

August 11, 2023

**Subject: Management Discussion and Analysis for the second quarter and for half year ending 30 June 2023**  
**To: The President**  
**Stock Exchange of Thailand**

Univanich Palm Oil PCL hereby submits a discussion and analysis of the financial statements of the company and its subsidiaries for the second quarter, and half year ending 30<sup>th</sup> June 2023.

For the second quarter, consolidated profit after tax of **Baht 221.45 million** was 51.6% lower than Baht 457.82 million in the same quarter of last year. The main reason of this lower profit was due to falling palm oil prices. However, there was some compensation from strong seed and seedling sales, and electricity sales.

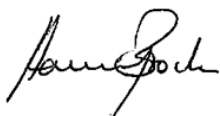
For the first half of this year, the consolidated net profit after tax is **Baht 622.22 million**, 21.9% lower than Baht 796.24 million in the first half of last year. The main factors leading to this lower result were:

1. The average selling price of Crude Palm Oil (CPO) and Palm Kernel Oil (PKO) was respectively 42.3% and 57.6% lower than in the first half of last year. As palm oil production increased in the later part of 2022, across the Asian region, inventory levels began to recover. This improved supply meant that oil prices began to fall. This increased production continued into 2023, which has kept the prices at a lower level for first half of 2023. There is some volatility created by speculation of El Nino, production forecasts in Indonesia and Malaysia over next few months, and soy bean forecasts in the Americas. The Russia/Ukraine Black Sea supply routes for agriculture commodities also continues to create additional volatility.
2. A 42.5% decrease in fruit price, has led to a decrease in profit contribution from our oil palm plantations.
3. The volume of fruit processed by our five factories in Thailand was 35.7% higher than in the previous year due to the better rainfall in 2022, and new areas coming into production. The peak arrived earlier than normal with a 56% yoy increase in Q1. In Q2 the FFB volume began to decline, with a 18% yoy increase.
4. Our palm oil sales volume was 19.9% higher than in the first half of last year, due to the above production increase. However, this has been offset with a decrease in trading of third-party oil for export, and an increase in inventory at the end of the period.
5. Our seed and seedling sales have been significantly higher than last year, due to the earlier buoyant oil prices, resulting in growers wanting to expand their plantings and replant their old stands of oil palm with newer, advanced performance material.
6. Univanich Carmen Palm Oil Corporation, our joint venture subsidiary in the Philippines, contributed Baht 33.45 million to UVAN's consolidated 2023 net profit, a decrease of 45.9% from last year, mainly from the falling palm oil prices.

Overall, the gross profit margin for the first half of 2023 increased from 13% to 15%, mainly due to higher production volume, the improved contribution from the seeds and seedlings business, and an increase in electricity sales.

Earnings per share were **Baht 0.66 per share**, compared to Baht 0.85 per share in the first half of the previous year.

Yours faithfully,  
Univanich Palm Oil Public Co., Ltd.



Harry Brock  
Chief Executive officer

cc: The Secretary-General  
The Securities and Exchange Commission