

24<sup>th</sup> February 2023

**Subject: Management Discussion and Analysis of the year ending 31 December 2022**

**To: The President**  
**Stock Exchange of Thailand**

Univanich Palm Oil Public Co., Ltd (UVAN) hereby submits the management discussion and analysis of the financial statements of the company and its subsidiaries for the year ended 31<sup>st</sup> December 2022.

For the 2022 financial year, UVAN's consolidated profit after tax of **Baht 1,429.76 million** was 70.4% higher than Baht 839.27 million in the previous year.

The main factors contributing to this higher result were:

1. The volume of fruit processed by our five factories in Thailand was 27.4% higher than in the previous year. This volume growth is a result of competitive fruit buying and the increasing yield performance from smallholder plantings in the region. The favourable rainfall throughout the year supported this increased performance, along with the increased plantings over recent years, that are now coming into production
2. The average selling price of Crude Palm Oil (CPO) and Palm Kernel Oil (PKO) were respectively 19.3% and 18.1% higher than the previous year. The high international palm oil price was a result of the global supply concerns of vegetable oil, and the low inventory levels, in the early part of 2022. Supply concern were further fueled by the Ukraine/ Russia conflict, and the ban of palm oil exports from Indonesia in 2<sup>nd</sup> quarter. This resulted in significantly improved margins from our factories. The palm oil prices in the third quarter steadily declined as the supply for vegetable oils showed signs of recovery and inventories grew, Europe and North American soft oil harvests were better than forecast, and palm oil production in Indonesia and Malaysia had a stronger Q3 and Q4. This increased supply, and improved forecasts, has meant that prices have been pushed down from the very high levels earlier in the year.
3. Our palm oil sales volume increased by 30.4% in 2022 due to the above production increase, coupled with an increase in trading of third-party oil for export.
4. As a result of the high palm oil prices, our plantations benefited from a 15.2% increase in the average price of fruit delivered to the processing factories.
5. The higher palm oil price has encouraged new oil palm plantings and replanting of old palms. This has led to a significant increase in demand for Univanich hybrid oil palm seeds, both from domestic and export customers. Seed sales increased by 220% year on year. Our oil palm seedlings continue to be in high demand, with a 95% increase in sales year on year.
6. Our Philippines joint venture subsidiary, Univanich Carmen Palm Oil Corporation, contributed a profit of Baht 78.81 million, compared to Baht 55.26 million of last year, due to the improved production volume and higher palm oil prices.

Overall, the gross profit margin for the year increased from 11.8% to 12.7%. The higher margin is due to higher volumes, higher palm oil price and higher margins in our seed and seedling business.

Earnings per share from the 2022 consolidated net profit were **Baht 1.52 per share**, compared to Baht 0.89 per share in the previous year.

Yours faithfully,  
Univanich Palm Oil Public Company Limited

A handwritten signature in black ink, appearing to read 'Harry Brock', written in a cursive style.

Harry Brock  
Chief Executive Officer

CC : The Secretary General  
Securities and Exchange Commission