



บริษัท น้ำมันพืชไทย จำกัด (มหาชน)  
THAI VEGETABLE OIL PUBLIC COMPANY LIMITED

TVO/CP/63/007

May 15, 2020

Subject : Report of the Financial Statement, ended of March 31, 2020

Attention : The President of the Stock Exchange of Thailand

Thai Vegetable Oil Public Company Limited would like to inform you the operating results of the Company and its subsidiary (collectively called the “Company”) as ended March 31, 2020, together with the management discussion and analysis as an information for investors and those who found interested.

### Operating Results

Operating results of the Company and its subsidiary for three-month period ended March 31, 2020 and 2019 were as follows;

Unit: Million Baht	2020	2019	Increase (Decrease)	
			Amount	%
Sales	6,489	5,891	598	10.15%
Sales of packing materials	87	101	(14)	(13.86%)
<b>Total sales</b>	<b>6,576</b>	<b>5,992</b>	<b>584</b>	<b>9.75%</b>
Cost of sales	5,791	5,388	403	7.48%
<b>Gross profit</b>	<b>785</b>	<b>604</b>	<b>181</b>	<b>29.97%</b>
Profit (loss) on exchange rate	47	15	32	213.33%
Other income	12	28	(16)	(57.14%)
Selling expenses	140	131	9	6.87%
Administrative expenses	59	53	6	11.32%
Financial cost	1	1	0	0.00%
<b>Profit before income tax expenses</b>	<b>644</b>	<b>461</b>	<b>183</b>	<b>39.70%</b>
Income tax expenses	127	92	35	38.04%
<b>Net profit attributable to equity holders of the Company</b>	<b>494</b>	<b>358</b>	<b>136</b>	<b>37.99%</b>
Non-controlling interests of the subsidiaries	23	12	11	91.67%

In the first quarter of 2020, the Company and its subsidiary had a net profit Baht 494 million, increased by Baht 136 million or 37.99% from Baht 358 million when compared with the same quarter in 2019. The main reasons were;

### 1. Sales Revenues

The Company and its subsidiary had total sales revenue of Baht 6,576 million, increased by Baht 584 million or up by 9.75% from Baht 5,992 million when compared to the first quarter of 2019. The revenue from sales of products was Baht 6,489 million, increased by Baht 598 million or up by 10.15% from Baht 5,891 million when compared to the first, and the revenue from sales of packaging materials was Baht 87 million, decreased by Baht 14 million or down by 13.86% from Baht 101 million when compared to the first quarter of 2019. The details were as follows;

- **Revenue from sales of soybean meal and other animal feed ingredients** slightly increased when compared to the first quarter of 2019, owing to a 9% increase in sales which mainly due to the nationwide lockdown in Argentina, the world largest soybean meal exporter, in order to curb the spread of covid-19. Moreover, the water level on Argentina's Parana River, the main river connecting with the sea used in agricultural products export, is at a decade low causing the delay of soybean meal export. As a result, the volume of soybean meal imports which is normally competing with company's product in the first quarter of 2020 has decreased. However, domestic soybean meal prices softened when compared to the same period last year following international market prices.
- **Revenue from sales of refined soybean oil** significantly increased when compared to the first quarter of 2019 due to 2 major factors as follows
  - 1) Soybean oil price increased following a sharp rise in palm oil prices since the end of the fourth quarter of 2019 mainly due to drought and dry spell which caused lower palm fruit production in Thailand as well as the government's policy to implement B10 biodiesel program. Thus, the palm oil inventory had remained at the low level during the first quarter of 2020.
  - 2) Sales volumes of soybean oil in retail customers segment had significantly increased because of higher demand of soybean oil for household use, especially during an emergency decree announcement and the stay at home campaign period. Besides the palm oil price has increased relatively to soybean oil price which affecting customer's behavior to buy more soybean oil.
- **Revenue from sales of packaging materials** decreased when compared to the first quarter of 2019, due to less sales volume from customers in juices and drinking water sectors.

## 2. Cost of Sales and Gross Profits

The Company and its subsidiary's cost of sales was Baht 5,791 million, increased by Baht 403 million or 7.48% from Baht 5,388 million in accordance with the sales revenue. The gross profits of the Company and its subsidiary was Baht 785 million, increased by Baht 181 million or 29.97% from Baht 604 million when compared to the first quarter of 2019. The main reasons were;

- **Cost of Sales and Gross Profits of the Company:** The cost of raw material; soybean, decreased from the first quarter of 2019 following weaker soybean prices in international market. Cost of sales was higher according to the increasing of sales volume of soybean meal and other animal feed ingredients and soybean oil. The increasing rate of revenue is higher compared to cost of sales, as a result the gross profit of the Company was Baht 729 million, increased by Baht 161 million or 28.35% from Baht 568 million when compared to the first quarter of 2019.
- **Cost of Sales and Gross Profits of the Company's subsidiary:** Cost of sales of the Company's subsidiary decreased when compared to the first quarter of 2019 because of plummeting crude oil price which lowered the cost of plastic raw materials used in packaging production. The decreasing rates of cost of sales is higher compared to the revenue from the Company's subsidiary resulting in higher gross profit and gross profit margin when compared to the first quarter of 2019.

## 3. Gain on Exchange Rate

The Company and its subsidiary had gain on exchange rate total of Baht 47 million, increased by Baht 32 million or up by 213.33% from Baht 15 million when compared to the first quarter of 2019. The gain was an aggregate of a realized gain on exchange rate of Baht 1 million and unrealized gain on Mark-to-Market (MTM) of Baht 46 million. (In 2019: unrealized gain on Mark-to-Market (MTM) of Baht 4 million)

## 4. Other income

The Company and its subsidiary's cost of sales was Baht 12 million, decreased by Baht 16 million or down by 57.14% from Baht 28 million mainly due to the decreasing of gain on sale of investments when compared to the first quarter of 2019

## 5. Selling and Administrative Expenses

The Company and its subsidiary's selling expenses was Baht 140 million, increased by Baht 9 million or up by 6.87% from Baht 131 million when compared to the first quarter of 2019 due to an increase of transportation expenses in accordance with the Company's sale volume.

Administrative Expenses was Baht 59 million, increased by Baht 6 million or 11.32% from Baht 53 million when compared to the first quarter of 2019, mainly due to an increase of the Company employee's expenses and recognize an impairment loss of the Company's subsidiary which according to IFRS 9 standards related to financial instruments that became effective for fiscal years beginning on or after 1 January 2020.

#### **Conclusion of the operational performance for the three-month period ended March 31, 2020**

For the operational performance for the three-month period ended March 31, 2020, the Company and its subsidiary had total sales revenue of Baht 6,576 million, increased by Baht 584 million or up by 9.75% from Baht 5,992 million. Total cost of sales was Baht 5,791 million, increased by Baht 403 million or up by 7.48% from Baht 5,388 million. Total gross profit was Baht 785 million, increased by Baht 181 million or up by 29.97% from Baht 604 million. While the total selling expense was Baht 140 million, increased by Baht 9 million or up by 6.87% from Baht 131 million. The total administrative expense was Baht 59 million, increased by Baht 6 million or up by 11.32% from Baht 53 million. Overall, the Company and its subsidiary had a net profit of Baht 494 million, increased by Baht 136 million or up by 37.99% from Baht 358 million when compared to the same period last year.

Yours sincerely,



(Mr. Bowon Vongsinudom)

Chief Executive Officer and President