



บริษัท เอไอ เอนเนอร์จี จำกัด (มหาชน)

AI Energy Public Company Limited

ทะเบียนเลขที่ 0107556000311

AIE 174/2024

November 14<sup>th</sup>, 2024

**Subject:** Management's Discussion and Analysis for 3<sup>rd</sup> quarter of 2024 ended as of September 30, 2024

**Attention:** President,  
The Stock Exchange of Thailand

AI Energy Public Company Limited (the "Company") is manufacturer and distributor of Biodiesel (B100), Palm Olein (Edible oil), Refined Glycerine, and providing production service for Refined Bleached Deodorized Palm Oil (RBDPO) and Refined Bleached Deodorized Kernel Palm Oil (RBDPKO). The Company has a subsidiary; storage tanks service, which currently temporarily ceased its operation. In the past 3 years, the Company has not changed its control over the Company and there is no change in the shareholder structure, management or business operations.

The financial statement of the Company's and its subsidiaries' for 3<sup>rd</sup> quarter of 2024 ended as of September 30, 2024, which details are as following;

Operating results (Consolidated)	Q3/2024	Q2/2024	Q3/2023	% Increase		9M2024	9M2023	%
				(Decrease)				
				YoY	QoQ			
Revenue from sales and services	2,150.76	2,154.90	1,811.21	18.75%	(0.19%)	5,880.61	6,032.06	(2.51%)
Cost of sales and services	2,088.95	2,096.39	1,791.36	16.61%	(0.35%)	5,704.13	5,955.42	(4.22%)
Gross profit	61.81	58.51	19.85	211.39%	5.64%	176.48	76.64	130.28%
Other income	1.45	2.07	1.30	11.47%	(30.12%)	4.79	5.48	(12.68%)
Selling and administrative expenses	32.07	29.04	26.12	22.80%	10.43%	87.95	85.96	2.32%
Profit from operations	31.04	31.15	(4.97)	724.59%	(0.35%)	92.77	(4.10)	2,362.18%
EBITDA	67.59	64.86	33.12	104.09%	4.21%	194.65	81.06	140.13%
Finance cost and tax income	0.02	0.00	0.00	100.00%	100.00%	1.01	(0.02)	5,150.00%
Net profit	31.17	31.53	(4.97)	727.04%	(1.15%)	94.33	(3.86)	2,545.63%
Basic earnings per share (Baht per share)	0.023	0.023	(0.004)			0.068	(0.003)	

### Net Profit

For 3<sup>rd</sup> quarter of 2024, the Company and subsidiaries (Consolidated) realized net profit of Baht 31.17 million, increased by Baht 36.14 million or 727.04% as compared to the same quarter of last year which incurred the realized net loss of Baht 4.97 million, decreased by Baht 0.36 million or 1.15% as compared to the 2<sup>nd</sup> quarter of 2024, which incurred the realized net profit of



Baht 31.53 million. For the nine-month period ended September 30, 2024, the Company and subsidiaries (Consolidated) realized net profit of Baht 94.33 million, increased by Baht 98.19 million or 2,545.63% as compared to the same period of last year which incurred net loss of Baht 3.86 million. However, the Company reported EBITDA in amounting of Baht 67.59 million, increased by Baht 34.47 million or 104.09 % as compared to the same period of last year which incurred Baht 33.12 million, increase by Baht 2.73 million or 4.21% as compared to the 2<sup>nd</sup> quarter of 2024, which realized net profit of Baht 64.86 million. For the nine-month period ended September 30, 2024, the Company's EBITDA is Baht 194.65 million, increased by Baht 113.59 million or 140.13% as compared to the same period of last year which was Baht 81.06 million. The fluctuation of CPO price during the 9-month period of 2024 was occurred 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 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 3<sup>rd</sup> quarter of 2024, the Company and subsidiaries had revenue of Baht 2,150.76 million, increase by Baht 339.55 million or 18.75% as compared to the same quarter of last year which had revenue of Baht 1,811.21 million, decrease by Baht 4.14 million or 0.19% as compared to the 2<sup>nd</sup> quarter of 2024 which had revenue of Baht 2,154.90 million. For the nine-month period ended September 30, 2024, the Company and subsidiaries had revenue of Baht 5,880.61 million, decrease by Baht 151.45 million or 2.51% as compared to the same period of last year which had revenue of Baht 6,032.06 million, where the reasons are summarized as follows;

#### **1.1. Revenue from Biodiesel, Edible oil Refined Glycerine, Raw material and By-product**

- For 3<sup>rd</sup> quarter of 2024, the revenue from Biodiesel business increase by Baht 157.95 million, or 12.38% as compared to the same quarter of last year, due to the average selling price of Biodiesel increased by 6.24% from the same quarter of the previous year, and increase by Baht 85.96 million or 6.38% as compared to the 2<sup>nd</sup> quarter of 2024. For the nine-month period ended September 30,2024 the revenue from Biodiesel business decrease by Baht 285.80 million, or 6.94% as compared to the same period of last year, due to the quantity sold decreased by 12.48% and the average selling price of Biodiesel was increased by 6.34% in accordance to CPO price trend.
- For 3<sup>rd</sup> quarter of 2024, the revenue from Edible oil business decrease by Baht 3.55 million, or 6.84% as compared to the same quarter of last year from the quantity sold that decreased by 11.42% and the average selling price increased by 5.17%, and as compared to the 2<sup>nd</sup> quarter of 2024 the revenue was decreased by Baht 40.07 million, or 45.31% from the quantity sold decreased by 41.87% and average selling price decreased by 5.93%, and for the nine-month period ended September 30, 2024, the revenue from Edible oil business increased by Baht 125.74 million, or 131.25% from the quantity sold that increased by 123.55% and the average selling price was decreased by 3.44% as compared to the same period of previous year. 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 3<sup>rd</sup> quarter of 2024, the revenue from Refined Glycerine business increased by Baht 19.93 million or 30.66% as compared to the same quarter of last year from the quantity sold that increased by 17.80% and the average selling price was increased by 10.92%. The revenue from Refined Glycerine business increased by Baht 3.21 million or 3.92% as compared to the 2<sup>nd</sup> quarter of 2024, from the quantity sold that decreased by 0.39% and the selling price that increased by 4.33%, and for the nine-month period ended September 30, 2024, the revenue from Refined Glycerine business decreased by Baht 12.15 million or 5.66%, from the quantity sold and the average selling price were decreased by 4.68% and 1.03%, respectively when compared to the same period of the previous year.
- For 3<sup>rd</sup> quarter of 2024, the revenue from raw material and by-product increased by Baht 167.25 million or 40.58% from the quantity sold increased by 8.00% and average selling price increased by 30.18% as compared to the same quarter of last year, and as compared to the 2<sup>nd</sup> quarter of 2024 the revenue decreased by Baht 52.19 million or 8.26% from the quantity sold decreased by 21.08% and the average selling price increased by 16.24%, and for the nine-month period ended September 30, 2024, the revenue from raw material and by-product increased by Baht 27.06 million or 1.71%, due to the quantity sold decreased by 12.79% and average selling price increased by 16.62%. 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 3<sup>rd</sup> quarter of 2024, the revenue from production services has decreased by Baht 2.04 million or 32.00% as compared to the same quarter of last year, since the revenue from production services for Edible oil decreased by 58.19% but the revenue from production services for RBDPO increased by 100%. As compared to the 2<sup>nd</sup> quarter of 2024, the revenue from production services has decreased by Baht 1.04 million or 19.32% from the revenue from production services for Edible oil that was decreased by 43.62% but the revenue from production services for RBDPO increased by 219.51%. For the nine-month period ended September 30, 2024, the revenue from production services decreased by Baht 6.29 million or 26.95%, the revenue from production services for Edible oil decreased by 35.86% but the revenue from production services for RBDPO increased by 100%, comparing to the same period of 2023.

Presently, the Company has enough capacity left for production services, however the Company is considering to offer the production services that are suitable to the Company from time to times.

## 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 3<sup>rd</sup> quarter of 2024, the Company and its subsidiaries had revenue from other income of Baht 1.45 million, increase by Baht 0.15 million, or 11.47% as compared to the same period of last year. As compared to the 2<sup>nd</sup> quarter of 2024, other income of Baht 2.06 million, decrease by Baht 0.61 million or 29.48%. For the nine-month period ended September 30, 2024, the Company and its subsidiaries had revenue from other income of Baht 4.79 million, decreased by



Baht 0.69 million, or 12.68% as compared to the same period of last year which was Baht 5.48 million, the main reason was the decreased in gain on exchange rates.

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

For 3<sup>rd</sup> quarter of 2024, the Company and subsidiary's cost of sales and services was Baht 2,088.95 million, increased by Baht 297.59 million or 16.61% as compared to the same quarter of last year which had Baht 1,791.36 million, decreased by Baht 7.44 million or 0.35% as compared to the 2<sup>nd</sup> quarter of 2024, which was Baht 2,096.39 million. For the nine-month period ended September 30, 2024, the cost of sales and services was Baht 5,704.13 million, decreased by Baht 251.29 million or 4.22% as compared to the same period of last year, which was Baht 5,955.42 million. The reasons are summarized as follows;

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

For 3<sup>rd</sup> quarter of 2024, The Company and subsidiary's cost of sales to sales ratio decreased from the same quarter of the previous year by 1.78% and decreased from the 2<sup>nd</sup> quarter of 2024 by 0.16%, for the nine-month period ended September 30, 2024, was decreased by 1.73% as a result of CPO prices 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 3<sup>rd</sup> quarter of 2024, the Biodiesel's ratio of cost of sales was decreased by 0.65% or 0.66% as compared to the same quarter of last year and the Biodiesel's ratio of cost of sales was decreased by 0.20% or 0.21% as compared to the 2<sup>nd</sup> quarter of 2024. For the nine-month period ended September 30, 2024, the Biodiesel's ratio of cost of sales was decreased by 1.62% or 1.64% 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 3<sup>rd</sup> quarter of 2024, the Edible oil's ratio of cost of sales was decreased by 0.80% or 0.83% 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 1.02% as compared to the 2<sup>nd</sup> quarter of 2024. For the nine-month period ended September 30, 2024, the Edible oil's ratio of cost of sales was increased by 0.23% or 0.24% as compared to the same period of 2023 due to the price of raw materials that fluctuate over time. However, this business unit is 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 3<sup>rd</sup> quarter of 2024, Refined Glycerine's ratio of cost of sales was decreased by 42.41% or 40.31% as compared to the same quarter of last year and the ratio of cost of sales was decreased by 6.94% or 9.95% as compared to the 2<sup>nd</sup> quarter of 2024. For the nine-month period ended September 30, 2024, the Refined Glycerine's ratio of cost of sales was decreased by 18.55% or 21.08% as compared to the same period of last year. Due to the cost price of crude glycerine which is raw material has been adjusted in relation to the selling price of Refined Glycerine.



- For 3<sup>rd</sup> quarter of 2024, the raw material, and by-products' ratio of cost of sales was increased by 0.70% or 0.71% as compared to the same quarter of last year and the raw material and by-products' ratio of cost of sales was increased by 0.82% or 0.83% as compared to the 2<sup>nd</sup> quarter of 2024. For the nine-month period ended September 30, 2024, the raw material and by-products' ratio of cost of sales was increased by 0.04% or 0.04% 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 3<sup>rd</sup> quarter of 2024, the cost from production services decreased by 0.82% or 1.23% as compared to the same quarter of last year, and was increased by 13.53% or 25.82% as compared to the 2<sup>nd</sup> quarter of 2024. For the nine-month period ended September 30, 2024, it decreased by 10.08% or 14.36% as compared to the same period of last year. Although the volume of Edible oil production services decreased, during the nine-month period of 2024, the Company provided more production services of RBDPO instead. Presently, the Company has available capacity for production services.

## **Selling Expenses**

For 3<sup>rd</sup> quarter of 2024, the Company and subsidiaries' selling expenses were Baht 9.40 million, increase by Baht 1.16 million or 14.09% as compared to the same quarter of last year and increase by Baht 0.50 million or 5.69% as compared to the 2<sup>nd</sup> quarter of 2024. For the nine-month period ended September 30, 2024, there were Baht 24.72 million, decrease by Baht 4.42 million or 15.18% as compared to the same period of last year due to the logistic expenses were increased or decreased in according to the quantities sold in Biodiesel and Edible oil, which based on the terms of delivery agreed.

## **Administration Expenses**

For 3<sup>rd</sup> quarter of 2024, the Company and subsidiaries' administration expenses were Baht 22.67 million, increased by Baht 4.80 million or 26.81% as compared to the same quarter of last year, and increased by Baht 2.53 million or 12.54% as compared to the 2<sup>nd</sup> quarter of 2024. For the nine-month period ended September 30, 2024, the administration expenses increased by Baht 6.42 million or 11.29% from the same period of 2023, due to the unrealized loss from foreign exchange rate since the Company has kept foreign currency to import machinery, which was already made the purchase contracts.

## **Financial Cost and Income Tax Expense**

For 3<sup>rd</sup> quarter of 2024, the Company and subsidiaries had financial cost of Baht 0.015 million, increased by Baht 0.012 million or 400% as compared to the same quarter of last year and increased by Baht 0.013 million or 650% as compared to the 2<sup>nd</sup> quarter of 2024, which was Baht 0.002 million. For the nine-month period ended September 30, 2024, the Company had financial cost of Baht 0.016 million, which decreased by Baht 0.003 million or 15.79% as compared to the same period of 2023.

For 3<sup>rd</sup> quarter of 2024 and 2023, and 2<sup>nd</sup> quarter of 2024 the Company and subsidiaries there is no income tax (income). For the nine-month period ended September 30, 2024, had income tax (income) 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.

**Statement of Financial Position**

Unit : Million Baht

Consolidated Financial Statements	As of 30/09/2024	As of 30/09/2023	Increase (Decrease)	%	As of 30/09/2024	Increase (Decrease)	%
Cash and cash equivalents	313.91	226.36	87.55	38.68%	252.73	61.18	24.21%
Short-term investments	115.28	2.60	112.67	4,330.28%	6.19	109.09	1,762.29%
Trade and other receivables	532.91	419.50	113.41	27.03%	663.70	(130.80)	(19.71%)
Inventories	402.93	382.91	20.03	5.23%	419.77	(16.83)	(4.01%)
Other current assets	8.43	6.89	1.54	22.28%	9.28	(0.85)	(9.20%)
<b>Total current assets</b>	<b>1,373.45</b>	<b>1,038.26</b>	<b>335.19</b>	<b>32.28%</b>	<b>1,351.67</b>	<b>21.79</b>	<b>1.61%</b>
Restricted bank deposits	59.58	64.09	(4.51)	(7.04%)	60.55	(0.97)	(1.60%)
Property, plant and equipment	1,181.63	1,280.07	(98.44)	(7.69%)	1,201.77	(20.13)	(1.68%)
Other non-current assets	18.77	3.84	14.92	388.32%	4.28	14.49	338.56%
<b>Total assets</b>	<b>2,633.43</b>	<b>2,386.26</b>	<b>247.17</b>	<b>10.36%</b>	<b>2,618.26</b>	<b>15.17</b>	<b>0.58%</b>
Trade and other payables	375.89	283.43	92.47	32.62%	389.29	(13.40)	(3.44%)
Other current liabilities	47.05	32.17	14.89	46.27%	50.58	(3.53)	(6.97%)
Other non-current liabilities	9.45	12.44	(2.99)	(24.02%)	8.52	0.92	10.84%
<b>Total liabilities</b>	<b>432.39</b>	<b>328.03</b>	<b>104.36</b>	<b>31.82%</b>	<b>448.39</b>	<b>(16.00)</b>	<b>(3.57%)</b>
Shareholder's equity	2,201.04	2,058.24	142.81	6.94%	2,169.87	31.17	1.44%
<b>Total liabilities and shareholder's equity</b>	<b>2,633.43</b>	<b>2,386.26</b>	<b>247.17</b>	<b>10.36%</b>	<b>2,618.26</b>	<b>15.17</b>	<b>0.58%</b>

**Assets**

As of September 30, 2024, the Company and subsidiaries had total assets of Baht 2,633.43 million, increased by Baht 247.17 million or 10.36% from 2023, due to cash and cash equivalents increased of Baht 87.55 million, short-term investments increased Baht 112.67 million from 6-month fixed deposits, trade receivables increase Baht 113.41 million, inventories increased Baht 20.03 million, other current assets increased Baht 1.54 million, property, plant and equipment decreased of Baht 98.44 million and other non-current assets increased Baht 14.92 million.

As compared to as of June 30, 2024, total assets increased by Baht 15.17 million or 0.58%, mainly due to an increase in cash and cash equivalents of Baht 61.18 million, short-term investments increased by Baht 109.09 million from 6-month fixed deposits, trade receivables decreased by Baht 130.80 million, inventories decreased by Baht 20.03 million, other current assets decreased by Baht 0.85 million, land buildings and equipment decreased by Baht 20.13 million and non-current assets increased by Baht 14.49 million.



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### **Liabilities**

As of September 30, 2024, the Company and subsidiaries had total liabilities of Baht 432.39 million, increased by Baht 104.36 million or 31.82% from 2023, due to trade and other payables increased by Baht 92.47 million from purchasing raw materials increasing according to sales, and other non-current liabilities decreased by Baht 2.99 million.

As compared to as of June 30, 2024, which had total liabilities of Baht 448.39 million, a decreased of Baht 16.00 million or 3.57% from trade and other payables decreased of Baht 13.40 million and other non-current liabilities increased by Baht 0.92 million.

### **Shareholders' equity**

As of September 30, 2024, the Company and subsidiaries had total shareholders' equity of Baht 2,201.04 million, increased by Baht 142.81 million or 6.94% from 2023, due to the profit from business operation and profit from the employee benefit estimates based on actuarial technique. As compared to as of June 30, 2024, it increased by Baht 31.17 million or 1.44%, mainly due to profit from business operations.

### **Cash Flow Analysis**

In the cash flow statement as at September 30, 2024, the net cash flow increases by Baht 145.53 million, with cash and cash equivalents at the beginning of the period (January 1<sup>st</sup>, 2024) of Baht 168.38 million, the cash and cash equivalents at the end of the period (September 30, 2024) of Baht 313.91 million. The details of cash flow for each activity are as follows:

	Unit: Million Baht	
<b>Consolidated financial statements</b>	<b>9M2024</b>	<b>9M2023</b>
Net cash flows provided by operating activities	276.35	95.86
Net cash flows used in investing activities	(130.70)	(29.07)
Net cash flows provided by (used in) financing activities	(0.12)	57.24
Net increase (decrease) in cash and cash equivalents	145.53	124.03
Cash and cash equivalents at the beginning of the period	168.38	102.34
Cash and cash equivalents at the end of the period	313.91	226.36

Net cash flows from operating activities of Baht 276.35 million derived from profit before tax of Baht 94.33 million and adjusted for items that covered profit before tax with income (expenses) from operating activities. The main items that increased cash flow were depreciation and amortization of Baht 101.33 million, financial costs of Baht 0.02 million, and others of Baht 0.99 million. In addition, operating assets increased by Baht 95.76 million and operating liabilities decreased by Baht 17.09 million.

Net cash flow from investing activities of Baht 130.70 million, consist of short-term investment increased by Baht 109.00 million, investment in fixed assets and other assets increased by Baht 21.70 million.

Net cash flow from financing activities of Baht 0.12 million, from repayment of lease liabilities.



**Key Financial Ratios**

The Company has sufficient working capital to meet its business needs and continue operations seamlessly with the key financial ratios as follows;

Financial Ratio	Unit	3Q2024	2Q2024	3Q2023	9M2024	9M2023
<b>Profitability Ratios</b>						
Gross profit margin	%	2.87	2.72	1.10	3.00	1.27
Net profit margin	%	1.45	1.46	(0.27)	1.60	(0.06)
Return on equity	%	1.42	1.45	1.75	4.29	(0.19)
<b>Leverage Ratios or Financial Ratios</b>						
Debt to equity	Times	0.20	0.21	0.16	0.16	0.14
Interest coverage ratio	Times	30.17	30.53	(5.97)	5,798.25	(215.84)
<b>Liquidity Ratios</b>						
Current ratio	Times	3.25	3.07	3.29	3.25	3.29
Quick ratio	Times	2.27	2.10	2.05	2.27	2.05

**Factors that may affect operations or future growth**

The Company is producer and distributor of biodiesel to the fuel trader under Section 7 of Fuel Trade Act B.E.2543 in which consists of the major oil traders in the country and sell 100% domestically. The Company has been frequently affected by the major risk factors of the CPO related business. The factors that caused the fluctuation in price of CPO are change in government policy, climate change, and national's CPO safety stock. For the price and quantity fluctuation of CPO, the government had issued a policy to control such problem from both the fluctuating price and quantity. The government has used its policy to reduce the portion of B100 blend in diesel mandate such as lowered B7 to B5 when national's CPO safety stock low or the price of CPO extremely high, or increase the ratio of biodiesel blend in diesel when stocking CPO high. This is to control the volume of CPO used and focuses on the need of the Edible oil's consumers. On November 7, 2024, the Energy Regulatory Commission (ERC) has resolved to decrease the proportion of biodiesel blend in diesel from B7 to B5 while the CPO price currently high, to help consumers after the price of biodiesel has surpassed the price of diesel more than twice, effective from November 21<sup>st</sup>, 2024 onwards until ERC has a resolution to change.

The Company has been prepared for tougher competition by giving importance to the development of efficiency in the production process continuously. This allows the Company to control costs and expenses in production more efficiently.

**The Company's Key Developments in 3<sup>rd</sup> quarter of 2024**

The Company has upgraded the efficiency of machinery in the edible oil's production process in various types of packaged edible oils by using modern technology to create costs saving in the long-term and increase operational efficiency in the edible oil business to be competitive in the market.





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Please be informed according

Yours Sincerely,

AI Energy Public Company Limited

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