



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

TVO/CP/21/003

March 1, 2021

Subject : Report of the Financial Statement, ended of December 2020

Attention : The President of the Stock Exchange of Thailand

Thai Vegetable Oil Public Company Limited would like to inform you the audited operating results of the Company and its subsidiary (collectively called the “Company”) as ended December 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 the year ended December 31, 2020 and 2019 were as follows;

Unit: Million Baht	2020	2019	Increase/(Decrease)	
			Amount	%
Sales	24,709	23,225	1,484	6.39
Sale of packing materials	254	362	(108)	(29.83)
Total sales	24,963	23,587	1,376	5.83
Cost of sales	22,107	21,231	876	4.13
Gross profit	2,856	2,356	500	21.22
Profit on exchange rate	18	56	(38)	(67.86)
Other income	84	157	(73)	(46.50)
Selling expenses	549	513	36	7.02
Administrative expenses	259	248	11	4.44
Reduction of inventory to net realizable value (reversal)	10	(2)	12	(600.00)
Financial cost	3	3	0	0.00
Profit before income tax expenses	2,135	1,807	328	18.15
Income tax expenses	413	352	61	17.33
Net profit attributable to equity holders of the Company	1,656	1,410	246	17.45
Non-controlling interests of the subsidiaries	67	45	22	48.89

In 2020, the Company and its subsidiary had a net profit Baht 1,656 million, increased by Baht 246 million or up by 17.45% from Baht 1,410 million when compared to 2019. The main reasons were;

1. Sales Revenues

The Company and its subsidiary had total sales revenue of Baht 24,963 million, increased by Baht 1,376 million or up by 5.83% from Baht 23,587 million when compared to 2019. The revenue from sales of products was Baht 24,709 million, increased by Baht 1,484 million or up by 6.39% from Baht 23,225 million when compared to 2019, and the revenue from sales of packaging materials was Baht 254 million, decreased by Baht 108 million or down by 29.83% from Baht 362 million when compared to 2019. The details were as follows;

- **Sales volume of soybean meal and other animal feed ingredients** increased when compared to 2019 because the Covid-19 pandemic and the protests of workers in Argentina has caused uncertainty in delivery of imported soybean meal to Thailand. Thus, customers increased their purchase order of soybean meal in domestic market. Nonetheless, the average selling price of soybean meal in 2020 decreased compared to previous year due to the declining production in domestic poultry industry.
- **Sales volume and selling price of refined soybean oil** increased when compared to 2019 because in the first quarter of 2020, the government announced nationwide lockdown measures to suppress the Covid-19 pandemic and asked people's cooperation to stay home. This has resulted in increased household consumption of soybean oil instead of going out to restaurants. Moreover, in the fourth quarter of 2020 which is the low season of palm oil production, domestic crude palm oil price rose sharply as less palm oil production in the market. Moreover, the demand of biodiesel has recovered after easing lockdown measures. Thus domestic crude palm oil inventory has reduced causing the rise in domestic palm oil price which led consumers to purchase more soybean oil instead of palm oil.
- Revenue from sales of packaging materials The Company's subsidiary sales decreased when compared to 2019, mainly due to some customers affected by COVID-19 outbreak. Furthermore, selling price decreased in line with decreasing raw material costs.

2. Cost of Sales and Gross Profits

The Company and its subsidiary's cost of sales was Baht 22,107 million, increased by Baht 876 million or 4.13% from Baht 21,231 million when compared to 2019. The main reasons were;

- **Cost of Sales and Gross Profits of the Company:** The cost of sales of the Company increased in accordance with sales volume of soybean meal and other animal feed ingredients including refined soybean oil sales volume. Moreover, raw material soybean price slightly increased when compared to the previous year. It was in accordance with higher soybean price in global market since the second half of 2020 due to loss in U.S. soybean production and La Nina's effect on South America crops which delayed Brazil and Argentina's soybean planting. Moreover, China, the world's largest soybean consumer, has ramped up soybean as they have recovered from African swine fever (ASF) epidemic. All the reasons above have led to a lower global soybean ending stocks. Nevertheless, the sales revenue of the company had increased at a higher rate compared to the increase in cost of sales, as a result the gross profit of the Company was Baht 2,856 million, increased by Baht 500 million or 21.22% from Baht 2,356 million when compared to 2019.
- **Cost of Sales and Gross Profits of the Company's subsidiary:** Cost of sales of the Company's subsidiary decreased when compared to 2019, mainly because raw materials (plastic resin) price fell in line with crude oil price in global market. The decreasing rates of cost of sales is higher compared to the revenue from the Company's subsidiary resulting in higher gross profit when compared to 2019.

3. Gain on Exchange Rate

In spite of fluctuations in the exchange rate, the Company was able to manage and hedge against exchange rate risk, which resulted in a net gain on exchange rate totaling Baht 18 million decreased by Baht 38 million or 67.86% from Baht 56 million when compared to year 2019.

4. Other Income

The Company and its subsidiary generated other incomes of Baht 84 million, decreased by Baht 73 million or down 46.50% from Baht 157 million when compared to 2019, mainly from a decrease in dividend and selling investment as lower interest rates.

5. Selling and Administrative Expenses

The Company and its subsidiary's selling expenses was Baht 549 million, increased by Baht 36 million or 7.02% from Baht 513 million when compared to 2019 due to an increase of transportation, export and promotional expenses in accordance with the Company's sale volume.

Administrative expenses was Baht 259 million, increased by Baht 11 million or 4.44% from Baht 248 million when compared to 2019, due to an increase of wages and salaries expense. Including an increase of allowance for impairment losses.

6. Reduction of inventory to net realizable value

In 2020, the Company recorded a reduction of inventory to net realized value received Baht 10 million in some products items.

Conclusion of the operational performance in 2020

For the year 2020, the Company and its subsidiary had total sales revenue of Baht 24,963 million, increased by Baht 1,376 million or up by 5.83%. Total cost of sales was Baht 22,107 million, increased by Baht 876 million or up by 4.13%. Total gross profit was Baht 2,856 million, increased by Baht 500 million or up by 21.22%. While the total selling expense was Baht 549 million, increased by Baht 36 million or up by 7.02%. The total administrative expense was Baht 259 million, increased by Baht 11 million or up by 4.44%. Overall, the Company and its subsidiary had a net profit of Baht 1,656 million, increased by Baht 246 million or up by 17.45% when compared to 2019.

Yours sincerely,

Miss Kanutsorn Bunditnate

Authorized Signatory