



บริษัท น้ำมันพืชไทย จำกัด (มหาชน)

THAI VEGETABLE OIL PUBLIC COMPANY LIMITED

TVO/CP/21/022

August 13, 2021

Subject : Report of the Financial Statement, ended of June 30, 2021

Attention : The President of the Stock Exchange of Thailand

Thai Vegetable Oil Public Company Limited (“Company”) and its subsidiary would like to inform you the audited operating results of the Company and its subsidiary as ended June 30, 2021, 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 and six-month period ended June 30, 2021 and 2020 were as follows;

Unit: Million Baht	For three-month period, ended June 30				For six-month period, ended June 30			
	2021	2020	Increase/(Decrease)		2021	2020	Increase/(Decrease)	
Sales	7,600	5,682	1,918	33.75%	15,261	12,170	3,091	25.39%
Sale of packing materials	80	57	23	40.35%	147	145	2	1.37%
Total sales	7,680	5,739	1,941	33.82%	15,408	12,315	3,093	25.11%
Cost of sales	6,587	5,113	1,474	28.82%	13,053	10,905	2,148	19.69%
Gross profit	1,093	626	467	74.60%	2,355	1,410	945	67.02%
Profit (loss) on exchange rate	13	(40)	53	132.50%	45	7	38	542.85%
Other income	40	15	25	166.66%	57	28	29	103.57%
Selling expenses	123	114	9	7.89%	248	254	(6)	(2.36%)
Administrative expenses	72	53	19	35.84%	142	112	30	26.78%
Reduction of inventory to net realizable value received (Reversal)	16	(15)	31	206.66%	15	(15)	30	200.00%
Financial cost	1	1	0	0.00%	2	2	0	0.00%
Profit before income tax expenses	934	448	486	108.48%	2,050	1,092	958	87.72%
Income tax expenses	200	87	113	129.88%	420	214	206	96.26%

Unit: Million Baht	For three-month period, ended June 30				For six-month period, ended June 30			
	2021	2020	Increase/(Decrease)		2021	2020	Increase/(Decrease)	
Net profit attributable to equity holders of the Company	726	341	385	112.90%	1,609	835	774	92.69%
Non-controlling interests of the subsidiaries	8	20	(12)	(60.00%)	21	43	(22)	(51.16%)

In the second quarter of 2021, the Company and its subsidiary had a net profit Baht 726 million, increased by Bath 385 million or 112.90% from Baht 341 million when compared to the same quarter of 2020. The main reasons were;

1. Sales Revenues

The Company and its subsidiary had total sales revenue of Baht 7,680 million, increased by Baht 1,941 million or 33.82% from Baht 5,739 million when compared to second quarter of 2020. The sales revenue of the Company from sales of products was Baht 7,600 million, increased by Baht 1,918 million or 33.75% from Baht 5,682 million when compared to second quarter of 2020, and the revenue from sales of packaging materials was Baht 80 million, increased by Baht 23 million or 40.35% from Baht 57 million when compared to the second quarter of 2020. The details were as follows;

- **Revenue from sales of soybean meal and other animal feed ingredients** increased when compared to the second quarter of 2020, mainly due to the increase in selling prices which in line with the soybean meal prices in the domestic and global markets that have been rising since the end of 2020, as a result of the soybean crop damage in the United States. In addition, the rising price of soybean meal in the global market have caused concern among soybean meal importers and thus decreased the import volume of soybean meal. Therefore, the domestic crushing plants have benefited throughout the first half of 2021, causing growth in the soybean meal sales volume in the first half of 2021 compared to the same period last year.
- **Revenue from sales of refined soybean oil** increased when compared to the second quarter of 2020, mainly due to the increase in selling prices which in line with the rising prices of all vegetable oils in the global market. The global vegetable oil stocks are at their lowest level in nearly 10 years. Moreover, palm oil-producing countries such as Malaysia and Indonesia have faced labor shortages in harvesting during the COVID-19 pandemic, causing palm oil inventories both international and domestic that even though increased seasonally, but still to remain at the lowest in the last 5 years. The pricing gap between palm oil and soybean oil is still at competitive level, as a result, sales volume in the soybean oil products continued to grow.

- **Revenue from sales of packaging materials** increased when compared to the second quarter of 2020, mainly due to the increase in sales of the preform and drinking water packaging sectors.

2. Cost of Sales and Gross Profits

The Company and its subsidiary's cost of sales was Baht 6,587 million, increased by Baht 1,474 million or 28.82% from Baht 5,113 million in accordance with the sales revenue. The gross profits of the Company and its subsidiary was Baht 1,093 million, increased by Baht 467 million or up by 74.60% from Baht 626 million when compared to the second quarter of 2020. The main reasons were;

- **Cost of Sales and Gross Profits of the Company:** The Company's cost of sales increased when compared to the second quarter of 2020, mainly due to the rising of soybean price in the global market and the sales volume of animal feed ingredient also increased. Meanwhile, the sales volume of soybean oil products remained stable similar to the same period last year. However, the Company was able to increase the selling price. The Company's gross profit increased compared to the second quarter of 2020 because the sales revenue rose at a higher rate than the increase in the cost of sales.
- **Cost of Sales and Gross Profits of the Company's subsidiary:** The cost of sales of the Company's subsidiaries increased in accordance with higher sales volume when compared to the second quarter of 2020. Moreover, the rising of plastic pellet prices, which was in the same direction as crude oil prices, have caused increasing in main raw material cost for packaging production in the second quarter of 2021, while the selling prices were relatively stable. As a result, the subsidiary's gross profit decreased compared to the second quarter of 2020.

3. Gain (Loss) on Exchange Rate

The Company has managed to hedge foreign exchange risk by entering into a forward exchange contract in conjunction with the depreciation of Thai Baht, therefore the Company realized gain on the foreign exchange rate in the second quarter of 2021 amounted to Baht 13 million.

4. Other income

The Company and its subsidiaries had other income of Baht 40 million, increased by Baht 25 million or 166.66% from Baht 15 million when compared to the second quarter of 2020, mainly due to the increase in dividend income, the sale of unused assets and the reversal the promotional expenses.

5. Selling and Administrative Expenses

The Company and its subsidiary's selling expenses was Baht 123 million, increased by Baht 9 million or 7.89% from Baht 114 million when compared to the same quarter last year. This was mainly due to the increase in advertising costs and export expenses according to the sales volume.

Administrative Expenses was Baht 72 million, increased by Baht 19 million or 35.84% from Baht 53 million when compared to the same quarter last year due to the asset depreciation and realized loss on deteriorated assets.

6. Reduction of inventory to net realizable value received (Reversal)

In the second quarter of 2021, the Company and its subsidiaries recorded reduction of inventory as net realizable value of Baht 16 million in some product items.

Conclusion of the operational performance of six-month period ended June 30, 2021

For the first half of 2021, the Company and its subsidiary had total sales revenue of Baht 15,408 million, increased by Baht 3,093 million or 25.11%. The total cost of sales was Baht 13,053 million, increased by Baht 2,148 million or 19.69%. Gross profit was Baht 2,355 million, increased by Baht 945 million or 67.02%. While the selling expense was Baht 248 million, decreased by Baht 6 million or 2.36% and the administrative expense was Baht 142 million, increased by Baht 30 million or 26.78%. Overall, the Company and its subsidiary had a net profit of Baht 1,609 million, increased by Baht 774 million or 92.69% when compared to the same period last year.

Yours sincerely,

Kanutsorn Bunditnate

Company Secretary

Authorized Signatory