100), recognition of the higher gross profit due to an increase in sales volume as a result of Bangchak Corporation PLC, or BCP, acquiring the shares of Bangchak Sriracha PLC, or BSRC.</p>
<p>(+)The distribution costs and administrative expenses decreased mainly due to a reduction in administrative expenses for the ethanol business from a decrease in the cost of temporarily shutting down a factory.</p>	<p>(-) The distribution costs and administrative expenses increased mainly due to an increase in distribution costs caused by the rising demand for biodiesel from BSRC.</p>



## Significant Events in Q1/2024

### The dividend payment for the year 2023 at the rate 0.05 Bath per share.

The Annual General Meeting of Shareholders on April 5, 2024 has the resolution to approve the allocation of net profit for the year 2023 as a legal reserve in the amount of 494,000 Baht, representing 5% of net profit from the separate financial statements, and approved the dividend payment for the year 2023 at the rate of 0.05 Baht per share, equivalent to a total of approximately 72,300,000 Baht. The Company fixed the dividend payment date will be 3 May 2024.

### The change in the usage of the IPO proceed.

The Annual General Meeting of Shareholders on April 5, 2024 has the resolution to approve the change in the usage of the IPO proceeds for investment in the Sustainable Aviation Fuel (SAF) production and distribution project and other biofuel related projects and/or products related to the production and distribution of biofuel without specifying any limit to an amount within the IPO proceeds budget.



## Group Business Performance

THB Million	Q1/2024	Q1/2023	YoY	Q4/2023	QoQ
Sales revenue	4,958	2,942	69%	4,240	17%
Cost of goods sold	(4,719)	(2,867)	65%	(4,047)	17%
<b>Gross profit</b>	<b>239</b>	<b>75</b>	<b>220%</b>	<b>193</b>	<b>24%</b>
Other income	10	14	-27%	16	-38%
Distribution costs and administrative expenses	(82)	(90)	-9%	(73)	13%
Share of profit (loss) of associate and joint venture	(2)	(4)	48%	(2)	-19%
<b>Profit (loss) before finance costs and tax expense</b>	<b>165</b>	<b>(5)</b>	<b>3,170%</b>	<b>135</b>	<b>22%</b>
Finance costs	(16)	(19)	-15%	(18)	-8%
Tax expense	(7)	(1)	414%	(5)	32%
<b>Profit (Loss) for the period</b>	<b>142</b>	<b>(26)</b>	<b>645%</b>	<b>112</b>	<b>27%</b>
<b>Profit (loss) attributable to owners of the Parent</b>	<b>120</b>	<b>(31)</b>	<b>490%</b>	<b>79</b>	<b>51%</b>
<b>Basic earnings per share (in Baht)</b>	<b>0.083</b>	<b>(0.021)</b>		<b>0.055</b>	

As for performance in Q1/2024, the Company and its subsidiaries recorded total revenue from sales of THB 4,958 million, increased by 69% YoY and increased by 17% QoQ, recorded EBITDA of THB 284 million, increased by 165% YoY and increased by 12% QoQ, and the net profit attributable to owners of the parent was THB 120 million, representing earnings per share of THB 0.083. Each business area's performance is as follows:

### ○ Sales Revenue

Performance in Q1/2024, the Company and its subsidiaries recorded total revenue from sales of THB 4,958 million, increased by THB 2,017 million or 69% YoY and increased 17% QoQ. Details are as follow;

- (1) Revenue from the production and distribution of ethanol business amounted to THB 801 million, decreased by THB 22 million, or 3% YoY and decreased by THB 717 million, or 47% QoQ, due to a decrease in sales volume in accordance with the sales management plan.
- (2) Revenue from the production and distribution of biodiesel business amounted to THB 4,157 million, increased by THB 2,040 million, or 96% YoY and increased by THB 1,435 million, or 53% QoQ due to an increase in the sales volume of biodiesel products as a result of Bangchak Corporation PLC, or BCP, acquiring the shares of Bangchak Sriracha PLC, or BSRC and the biodiesel factory could produce at full capacity.

### ○ Gross Profit

In Q1/2024, the Company and its subsidiaries recorded gross profit of THB 239 million, which increased by THB 164 million, or 220% YoY and increase by THB 46 million, or 24% QoQ, was due to an increase in the sales volume of biodiesel products.



Biotechnology  
Beyond Biopower



### ○ Distribution costs and administrative expenses

In Q1/2024, the Company and its subsidiaries recorded distribution costs and administrative expenses of THB 82 million, which decreased by THB 8 million, or 9% YoY, owing primarily to a decrease in expenses related to the ethanol factory's temporary shutdown, which was transferred to administrative expenses and increased by THB 10 million, or 13% QoQ mainly due to an increase in biodiesel distribution costs.

### ○ Net Profit

In Q1/2023, the Company and its subsidiaries recorded net profit attributable to parent company at amount of THB 120 million, increased by THB 151 million or 490% YoY and increased by THB 41 million or 51% QoQ.

## Financial Position

Statement of Financial Position (THB Million)	31 March 2024	31 December 2023
Total Assets	15,244	13,635
Total Liabilities	5,173	3,699
Total Equity	10,071	9,937

### ○ Assets

As of 31<sup>st</sup> March 2024, the Company and its subsidiaries had total assets in the amount of THB 15,244 million, an increase of THB 1,609 million or 12% compared to end of last year. The total assets were separated into total current assets in the amount of THB 6,465 million equivalent to 42% of total assets and total non-current assets in the amount of THB 8,779 million equivalent to 58% of total assets, in which the key change was from an increase in inventory THB 1,394 million and investment in associate and joint venture increase by THB 198 million due to the capital increase in BSGF Company Limited.

### ○ Liabilities

As of 31<sup>st</sup> March 2024, the Company and its subsidiaries had total liabilities THB 5,173 million, an increase of THB 1,474 million or 40% compared to end of last year. The total liabilities were separated into total current liabilities in the amount of THB 4,446 million, equivalent to 86% of total liabilities, and total non-current liabilities in the amount of THB 727 million, equivalent to 14% of total liabilities, in which the key changes in liabilities were short-term loans from financial institutions increased by THB 650 million for raw material procurement and working capital, and trade accounts payable increased by THB 927 million from the procurement of raw materials for use in increased biodiesel and ethanol production.



## ○ Shareholders' Equity

As of 31<sup>st</sup> March 2024, the Company and its subsidiaries had total shareholders' equity THB 10,071 million, an increase of THB 135 million or 1% compared to end of last year.

## Cash Flow Statement

As of 31<sup>st</sup> March 2024, the Company and subsidiaries had cash and cash equivalents in the amount of THB 1,832 million, details are as follow;

Cash Flows (THB Million)	31 March 2024	31 March 2023
Net cash from (used in) operating activities	(727)	(642)
Net cash from (used in) investing activities	(218)	1,078
Net cash from (used in) financing activities	516	663
Net increase (decrease) in cash and cash equivalents	(428)	1,099
Cash and cash equivalents at 1 January	2,260	1,414
Cash and cash equivalents at 31 March	1,832	2,513

Net cash used in operating activities was THB 727 million. The main items were an increase in cash payment utilized for procuring raw materials supporting the increased sales of ethanol and biodiesel production in the amount of THB 1,395 million and an increase in trade accounts payable in the amount of THB 927 million.

Net cash used in investing activities was THB 218 million, mainly from cash payment for increasing capital in BSGF Company Limited in the amount of THB 200 million.

Net cash from financing activities was THB 516 million, mainly from cash received from short-term loans from financial institutions in the amount of THB 650 million for raw material procurement and working capital and repayment for long-term loans from financial institutions THB 122 million.

## Key Financial Ratios

	Q1/2024	Q1/2023	Q4/2023
Gross Profit Margin (%)	4.82%	2.54%	4.55%
Net Profit Margin (%)	2.87%	-0.89%	2.64%
Return On Equity (ROE) (%)	1.69%	-1.37%	0.10%
Return On Assets (ROA) (%)	2.58%	-0.36%	1.41%
Current Ratio (Times)	1.45	2.34	1.72
Interest Bearing Debt to Equity (IBD/E) (Times)	0.30	0.34	0.25

Note: Gross Profit Margin (%)	=	Gross Profit / Total Revenue
Net Profit Margin (%)	=	Net Profit / Total Revenue
Return on Equity (ROE) (%)	=	Profit Attributable to Owners of the Parent (Yearly) / Total Equity Attributable to Owners of the Parent (Average)
Return on Assets (ROA) (%)	=	EBIT (Yearly) / Total Asset (Average)
Current Ratio (Times)	=	Current Assets / Current Liabilities
Interest Bearing Debt to Equity (IBD/E) (Times)	=	Interest Bearing Debt / Total Equity

