



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

TVO/CP/18/042

November 12, 2018

Subject : Report of the Financial Statement, ended of September 30, 2018

Attention : The President of the Stock Exchange of Thailand

Dear Sirs,

This executive summary contains the 3rd quarter of 2018 operational performance of Thai Vegetable Oil Plc. including the reviewed financial statement of the Company and its subsidiary as ended September 30, 2018. The information will be useful for investors and those who are interested in.

Operating Results Overview

Operating results of the Company and its subsidiary for three-month and nine-month period ended September 30, 2018 and 2017 were as follows;

Unit: Million Baht	For three-month period, ended September 30				For nine-month period, ended September 30			
	2018	2017	Increase/(Decrease)		2018	2017	Increase/(Decrease)	
Sales Revenue	6,336	6,032	304	5.04%	18,525	18,184	341	1.88%
Sale of packing materials	90	73	17	23.29%	268	234	34	14.53%
Total sales	6,426	6,105	321	5.26%	18,793	18,418	375	2.04%
Cost of sales	5,625	5,479	146	2.66%	16,131	16,669	(538)	(3.23%)
Gross profit	801	626	175	27.96%	2,662	1,749	913	52.20%
Other income	46	84	(38)	(45.24%)	118	150	(31)	(20.81%)
Profit (loss) on exchange rate	4	(7)	11	157.14%	58	8	50	625.00%
Selling expenses	218	216	2	0.93%	739	675	64	9.48%
Administrative expenses	53	86	(33)	(38.37%)	174	259	(85)	(32.82%)



Unit: Million Baht	For three-month period, ended September 30				For nine-month period, ended September 30			
	2018	2017	Increase/(Decrease)		2018	2017	Increase/(Decrease)	
Loss on reduction of inventory to net realizable value received (Reversal)	3	-	3	100.00%	(29)	-	(29)	(100.00%)
Financial cost	1	1	-	-	3	3	-	-
Profit before income tax expenses	576	401	175	43.64%	1,952	972	980	100.82%
Income tax expenses	112	48	64	133.33%	326	122	204	167.21%
Net profit attributable to equity holders of the Company	457	343	114	33.24%	1,597	814	783	96.19%
Non-controlling interests of the subsidiary	8	10	(2)	(20.00%)	29	36	(7)	(19.44%)

In the third quarter of 2018, the Company and its subsidiary had a net profit of Baht 457 million, increased Baht 114 million or 33.24% from Baht 343 million when compared to the same quarter in 2017. The main reasons were;

1. Sales Revenue

The Company and its subsidiary had sales revenue of Baht 6,426 million, increased Baht 321 million or 5.26% from Baht 6,105 million when compared to the same quarter last year. The sales revenue of the Company was from sales of products Baht 6,336 million, increased Baht 304 million or 5.04% from Baht 6,032 million when compared to the same quarter last year. The main causes were;

- Selling price of soybean meal and animal feed ingredients were adjusted to conform to the price of soybean meal traded in the global market; which was on high level, because of concerns about the shortage of soybean meal due to the drought crisis, which had been continuing since the beginning of the year, in Argentina; a major exporter of soybean meal. However, sales volume was decreased slightly due to some planned maintenance shutdown and the price adjustment strategy was applied to achieve higher margin in order to compensate for lower sales volume which resulted in more sales volume when compared to the same quarter last year.
- Sales volume of refined soybean oil was slightly increased while selling price was decreased due to the impact of falling price of soybean oil and palm oil in the global market, as well as the production and stock of domestic palm oil were still on high level that caused competition in the vegetable oil market.

- Sales of packing materials was increased due to more purchase orders from customers in fruit juice segment for their new products, as well as, orders from customers in oil segment, seasoning sauce segment and new product in preforms segment.

2. Cost of Sales and Gross Profit

The Company and its subsidiary's cost of sales was Baht 5,625 million which increased Baht 146 million or 2.66% from Baht 5,479 million when compared to the same quarter last year. The main reasons were;

- **Cost of Sales and Gross Profit of the Company:** Due to price of raw material; soybeans, traded in the global market was adjusted higher since quarter 2/2018 which resulted in higher cost of soybean used in production in quarter 3/2018 when compared to the same quarter last year. Moreover, increasing of selling price of soybean meal and effective production cost management had increased the Company's gross profit from Baht 597 million to Baht 775 million, increased Baht 178 million or 29.82%, and gross profit margin was increased from 9.90% to 12.23% or increased by 2.33% when compared to the same quarter last year.
- **Cost of Sales and Gross Profit of the Company's Subsidiary:** Due to increasing in cost of plastic resin, the main raw material for packaging production, resulted in higher cost of sales while lower gross profit and gross profit margin when compared to the same quarter last year.

3. Gain on Exchange Rate

The Company had been successful in managing and hedging against exchange rate risk through forward contract together with the depreciation of Thai Baht since middle quarter 2/2018 strengthened throughout the quarter 3/2018, which resulted in the Company's gain on exchange rate of Baht 4 million in quarter 3/2018. This amount was included an unrealized loss on Mark-to-Market (MTM) of Baht 22 million.

4. Selling and Administrative Expenses

The Company and its subsidiary's selling expense was Baht 218 million, increased Baht 2 million or 0.93% from Baht 216 million when compared to the same quarter last year, due to an increase of export expense which was in line with higher sales volume and promotional expenses with Modern Trade for soybean oil segment, where was competitive marketing.

Administrative expense was Baht 53 million, decreased Baht 33 million or 38.37% from Baht 86 million when compared to the same quarter last year. This was due to the decrease of employee expense and BOI expense of the Company.

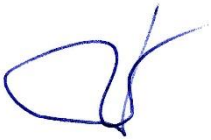
5. Loss on reduction of inventory to net realizable value received (Reversal)

In quarter 3/2018, the Company recorded a loss from reduction of inventory to net realized value received of Baht 3 million in some sorts of products

Conclusion of the operational performance of nine-month period ended September 30, 2018

The operational performance of the first nine-month period in 2018, the Company and its subsidiary had total sales revenue of Baht 18,793 million, increased Baht 375 million or 2.04% from Baht 18,184 million. Besides, there was total cost of sales of Baht 16,131 million, decreased Baht 538 million or 3.23% from Baht 16,669 million. Gross profit was Baht 2,662 million, increased Baht 913 million or 52.20% from Baht 1,749 million. The selling expense was Baht 739 million, increased Baht 64 million or 9.48% from Baht 675 million. While, the administrative expense was Baht 174 million, decreased Baht 85 million or 32.82% from Baht 259 million. Overall, the Company and its subsidiary had a net profit of Baht 1,597 million, increased Baht 783 million or 96.19% from Baht 814 million.

Yours sincerely,

A handwritten signature in blue ink, consisting of a large, stylized 'B' followed by a vertical line and a horizontal stroke.

(Mr.Bowon Vongsinudom)

Authorized Signatory