



Thai President Foods Public Company Limited
Management Discussion and Analysis
For the first Quarter ended March 31, 2022

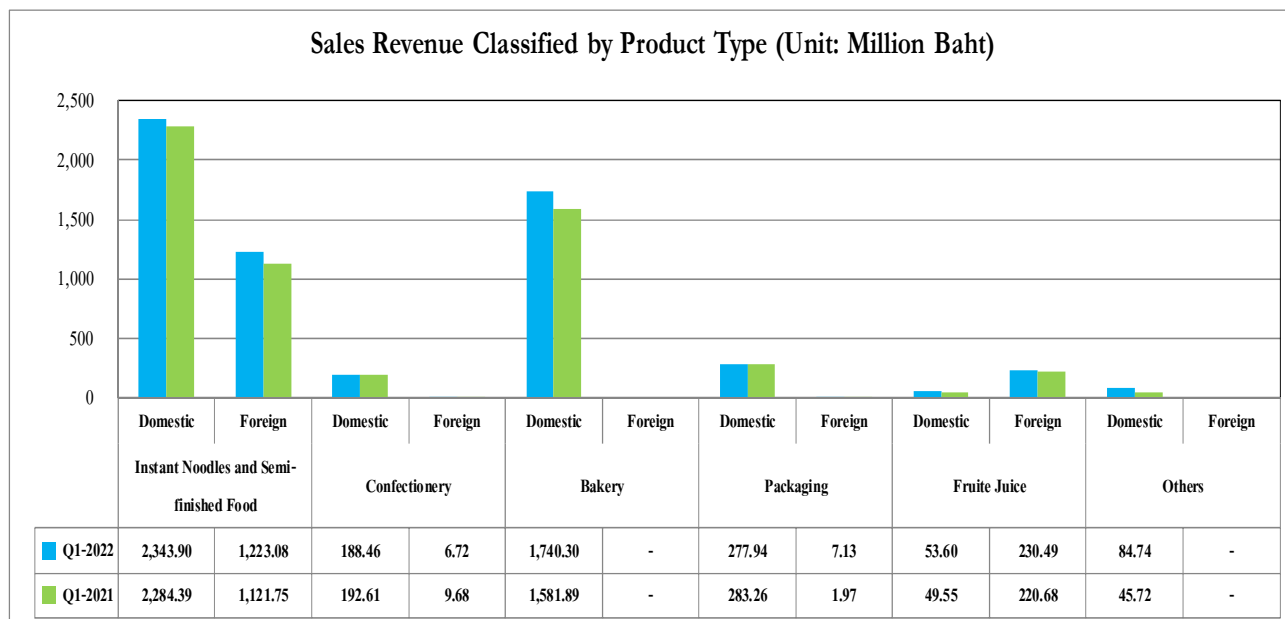
1. Performance Results

For the operating result of first Quarter ended March 31, 2022 compared with the same period of 2021. There is profit on equity holders of the company at the amount of Baht 608.75 million decreased compared to the same period of previous year that the company has profit on equity holders of the company at Baht 845.08 million or decreased by 27.97%. The Statement of Comprehensive Income in brief is presented as followed.

	Unit: Million Baht			
	January - March		Change	(%)
	2022	2021		
Sales	6,156.36	5,791.50	364.86	6.30
Cost of sales	4,380.01	3,820.85	559.16	14.63
Gross profit	1,776.35	1,970.65	(194.30)	(9.86)
Gross profit margin	28.85%	34.03%	(5.18%)	
Dividend income	29.82	24.48	5.34	21.81
Other income	37.23	63.02	(25.79)	(40.92)
Selling and administrative expenses	984.85	971.09	13.76	1.42
Profit from operating activities	858.55	1,087.07	(228.52)	(21.02)
Share of profit from investments in associates and joint venture	41.48	85.28	(43.80)	(51.36)
Finance income	98.74	65.44	33.30	50.89
Finance cost	(0.87)	(0.66)	0.21	31.82
Income tax expenses	(121.58)	(150.59)	(29.01)	(19.26)
Non-controlling interests of the subsidiaries	267.56	241.46	26.10	10.81
Profit on equity holders of the Company	608.75	845.08	(236.33)	(27.97)

1.1 Sales

The company recorded the total sales of Baht 6,156.36 million and Baht 5,791.50 million in Q1/2022 and Q1/2021 respectively or increasing by 6.30%.



When classified by products and regions in Q1/2022 compared to Q1/2021, the domestic and foreign sales of Instant Noodles food increased by 2.61% and 9.03% respectively because of the impact of the economic slowdown. The bakery sales increased by 10.01% due to the price adjustment of some bakery products in line with higher raw material costs and fruit juice sales growth of 5.12%.

The other income and the share of profit from investment decreased which mainly resulted from the higher raw material cost.

1.2 Cost of Sales

The cost of sales of the Company amounted to Baht 4,380.01 million in Q1/2022, increasing by Baht 559.16 million or 14.63 % from the previous year, mainly due to higher raw material price. Thus, the cost of sales to total sales revenues ratio was at 71.15 % in Q1/2022, higher than that in the previous year which stood at 65.97%.

1.3 Selling and Administrative Expenses

The selling and administrative expenses in Q1/2022 totaled to Baht 984.85 million, increasing by Baht 13.76 million or 1.42 % from a year earlier, resulted from the increasing in exporting expense. which related to the export sales volume together with the freight cost jumped including the higher transportation cost. However the selling and administrative expenses to the total revenues ratio was at 16 % , 16.77% in Q1/2022, Q1/2021 respectively.

1.4 Net Profit



The Company recorded net profit of Baht 608.75 million in Q1/2022, decreasing by Baht 236.33 million or 27.97% from the previous year, resulted from the higher operating expense, especially the raw material cost. However, the profit margin of the company stood at 9.57% lower than Q1/2021 which stood at 14.02%,

2. Financial Position

For statement of financial as at March 31, 2022, changes as compared to December 31, 2021 are as followed:

2.1 Assets

	Unit: Million Baht			
	Total assets			
	31 March 2022	31 March 2021	Change	(%)
Cash and cash equivalents	4,967.34	3,820.25	1,147.09	30.03
Trade and other receivables	3,491.76	3,297.84	193.92	5.88
Inventories	2,425.56	1,657.14	768.42	46.37
Other current financial assets	8,049.52	8,736.74	(687.22)	(7.87)
Other current assets	183.01	102.69	80.32	78.22
Total current assets	19,117.19	17,614.66	1,502.53	8.53
Loan and Investment in associates, joint venture	3,792.12	3,075.08	717.04	23.32
Other non-current financial assets	9,585.41	8,339.00	1,246.41	14.95
Investment properties	406.40	406.40	-	-
Property, plant and equipment	8,453.08	8,906.58	(453.50)	(5.09)
Other non-current assets	239.43	167.28	72.15	43.13
Total non-current assets	22,476.44	20,894.34	1,582.10	7.57
Total assets	41,593.63	38,509.00	3,084.63	8.01

The total assets of the Company as of March 31, 2022 amounted to Baht 41,593.63 million, increasing by Baht 3,084.63 million or 8.01% from the end of last year. The structure of assets of the Company consisted of the non-current assets of Baht 22,476.44 million, accounting for 54.04% of total assets, and the current assets of Baht 19,117.19 million, accounting for 45.96% of total assets. Our asset mainly increased from Cash and Cash equivalents and the inventories item was the finish goods on hand to be sent to customers.

2.2 Liabilities



Unit: Million Baht

	Total liabilities and shareholders' equity			
	31 March 2022	31 March 2021	Change	(%)
Short-term loan from financial institution	248.01	-	248.01	100.00
Trade and other payables	2,111.07	1,913.85	197.22	10.30
Current portion of long-term lease liabilities	35.85	34.63	1.22	3.52
Other current liabilities	1,140.46	1,025.00	115.46	11.26
Other non-current liabilities	1,032.29	1,057.46	(25.17)	(2.38)
Total liabilities	4,567.68	4,030.94	536.74	13.32
Total shareholders' equity	37,025.95	34,478.06	2,547.89	7.39

Total liability of the Company stood at Baht 4,567.68 million as of March 31, 2022 increasing by Baht 536.74 million from the end of last year. The short-term loan from financial institutions belong to a subsidiary, the trade payable and income tax payable are not due to be paid. Most of liability of the company was current liability, while the non-current liability was accounted for 22.60% of total liability. Additionally, debt to equity ratio of the Company was at 0.16 times.

2.3 Shareholders' Equity

The shareholders' equity of the Company as of March 31, 2022 amounted to Baht 37,025.95 million, increasing by Baht 2,547.89 million or 7.39% from the end of 2021, resulting from the company can gain net profit in this quarter.

3. Liquidity Position

Cash flow statement for the period ended March 31, 2022 details as follow:

Unit: Million Baht

	January - March	
	2022	2021
Net cash flows from operating activities	558.79	956.55
Net cash flows used in investing activities	582.93	(822.30)
Net cash flows used in financing activities	236.51	(9.49)
Increase (decrease) in translation adjustments	0.52	0.08
Net increase (decrease) in cash and cash equivalents	1,378.75	124.84



The balance of operation, investment and financing activities cash inflow in Q1/2022 amounted to Baht 558.79 million, Baht 582.93 million and Baht 236.51 million respectively. The Company, as of March 31, 2021 recorded cash and cash equivalents item of Baht 4,967.34 million, increasing by Baht 1,378.75 million which resulted from the company has profit from operation, and allocated liquidities to invest in financial assets.

Please kindly be informed accordingly

Your sincerely,

(Mr. Wasan Boonsampankit)

Manager of Finance and Investment Department (CFO)

May 17, 2022