



บริษัท น้ำมันพืชไทย จำกัด (มหาชน)

THAI VEGETABLE OIL PUBLIC COMPANY LIMITED

TVO/CP/24/012

August 9, 2024

Subject : Report of the Financial Statement, ended of June 30, 2024

Attention : The President of the Stock Exchange of Thailand

Thai Vegetable Oil Public Company Limited (“Company”) would like to submit the financial statements as ended of June 30, 2024, which have been reviewed by the auditor together with the management discussion and analysis as an information for investors and those who are interested.

Operating Results

Operating results of the Company and its subsidiary for three-month and six-month period ended June 30, 2024 and 2023 were as follows

Unit: Million Baht	For three-month period, ended June 30				For six-month period, ended June 30			
	2024	2023	Increase / (Decrease)		2024	2023	Increase / (Decrease)	
			Amount	%			Amount	%
Sales	7,133	8,968	(1,835)	(20.5)	14,752	18,323	(3,571)	(19.5)
Sales of packing materials	105	116	(11)	(9.2)	200	222	(22)	(10.1)
Total sales	7,238	9,084	(1,846)	(20.3)	14,951	18,545	(3,594)	(19.4)
Cost of sales	6,454	8,969	(2,515)	(28)	13,643	18,282	(4,640)	(25.4)
Gross Profit	784	115	669	580	1,309	263	1,046	398.2
Profit (loss) on exchange rate / derivatives	74	(138)	212	153.7	110	56	54	96.2
Other income	45	43	2	5.1	77	64	13	20.3
Selling expenses	147	148	(1)	(0.8)	274	286	(12)	(4.2)
Administrative expenses	65	76	(11)	(14)	129	145	(16)	(11)
Allowance for expected credit loss (Reversal)	(3)	(1)	(2)	(303.8)	(4)	(6)	2	31.8
Reduction cost of inventories to net realizable value (Reversal)	(3)	(247)	244	98.7	6	(253)	259	102.4
Financial cost	4	5	(1)	(17.7)	6	11	(5)	(47)
Profit before income tax expenses	694	40	654	1,641.5	1,085	200	885	443.5
Income tax expenses	131	2	129	5,482.9	203	33	170	508.5
Net profit attributable to equity holders of the Company	550	35	515	1,463	859	163	695	425.5
Non-controlling interests of the subsidiaries	12	2	10	439.5	23	3	20	711.2

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In the second quarter of 2024, the Company and its subsidiary had a net profit Baht 550 million, increased by Baht 515 million or 1,463% from Baht 35 million when compared to the same quarter in 2023. The main reasons were;

1. Sales Revenues

The Company and its subsidiary had total sales revenue of Baht 7,238 million, decreased by Baht 1,846 million or 20.3% from Baht 9,084 million when compared to the second quarter of 2023. The revenue from sales of products was Baht 7,133 million, decreased by Baht 1,835 million or 20.5% from Baht 8,968 million when compared to the second quarter of 2023, and the revenue from sales of packaging materials was Baht 105 million, decreased by Baht 11 million or 9.2% from Baht 116 million when compared to the second quarter of 2023. The details were as follows;

- **Revenue from sales of soybean meal and other animal feed ingredients** decreased compared to the second quarter of 2023 as a result of the decline of the unit selling price. This was consistent with both the price of soybean meal in global market and the high competition of domestic market. In addition, sales volume slightly decreased when compared to the same period last year due to the current livestock situation, particularly among swine farmers, continues to face challenges due to the slow recovery of farm-gate pork prices. This has led farmers to maintain their livestock numbers at a low level, resulting in a stagnation of raw material purchases.
- **Revenue from sales of refined soybean oil products** decreased compared to the second quarter of 2023, primarily attributed to lower selling prices that corresponded with a reduction in raw material costs. Furthermore, there was a modest decrease in overall sales volume due to lower sales in specific industrial segments. However, consumer oil sales experienced an increase compared to the same period in 2023, driven by the narrowing spread between the prices of refined soybean oil and palm oil
- **Revenue from sales of packaging materials:** decreased compared to the second quarter of 2023 partly due to lower orders from some major customer groups.

2. Cost of Sales and Gross Profits

The Company and its subsidiary's cost of sales was Baht 6,454 million, decreased by Baht 2,515 million or 28% from Baht 8,969 million. The gross profits of the Company and its subsidiary was Baht 784 million, increased by Baht 669 million or 580% from Baht 115 million when compared to the second quarter of 2023. The main reasons were;

- **Cost of Sales and Gross Profits of the Company:** The cost of sales decreased when compared to the second quarter of 2023, primarily due to lower sales volume and a decline in soybean prices, which is the Company's key raw material. This aligned with the global decline in soybean prices following a nearly 20-million ton increase in global soybean production for the 2023/2024 season compared to the previous year. Furthermore, global soybean production is projected to continue increasing in the 2024/2025 season, driven by the three major producing countries: Brazil, the United States, and Argentina. Consequently, global soybean stocks are expected to reach record highs. In contrast, during the same period last year, soybean production in South America, particularly in Argentina, suffered due to drought conditions caused by the La Niña phenomenon, which severely impacted yields. Although the average selling price of all products decreased this quarter, the rate of decrease was lower compared to the decline in raw material costs, consequently leading to an increase in the Company's gross profit.
- **Cost of Sales and Gross Profits of the Company's subsidiary:** The cost of sales of the Company's subsidiary decreased when compared to the second quarter of 2023 due to the lower cost of production. As a result, the Company's subsidiary gross profit increased comparing to the same period of last year.

3. Gain on exchange rate / derivatives

The Company has managed to hedge foreign exchange risk and commodity price risk with a forward contract. Therefore, the Company had gain on the foreign exchange rate and derivative amounted to Baht 74 million, increased by Baht 212 million or 153.7% from Baht 138 million loss when compared to the second quarter of 2023

4. Other Income

The Company and its subsidiary generated other incomes of Baht 45 million, increased by Baht 2 million or 5.1% from Baht 43 million when compared to the second quarter of 2023 according to the dividend income.

5. Selling and Administrative Expenses

The Company and its subsidiary's selling expenses was Baht 147 million, decreased by Baht 1 million or 0.8% from Baht 148 million when compared to the second quarter of 2023 due to the decrease of transportation expense and exporting expense.

Administrative expenses were Baht 65 million, decreased by Baht 11 million or 14% from Baht 76 million compared to the second quarter of 2023, due to salaries, wages, other employee's benefit, and expenses ceased operations on certain goods.

6. Allowance for expected credit losses (reversal)

In the second quarter of 2024, the Company and its subsidiaries reversed the recognition of allowance for expected credit losses value of Baht 3 million.

7. Reduction of inventory to net realizable value (reversal)

In the second quarter of 2024, the Company and its subsidiaries reversed the recognition of loss from reduction of inventories to net realizable value of Baht 3 million in some products.

Sustainability Performance

- On May 17, 2024, the Company hosted a supplier seminar aimed at promoting transparent and sustainable business operations. The seminar focused on communicating the importance of business ethics and anti-corruption policies, encouraging all suppliers to integrate these principles into their operations. Suppliers were also invited to declare their commitment to anti-corruption and join the CAC Change Agent program to obtain certification from the Thai Private Sector Collective Action Against Corruption (CAC). The seminar saw participation from 23 supplier companies.
- The Company was selected by the Thaipat Institute as one of the ESG100 listed companies for outstanding performance in Environmental, Social, and Governance (ESG) practices among listed securities in 2024. This marks the ninth consecutive year (2016-2024) that the company has been recognized, based on its comprehensive ESG performance and business results.

Conclusion of the operational performance for the three-month period ended June 30, 2024

For the operational performance for the three-month period ended June 30, 2024, the Company and its subsidiary had total sales revenue of Baht 7,238 million, decreased by Baht 1,846 million or 20.3%. Total cost of sales was Baht 6,454 million, decreased by Baht 2,515 million or 28%. Total gross profit was Baht 784 million, increased by Baht 669 million or 580%. The total selling expense was Baht 147 million, decreased by Baht 1 million or 0.8%. The total administrative expense was Baht 65 million, decreased by Baht 11 million or 14%. Overall, the Company and its subsidiary had a net profit of Baht 550 million, increased by Baht 515 million or 1,463% compared to the same period last year.

Yours sincerely,

Miss Kanutsorn Bunditnate

Company Secretary

Authorized Signatory