

10 August 2022
Bangkok Ranch Public Company Limited
Management Discussion and Analysis
Business overview
For the three-month period ended 30 June 2022

	For the three-month period ended		
	30 June 2022	30 June 2021	Change
	Million Baht	Million Baht	%
Sales	2,078	1,652	26
Cost of sales	(1,645)	(1,393)	(18)
Gross profit	433	259	67
% Gross profit	21%	16%	
Other income	10	2	359
Selling and administrative expenses	(315)	(204)	(54)
Impairment loss of investments in subsidiary and group of non-current assets held-for-sale	-	(65)	100
Operating profit (loss)	128	(8)	1,768
Share of gain (loss) from investments in joint ventures	3	(6)	149
Profit (loss) before finance cost and income tax income (expense)	131	(14)	1,007
Finance cost	(51)	(49)	(3)
Income tax income (expense)	(26)	15	(276)
Net profit (loss) for the period	54	(48)	213
Attributable to non-controlling interests of subsidiaries	(1)	(0)	(1,800)
Net profit (loss) for the period attributable to equity holders of the Company	53	(48)	211
EBITDA	245	86	187

Overall, the Group's business operations for the year 2022 continued to be on target. Proper management and effective sales strategies during pandemic situations has helped the organization achieve results quick and timely.

The Group's operating results for the three-month period ended 30 June 2022 with total sales revenue of 2,078 million Baht. On the other hand, net profit has decreased compared to last quarter 2022. Moreover, cost of sales including selling and administrative expenses increased for the three-month period end 30 June 2022. Most importantly a lot of the cost increase are due to logistics expenses, Covid-19 related expenses, and overall increase in raw material commodity prices.

For the six-month period ended 30 June 2022

	For the six-month period ended		
	30 June 2022	30 June 2021	Change
	Million Baht	Million Baht	%
Sales	4,156	3,373	23
Cost of sales	(3,332)	(2,848)	(17)
Gross profit	824	525	57
% Gross profit	20%	16%	
Other income	14	4	208
Selling and administrative expenses	(572)	(413)	(39)
Impairment loss of investments in subsidiary and group of non-current assets held-for-sale	-	(65)	100
Operating profit	266	51	426
Share of gain (loss) from investments in joint ventures	4	(7)	163
Profit before finance cost and income tax income (expense)	270	44	516
Finance cost	(103)	(96)	(7)
Income tax income (expense)	(51)	9	(674)
Net profit (loss) for the period	116	(43)	368
Attributable to non-controlling interests of subsidiaries	(1)	1	(297)
Net profit (loss) for the period attributable to equity holders of the Company	115	(42)	376
EBITDA	465	250	86

The Group's operating results for the six-month period ended 30 June 2022 showed better sales and operating performance from the same period last year. On the other hand, net profit has weakened compared to last quarter due to higher cost and tough economic global environment.

Financial position

	As at		Change %
	30 June 2022 Million Baht	31 December 2021 Million Baht	
Total current assets	2,693	2,846	(5)
Total non-current assets	7,898	7,946	(1)
Total assets	10,591	10,792	(2)
Total current liabilities	2,845	4,034	(29)
Total non-current liabilities	3,605	2,725	32
Total liabilities	6,450	6,759	(5)
Total Shareholders' Equity	4,141	4,033	3
Total Liabilities and Shareholders' Equity	10,591	10,792	(2)

As of 30 June 2022, the Group has total assets of 10,591 million Baht, a decrease of 201 million Baht from 31 December 2021, mainly from depreciation of plant and equipment. Including cash and cash equivalents to repay loans from financial institutions.

As of 30 June 2022, the Group has total liabilities of 6,450 million Baht, a decrease of 309 million Baht from 31 December 2021, mainly due to a decrease in trade payables and loans.

While total shareholders' equity increased from profit for the period ended 30 June 2022.

Financial Ratios

Liquidity Ratios	30 June 2022	31 December 2021
Current Ratio (times)	0.95	0.71
Quick Ratio (times)	0.41	0.32
Activity Ratios	30 June 2022	30 June 2021
Account Receivable Turnover (times)	6.43	6.17
Average Collection Period (days)	28	29
Fixed Asset Turnover (times)	0.92	0.69
Account Payable Turnover (times)	4.94	5.41
Average Payment Period (days)	36	33
Cash Cycle (days)	72	103
Inventory Turnover (times)	2.24	1.68
Inventory Turnover Period (days)	80	107
Total Assets Turnover (times)	0.39	0.31
Leverage Ratios		
Interest Coverage (times)	2.63	0.47
	30 June 2022	31 December 2021
Debt / Equity Ratio (times)	1.56	1.68
Profitability Ratios	30 June 2022	30 June 2021
Gross Profit Margin (%)	19.8%	15.6%
Net Profit Margin (%)	2.8%	(1.3%)
Return on Assets or ROA (%)	2.5%	0.4%
Return on Equity or ROE (%)	2.8%	(1.0%)

Factors affecting the Group's performance in the future

Global economic environment have been challenging. High inflation rates, rising commodity prices, volatile energy prices and logistic costs will be factors affecting the performance of the Group moving forward.

Furthermore, our overseas business is affected by the worst Avian Influenza (Bird flu) outbreak in 20 years within Europe. Some of our farms in our Netherlands subsidiary was hit by AI.

The overseas businesses will continue to be affected by the Ukrainian and Russian wars; which causes the shortage and higher prices of raw materials in animal feed, also pushing energy cost much higher.

Nevertheless, the Group continues to place high importance on taking care of employees and a safe working environment; including strict measures of controlling the spread of COVID-19 and Bird flu.

Yours sincerely,



Mr. Joseph Suchaovanich

Chief Executive Officer

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