



บริษัท เอไอ เอนเนอร์จี้ จำกัด (มหาชน)

AI Energy Public Company Limited

ทะเบียนเลขที่ 0107556000311

AIE 080/2022

May 12, 2022

Subject: Management's Discussion and Analysis for 1st quarter of 2022 ended as of March 31, 2022

Attention: President

The Stock Exchange of Thailand

AI Energy Public Company Limited ("the Company") would like to submit the financial statement for 1st quarter of 2022 ended as of March 31, 2022, which details are as following ;

| Operating results (Consolidated) | Unit : Million Baht | | | | | |
|---|-------------------------|---------|----------|---------|------------|-----------|
| | 1 st quarter | | | | Increase | |
| | 2022 | % | 2021 | % | (Decrease) | % |
| Revenue from sales and services | 2,351.40 | 100.00% | 1,455.25 | 100.00% | 896.15 | 61.58% |
| Cost of sales and services | 2,208.18 | 93.91% | 1,319.00 | 90.64% | 889.18 | 67.41% |
| Gross profit | 143.22 | 6.09% | 136.25 | 9.36% | 6.97 | 5.12% |
| Other income | 2.61 | 0.11% | 0.93 | 0.06% | 1.68 | 180.65% |
| Selling and administrative expenses | 25.71 | 1.09% | 26.79 | 1.84% | (1.08) | (4.03%) |
| Profit from operations | 120.12 | 5.11% | 110.39 | 7.59% | 9.73 | 8.81% |
| EBITDA | 150.59 | 6.40% | 140.59 | 9.66% | 10.50 | 7.47% |
| Finance cost and tax income | 0.61 | 0.03% | (0.25) | (0.02%) | 0.86 | (344.00%) |
| Net profit | 119.51 | 5.08% | 110.64 | 7.60% | 8.87 | 8.02% |
| Basic earnings per share (Baht per share) | | 0.0914 | | 0.0846 | 0.0068 | 8.02% |

Net Profit

For 1st quarter of 2022 ended as of March 31, 2022, the Company and subsidiaries (Consolidated) realized net profit of Baht 119.51 million, increased by Baht 8.87 million or 8.02% as compared to the same period of last year which incurred the realized net profit of Baht 110.64 million. However, the Company reported EBITDA in amounting of Baht 150.59 million, increased by Baht 10.50 million or 7.47% as compared to the same period of last year which incurred at Baht 140.59 million. The main cause is the average selling price of biodiesel increased from the price of main raw material which increased in accordance to the global market price. As a result, Thailand has the volume of exports of palm oil more than the same period of the last year. Although the sale volume decreased from the government's policy to adjust the biodiesel mandatory. However, the average selling price of Glycerine was increased, resulting the increased in the performance from the same period of last year.



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Revenue

1. Revenue from Sales and Services

For 1st quarter of 2022, the Company and subsidiaries realized the revenue of Baht 2,351.40 million, increase by Baht 896.15 million or 61.58%, where the reasons are summarized as follows;

1.1 Sales of Biodiesel, Edible oil Refined Glycerine, Raw material and By-product

For 1st quarter of 2022, the Company's revenue from sales of biodiesel, edible oil and by-products was increased by Baht 891.68 million or 61.27% from the same period of last year, as summarized below;

- For 1st quarter of 2022, the revenue from Biodiesel business decrease by Baht 96.11 million, or 7.10%, the main factors are the existing customers have reduced their minimum order due to in February 2022, the Committee on Energy Policy Administration (CEPA) has a resolution for adjusting the proportion of biodiesel mandatory from B7 to B5 to mitigate the impact of rising diesel prices, as the aforementioned measures, the demand for biodiesel and the production capacity was decreased. For the price in 1st quarter of 2022, the average selling price of biodiesel was increase by 29% in accordance to the price of crude palm oil as the main raw material, the palm oil is increase from the global CPO marker price to be much higher than CPO-DIT, as the result, the volume of exports was increased from the same period of last year causing to raise the price of domestic palm oil.
- For 1st quarter of 2022, the revenue from Edible Oil business decrease by Baht 39.95 million, or 75.19%, as a result of, the Company only sell to some industrial customers but in some quarters did not receive award from bidding, so the sales volume decreased. The Company entered into short-term contract with specific quantities and delivery term (Made to Order). This helps the Company to efficiently control inventories aging and procurement that prevent risk from CPO's prices fluctuation.
- For 1st quarter of 2022, the revenue from Refined Glycerine business increased by Baht 92.75 million or 193.37%, the main factors from the price are increase 176.00% as compared to the same period of last year, due to the epidemic of the COVID-19 around the world, there is a shortage of refined glycerine in the market, resulting in a significant reduction in production. In addition, the domestic market has limited availability of refined glycerine as raw materials from biodiesel production have decreased in accordance with the volume of biodiesel production. Therefore, the selling price of refined glycerine remains continued to have high prices.
- For 1st quarter of 2022, the revenue from raw material and By-product increased by 100.00%, from sales of raw materials for a produce biodiesel to the customers in the same industry. However, the Company will only sell by-products that excess the need of its biodiesel and refined glycerine productions.



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1.2 Revenue from Services

For 1st quarter of 2022, the revenue from production to order increased by 100% due to the Company was enough capacity to services. However, the Company is considering to provide service that are suitable situation of the Company.

2. Other Income

Other Income consist of sales of scrap materials, interest income, gain on changes in fair value of short-term investment, Oil Storage Service etc. The Company and its subsidiaries had revenue from other income for the three-month period ended March 31, 2022 by Baht 2.61 million, increase by Baht 1.68 million, or 180.65% as compared to the same period of last year which incurred at Baht 0.93 million, the main cause was receiving subsidies from the Department of Employment.

Cost of Sales and Services

For 1st quarter of 2022, the Company and subsidiaries' cost of sales and services was Baht 2,208.18 million, increased by Baht 889.18 million, or 67.41%, where the reasons are summarized as follows;

1. Cost of Sales- Biodiesel, Edible Oil, Refined Glycerine, Raw material and By-product

For 1st quarter of 2022, the Company's cost of sales to total revenue ratio was increased by 3.27% as compared to the same period of last year, according to the raise the price of domestic palm oil. Although, the Company still maintains a policy to manage the inventories' optimization efficiently which can be classified by product groups as follows;

- For 1st quarter of 2022, the Biodiesel's ratio of cost of sales to total revenue was increased by 1.31% or 1.43% as compared to the same period of last year, due to the increased sales price of raw material. However, the Company has emphasised on managing raw materials and inventory to have a faster turnover rate and keep the inventories between 15-20 days in order to avoid the risk from the fluctuation of palm oil prices, which is an important factor of the Company's profitability.
- For 1st quarter of 2022, the edible oil's ratio of cost of sales to total revenue was increased by 8.27% or 9.64% as compared to the same period of last year, due to the increased sales price of raw material. However, the Company was possible to generate profit from this business unit since there were Made to Order. Which is managing the raw material used to produce edible oil to be profitable. But the storage of crude palm oil cannot be stored separately. As a result, the production cost fluctuates according to the raw material price during the changing period.
- For 1st quarter of 2022, Refined Glycerine's ratio of cost of sales to total revenue was decreased by 6.69% or 9.67% as compared to the same period of last year, due to the increased sales price of Refined Glycerine.
- For 1st quarter of 2022, the raw material and by-products' ratio of cost of sales to total revenue was increased by 100.00% as compared to the same period of last year, due to the Company sold raw material for a produce biodiesel to the customers in the same industry.



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2. Cost of Services

For 1st quarter of 2022, the cost from production to order increased by 100% due to the Company was enough capacity to services.

Selling Expenses

For 1st quarter of 2022, the Company and its subsidiaries' selling expenses were Baht 5.56 million, decrease by Baht 2.16 million or 27.98% as compared to the same period of last year, due to the transportation expenses were decreased in quantities sold and the terms of delivery agreed.

Administration Expenses

For 1st quarter of 2022, the Company and subsidiaries' administration expenses were Baht 20.15 million, increase by Baht 1.08 million or 5.66% as compared to the same period which incurred the administration expenses of Baht 19.07 million. The main reason is increase from personnel expense.

Financial Cost and Income Tax Expense

For 1st quarter of 2022, the Company and subsidiaries were financial cost of Baht 0.01 million, increased by 100% as compared to the same period.

For 1st quarter of 2022, the Company and subsidiaries were income tax expense of Baht 0.60 million, increased by Baht 0.85 million or 340.00% as compared to the same period which incurred income tax expense (income) of Baht 0.25 million.



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Statement of Financial Position

| Consolidated | Unit : Million Baht | | | |
|---|---------------------|----------------------|------------------------|----------------|
| | March 31, 2022 | December 31, 2021 | Increase (Decrease) | % |
| Cash and cash equivalents | 356.09 | 286.70 | 69.39 | 24.20% |
| Short-term investments | 2.83 | 52.87 | (50.04) | (94.65%) |
| Trade and other receivables | 563.20 | 611.39 | (48.19) | (7.88%) |
| Inventories | 683.39 | 567.48 | 115.91 | 20.43% |
| Other current assets | 3.18 | 4.00 | (0.82) | (20.50%) |
| Total current assets | 1,608.69 | 1,522.44 | 86.25 | 5.67% |
| Restricted bank deposits | 56.40 | 56.40 | - | - |
| Property, plant and equipment | 1,358.08 | 1,376.73 | (18.65) | (1.35%) |
| Other non-current assets | 3.26 | 3.04 | (0.22) | (7.24%) |
| Total assets | 3,026.43 | 2,958.61 | 67.82 | 2.29% |
| Trade and other payables | 489.78 | 554.33 | (64.55) | (11.64%) |
| Other current liabilities | 64.24 | 59.63 | 4.61 | 7.73% |
| Other non-current liabilities | 9.45 | 9.36 | 0.09 | 0.96% |
| Total liabilities | 563.47 | 623.32 | (59.85) | (9.60%) |
| Shareholder's equity | 2,462.96 | 2,335.29 | 127.67 | 5.47% |
| Total liabilities and shareholder's equity | 3,026.43 | 2,958.61 | 67.82 | 2.29% |

Assets

As of March 31, 2022, the Company and subsidiaries had total assets of Baht 3,026.43 million, increased by Baht 67.82 million or 2.29% from December 31, 2021, the mainly cause from increased of cash and cash equivalents due to from operational profits and increased from inventories due to increase in raw materials prices, resulted in increased in inventory.

Liabilities

As of March 31, 2022, the Company and subsidiaries had total liabilities of Baht 563.47 million, decreased by Baht 59.85 million or 9.60%, the mainly cause from paid to trade account payable during the period.

Shareholders' equity

As of March 31, 2022, the Company and subsidiaries had total shareholders' equity of Baht 2,462.96 million, increased by Baht 127.67 million or 5.47%, the mainly cause from recognize the operating result during the period.



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Please be informed according

Yours Sincerely,

AI Energy Public Company Limited

Miss Arunrat Sanprasertsuk

Chief Financial Officer

Corporate Secretary Tel: 034-877-485-8 Ext. 500 Email: ir@aienergy.co.th