



บริษัท เอไอ เอนเนอร์จี้ จำกัด (มหาชน)

AI Energy Public Company Limited

ทะเบียนเลขที่ 0107556000311

AIE 122/2024

August 9, 2024

**Subject:** Management's Discussion and Analysis for 2<sup>nd</sup> quarter of 2024 ended as of June 30, 2024

**Attention:** President,

The Stock Exchange of Thailand

AI Energy Public Company Limited ("the Company") would like to submit the financial statement for 2<sup>nd</sup> quarter of 2024 ended as of June 30, 2024, which details are as following:

| Operating results (Consolidated)          | Unit : Million Baht     |                         |                         |                       |          |                  |          |           |
|-------------------------------------------|-------------------------|-------------------------|-------------------------|-----------------------|----------|------------------|----------|-----------|
|                                           | 2 <sup>nd</sup> quarter | 1 <sup>st</sup> quarter | 2 <sup>nd</sup> quarter | % Increase (Decrease) |          | Six-month period |          | %         |
|                                           | 2024                    | 2024                    | 2023                    | YoY                   | QoQ      | 2024             | 2023     |           |
| Revenue from sales and services           | 2,154.90                | 1,574.97                | 2,200.24                | (2.06%)               | 36.82%   | 3,729.86         | 4,220.85 | (11.63%)  |
| Cost of sales and services                | 2,096.39                | 1,518.79                | 2,161.56                | (3.01%)               | 38.03%   | 3,615.18         | 4,164.06 | (13.18%)  |
| Gross profit                              | 58.51                   | 56.18                   | 38.68                   | 51.27%                | 4.15%    | 114.68           | 56.79    | 101.94%   |
| Other income                              | 2.07                    | 2.62                    | 2.28                    | (9.20%)               | (20.86%) | 4.68             | 4.18     | 11.91%    |
| Selling and administrative expenses       | 29.04                   | 28.19                   | 30.12                   | (3.59%)               | 3.02%    | 57.22            | 59.84    | (4.38%)   |
| Profit from operations                    | 31.14                   | 30.60                   | 10.60                   | 193.77%               | 1.76%    | 61.73            | 0.87     | 6,971.48% |
| EBITDA                                    | 64.85                   | 64.27                   | 41.12                   | 57.70%                | 0.90%    | 129.38           | 52.23    | 147.73%   |
| Finance cost and tax income               | 0.00                    | 1.02                    | (0.01)                  | (100.00%)             | 100.00%  | 1.02             | 0.02     | 5,215.00% |
| Net profit                                | 31.53                   | 31.63                   | 10.83                   | 191.10%               | (0.31%)  | 63.16            | 1.11     | 5,584.70% |
| Basic earnings per share (Baht per share) | 0.023                   | 0.023                   | 0.008                   |                       |          | 0.046            | 0.001    |           |

### **Net Profit**

For 2<sup>nd</sup> quarter of 2024, the Company and subsidiaries (Consolidated) realized net profit of Baht 31.53 million, increased by Baht 20.70 million or 191.10% as compared to the same quarter of last year which incurred the realized net profit of Baht 10.83 million, decreased by Baht 0.10 million or 0.31% as compared to the 1<sup>st</sup> quarter of 2024, which incurred the realized net profit of Baht 31.63 million. For the six-month period ended June 30, 2024, the Company and subsidiaries (Consolidated) realized net profit of Baht 63.16 million, increased by Baht 62.15 million as compared to the same period of last year which incurred the realized net profit of Baht 1.11 million. However, the Company reported EBITDA in amounting of Baht 64.85 million, increased by Baht 23.73 million or 57.70 % as compared to the same period of last year which incurred at Baht 41.12 million, increase by Baht 0.58 million or 0.90% as compared to the 1<sup>st</sup> quarter of 2024, which incurred the realized net profit of Baht 64.27 million. Due to the fluctuation of CPO price during the 6-month period of 2024 within a short period of time, and CPO price was slightly fluctuation with low spread gap as compare to the same period of last year. However, the Company determined the policy that focused on the management of



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raw material (CPO) by trying to maintain inventories turnover rate between 15 - 25 days for alleviates the impact of the fluctuation of CPO on the Company's performance.

## Revenue

### **1. Revenue from Sales and Services**

For 2<sup>nd</sup> quarter of 2024, the Company and subsidiaries realized the revenue of Baht 2,154.90 million, decrease by Baht 45.34 million or 2.06% as compared to the same quarter of last year which incurred the realized revenue of Baht 2,200.24 million, and increase by Baht 579.93 million or 36.82% as compared to the 1<sup>st</sup> quarter of 2024 which incurred the realized revenue of Baht 1,574.97 million. For the six-month period ended June 30, 2024, the Company and subsidiaries realized the revenue of Baht 3,729.86 million, decrease by Baht 490.99 million or 11.63% as compared to the same period of last year which incurred the realized revenue of Baht 4,220.85 million, where the reasons are summarized as follows;

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

- For 2<sup>nd</sup> quarter of 2024, the revenue from Biodiesel business decrease by Baht 163.44 million, or 10.81% as compared to the same quarter of last year, due to decreasing in quantity sold by 14.02% and the average selling price of biodiesel increased by 3.73% from the same quarter of the previous year, and the revenue from Biodiesel business increase by Baht 296.49 million or 28.20% as compared to the 1<sup>st</sup> quarter of 2024, due to the quantity sold increased by 28.11% and the average selling price of biodiesel increased by 0.07%, and for the six-month period ended June 30, 2024 the revenue from Biodiesel business decrease by Baht 443.75 million, or 15.61% as compared to the same period of last year, due to the quantity sold decreasing by 20.76% and the average selling price of biodiesel increasing by 6.50% from the same period last year, following the price of CPO which is the main raw material.
- For 2<sup>nd</sup> quarter of 2024, the revenue from Edible Oil business increase by Baht 76.05 million, or 613.77% as compared to the same quarter of last year from the sales volume that increased by 653.05% and the average selling price decreased by 5.22%, and as compared to the 1<sup>st</sup> quarter of 2024 revenue increase by Baht 3.69 million, or 4.36% from sales volume decreased by 0.77 percent and average selling price increased by 5.16%, and for the six-month period ended June 30, 2024, the revenue from Edible Oil business increase by Baht 129.29 million, or 294.58% from the sales volume that increased by 300.04% and the average selling price that decreased by 1.37%. As a result of receiving more orders from industrial customers, so the sales volume increased. The Company entered 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 2<sup>nd</sup> quarter of 2024, the revenue from Refined Glycerine business has increased by Baht 12.68 million or 18.36% as compared to the same quarter of last year from sales volume that increased by 20.21% and the revenue from Refined Glycerine business increase by Baht 45.91 million or 128.31% as compared to the 1<sup>st</sup> quarter of 2024, from the sales volume that increased by 107.44% and the selling price that increased by 9.96%, and for the six-month



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period ended June 30,2024, the revenue from Refined Glycerine business decreased by Baht 32.09 million or 21.44%, from the sales volume that decreased by 15.52% and the sales price that decreased by 7.01% when compared to the same period of the previous year.

- For 2<sup>nd</sup> quarter of 2024, the revenue from raw material and by-product has increased by Baht 29.58 million or 4.91% from sales volume decreasing by 6.63% and average selling price increasing by 12.36% as compared to the same quarter of last year, and revenue increased by Baht 235.82 million or 59.59% as compared to the 1<sup>st</sup> quarter of 2024 from sales volume increased by 53.20% and average selling price increasing by 4.17%, and for the six-month period ended June 30,2024, the revenue from raw material and by-product decreased by Baht 140.19 or 12.01%, due to sales volume decreased by 20.12% and average selling price increasing by 10.16%. The customers are oleochemical producer and related-products producers in overseas. However, the Company will only sell by-products that excess the need of its biodiesel and refined glycerine productions.

## 1.2 Revenue from Production Services

For 2<sup>nd</sup> quarter of 2024, the revenue from production services has decreased by Baht 0.20 million or 3.58% as compared to the same quarter of last year, the revenue from production services for Palm Olein decreased by 12.49% and the revenue from production services for RBD Palm Oil increased by 100%. As compared to the 1<sup>st</sup> quarter of 2024, the revenue from production services for Palm Olein decreased by Baht 1.98 million or 26.96%, the revenue from production services for Palm Olein decreased by 33.70% and the revenue from production services for RBD Palm Oil increased by 100%. And for the six-month period ended June 30,2024, the revenue from production services decreased by Baht 4.25 million or 25.06%, the revenue from production services for Palm Olein decreased by 27.98% and the revenue from production services for RBD Palm Oil increased by 100%, comparing to the same period of 2023. Presently, the Company has its available 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. For 2<sup>nd</sup> quarter of 2024, the Company and its subsidiaries had revenue from other income of Baht 2.07 million, decrease by Baht 0.21 million, or 9.20% as compared to the same period of last year, the main reason is that income from the sale of scrap materials has decreased. As compared to the 1<sup>st</sup> quarter of 2024 other income increase by Baht 0.93 million or 35.63%. The main reason is the decrease in gain on foreign currency exchange. For the six-month period ended June 30, 2024, the Company and its subsidiaries had revenue from other income of Baht 4.68 million, increased by Baht 0.50 million, or 11.91% as compared to the same period of last year which was Baht 4.18 million, from the increased interest income.



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### **Cost of Sales and Services**

For 2<sup>nd</sup> quarter of 2024, the Company's cost of sales was Baht 2,096.39 million, decreased by Baht 65.17 million or 3.01% as compared to the same quarter of last year and increased by Baht 577.60 million or 38.03% as compared to the 1<sup>st</sup> quarter of 2024, which was Baht 1,518.79 million. For the six-month period ended June 30,2024, the Company's cost of sales was Baht 3,615.18 million, decreased by Baht 548.88 million or 13.18% as compared to the same period of last year, which was Baht 4,164.06 million. The reasons are summarized as follows;

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

For 2<sup>nd</sup> quarter of 2024, The Company's cost of sales per sales ratio decreased from the same quarter of the previous year by 0.94% and increased from the 1<sup>st</sup> quarter of 2024 by 0.83%, for the six-month period ended June 30,2024, the decrease of 1.73% as a result of crude palm oil prices that have fluctuated over time. However, the Company still maintains the policy to manage inventory for maximum efficiency which is divided by product groups as follows;

- For 2<sup>nd</sup> quarter of 2024, the Biodiesel's ratio of cost of sales was increased by 0.39% or 0.40% as compared to the same quarter of last year and the Biodiesel's ratio of cost of sales was increased by 2.58% or 2.71% as compared to the 1<sup>st</sup> quarter of 2024. For the six-month period ended June 30,2024, the Biodiesel's ratio of cost of sales was decreased by 2.14% or 2.16% as compared to the same period of last year, due to the fluctuation in the price of raw materials. However, the Company has emphasised on controlling production yield and managing inventory turnover rate by keeping it in between 15-25 days in order to mitigate the risk from the raw material prices' fluctuation, which is an important factor of the Company's profitability.
- For 2<sup>nd</sup> quarter of 2024, the edible oil's ratio of cost of sales was increased by 0.29% or 0.31% as compared to the same quarter of last year, and the edible oil's ratio of cost of sales was increased by 0.97% or 1.03% as compared to the 1<sup>st</sup> quarter of 2024. For the six-month period ended June 30,2024, the edible oil's ratio of cost of sales was increased by 2.48% or 2.69% as compared to the same period of 2023 due to the price of raw materials that fluctuate over time. However, the Company was possible to generate profit from this business unit since there were Made to Order, which is allowed the Company maintaining profitable sales. But the storage of CPO cannot be stored separately. As a result, the production cost fluctuates according to the raw material price during the changing period.
- For 2<sup>nd</sup> quarter of 2024, Refined Glycerine's ratio of cost of sales was decreased by 23.53% or 25.22% as compared to the same quarter of last year and the Refined Glycerine's ratio of cost of sales was decreased by 14.91% or 17.62% as compared to the 1<sup>st</sup> quarter of 2024. For the six-month period ended June 30,2024, the Refined Glycerine's ratio of cost of sales was decreased by 6.27% or 7.78% as compared to the same period of last year. Due to the cost price of crude glycerine which is raw material has been adjusted to relation with the selling price of Refined Glycerine.
- For 2<sup>nd</sup> quarter of 2024, the raw material, and by-products' ratio of cost of sales was decreased by 0.78% or 0.77% as compared to the same quarter of last year and the raw material and by-products' ratio of cost of sales was decreased by



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1.34% or 1.32% as compared to the 1<sup>st</sup> quarter of 2024. For the six-month period ended June 30, 2024, the raw material and by-products' ratio of cost of sales was decreased by 0.23% or 0.23% as compared to the same period of last year. However, the Company still determines the cost of sales of by-products according to the market price of the products expected to be sold.

## 2. Cost of Production Services

For 2<sup>nd</sup> quarter of 2024, the cost from production services decreased by 13.24% or 20.16% as compared to the same quarter of last year, and was decreased by 9.82% or 15.78% as compared to the 1<sup>st</sup> quarter of 2024. For the six-month period ended June 30, 2024, the cost from production services decreased by 13.35% or 18.68% as compared to the same period of last year. Although the volume of Palm Olein production services had decreased, but the Company provided more production services of RBD Palm oil in the 2<sup>nd</sup> quarter of 2024. Presently, the Company has available capacity for production services.

## Selling Expenses

For 2<sup>nd</sup> quarter of 2024, the Company and its subsidiaries' selling expenses were Baht 8.90 million, decrease by Baht 1.64 million or 15.56% as compared to the same quarter of last year and increase by Baht 2.48 million or 38.63% as compared to the 1<sup>st</sup> quarter of 2024. For the six-month period ended June 30, 2024, the Company and its subsidiaries' selling expenses were Baht 15.31 million, decrease by Baht 5.59 million or 26.76% as compared to the same period of last year due to the transportation expenses were increased by higher quantities sold and the terms of delivery agreed.

## Administration Expenses

For 2<sup>nd</sup> quarter of 2024, the Company and subsidiaries' administration expenses were Baht 20.14 million, increased by Baht 0.57 million or 2.91% as compared to the same quarter of last year, and decreased by Baht 1.63 million or 7.49% as compared to the 1<sup>st</sup> quarter of 2024. For the six-month period ended June 30, 2024, the administration expenses increased by Baht 2.96 million or 7.61% from the same period of 2023.

## Financial Cost and Income Tax Expense

For 2<sup>nd</sup> quarter of 2024, the Company and subsidiaries there is no financial cost, which has decreased by Baht 0.012 million or 100% as compared to the same quarter of last year and has decreased by Baht 0.001 million or 100% as compared to the 1<sup>st</sup> quarter of 2024, which was Baht 0.001 million. For the six-month period ended June 30, 2024, the Company had financial cost of Baht 0.001 million, which decreased by Baht 0.015 million or 93.75% as compared to the same period of 2023.

For 2<sup>nd</sup> quarter of 2024 and 2023, the Company and subsidiaries had no income tax (income). For the six-month period ended June 30, 2024, the (income) tax had increased by Baht 1.02 million or 100.00% as compared to the same period of 2023, due to changes in the estimated value of employee benefit liabilities.



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### Statement of Financial Position

| Consolidated                                      | June 30, 2024   | December 31, 2023 | Unit: Million Baht       |               |
|---------------------------------------------------|-----------------|-------------------|--------------------------|---------------|
|                                                   |                 |                   | Increase /<br>(Decrease) | %             |
| Cash and cash equivalents                         | 252.73          | 168.38            | 84.35                    | 50.09%        |
| Short-term investments                            | 6.19            | 6.16              | 0.03                     | 0.49%         |
| Trade and other receivables                       | 663.70          | 672.55            | (8.85)                   | -1.32%        |
| Inventories                                       | 419.77          | 381.06            | 38.71                    | 10.16%        |
| Other current assets                              | 9.28            | 6.35              | 2.93                     | 46.13%        |
| <b>Total current assets</b>                       | <b>1,351.67</b> | <b>1,234.50</b>   | <b>117.16</b>            | <b>9.49%</b>  |
| Restricted bank deposits                          | 60.55           | 60.55             | 0.00                     | 0.00%         |
| Property, plant and equipment                     | 1,201.77        | 1,254.06          | (52.29)                  | -4.17%        |
| Other non-current assets                          | 4.28            | 3.63              | 0.65                     | 17.94%        |
| <b>Total assets</b>                               | <b>2,618.26</b> | <b>2,552.73</b>   | <b>65.53</b>             | <b>2.57%</b>  |
| Trade and other payables                          | 389.29          | 386.75            | 2.54                     | 0.66%         |
| Other current liabilities                         | 50.58           | 50.58             | 0.00                     | 0.00%         |
| Other non-current liabilities                     | 8.52            | 13.05             | (4.53)                   | -34.69%       |
| <b>Total liabilities</b>                          | <b>448.39</b>   | <b>450.38</b>     | <b>(1.99)</b>            | <b>-0.44%</b> |
| Shareholder's equity                              | 2,169.87        | 2,102.36          | 67.51                    | 3.21%         |
| <b>Total liabilities and shareholder's equity</b> | <b>2,618.26</b> | <b>2,552.73</b>   | <b>65.53</b>             | <b>2.57%</b>  |

### Assets

As of June 30<sup>th</sup>, 2024, the Company and subsidiaries had total assets of Baht 2,618.26 million, increased by Baht 65.73 million or 2.57% from December 31<sup>st</sup>, 2023, due to an increase in cash and cash equivalents of Baht 84.35 million, a decrease in Trade receivables of Baht 8.85 million, an increase in Inventories of Baht 38.71 million, an increase in Other current assets of Baht 2.93 million, a decrease in Property, plant and equipment of Baht 52.89 million and an increase in Other non-current assets of Baht 0.65 million.

### Liabilities

As of June 30<sup>th</sup>, 2024, the Company and subsidiaries had total liabilities of Baht 448.39 million, decreased by Baht 1.99 million or 0.44%, from Trade and other payables increased by Baht 2.54 million and Other non-current liabilities such as employee benefit provision liabilities decreased by Baht 4.53 million.



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### **Shareholders' equity**

As of June 30<sup>th</sup>, 2024, the Company and subsidiaries had total shareholders' equity of Baht 2,169.87 million, increased by Baht 67.51 million or 3.21%. Due to the profit from the first six-month period of 2024 of Baht 63.16 million and profit from the employee benefit estimates based on actuarial technique of Baht 4.35 million.

Please be informed according

Yours Sincerely,

AI Energy Public Company Limited

Miss Pimwan Thareratanavibool

Managing Director

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