

August 11, 2022

President Bakery Public Company Limited would like to submit the report of Management Discussion and Analysis (MD&A) for Operating Result in Q2/2022 ended on June 30, 2022 which has been reviewed by the auditor. The financial statement of the Company, as shown by equity method. The Company would like to clarify such significant changes as below,

**Performance of the Company**

(Unit: million Baht)

	Q2/2022	%	Q2/2021	%	Increase (Decrease)	
					Amount	%
Sales	1,821.16	99.61	1,709.19	99.49	111.97	6.55
Total revenues	1,828.27	100	1,717.94	100	110.33	6.42
Cost of Sales	999.79	54.90	884.51	51.75	115.28	13.03
Gross Profit	821.37	45.10	824.68	48.25	(3.31)	(0.40)
Selling and Administrative expenses	404.52	22.13	392.72	22.86	11.80	3.00
Profit for the period	386.60	21.15	405.17	23.58	(18.57)	(4.58)
Profit for the period (Baht)	0.86		0.90		(0.04)	(4.44)

	For the 6 month period ended 30 June 2022	%	For the 6 month period ended 30 June 2021	%	Increase (Decrease)	
					Amount	%
Sales	3,561.47	99.41	3,291.08	99.33	270.39	8.22
Total revenues	3,582.78	100	3,313.32	100	269.46	8.13
Cost of Sales	1,939.49	54.46	1,728.21	52.51	211.28	12.23
Gross Profit	1,621.98	45.54	1,562.87	47.49	59.11	3.78
Selling and Administrative expenses	804.54	22.46	774.87	23.39	29.67	3.83
Profit for the period	764.78	21.35	744.38	22.47	20.40	2.74
Profit for the period (Baht)	1.70		1.65		0.05	3.03

Remark: Percentage in Statement of comprehensive income derived from total revenues, while percentage of cost of sales and gross profit from sales

## 1. Operating Results

### 1.1 Sales Revenue

The Company recorded total sales of Baht 1,821.16 million and Baht 1,709.19 million in Q2/2022 and Q2/2021 respectively, or increasing by 6.55%.

For the first half of the year 2022 ended on June 30, total sale revenue stood at Baht 3,561.47 million, or increasing by 8.22% from the same period last year, as a result of the adjustment of product prices according to the increased cost of raw materials

### 1.2 Cost of Sales

The cost of sales of the Company in Q2/2022 stood at Baht 999.79 million, or increasing by 13.03% from the same quarter of 2021. The cost of sales to total sales ratio to be at 54.90% in Q2/2022, higher from 51.75% in the same quarter last year, increased production costs as a result of the price of main raw material price increase. As a result, the gross profit margin of the Company stood at 45.10% decreasing from 48.25% in the same quarter last year.

For the first half of the year 2022 ended on June 30, the cost of sales stood at Baht 1,939.49 million, increasing by Baht 211.28 million or 12.23% from the same period last year. As a result, the gross profit margin decreased to 45.54% from 47.49% in the same period last year.

### 1.3 Selling and Administrative Expenses

The selling and administrative expenses in Q2/2022 amounted to Baht 404.52 million, accounting for 22.13% of total revenues, increasing by 3% from the same quarter last year and half-year ended on June 30, 2022 and 2021 the selling and administrative expenses were accounted for 22.46% and 23.39% respectively, increasing by 3.83% from the same period last year, mainly due to increasing fuel cost for transportation because the increased oil price which increased from the same period of the previous year.

### 1.4 Profit for the period

The Company had the profit for the period of Baht 386.60 million for the three month period ended 30 June 2022, or decreasing by 4.58% from the same period last year and recorded net profit of Baht 764.78 million in the first half of 2022, or increasing by 2.74% from the same period last year due to higher sales volume. Moreover, the Company has recognized the share of profit from investment in joint venture for the 6 month period ended 30 June 2022 in the amount of Baht 2.67 million.

## Financial Position of the Company

(Unit: million Baht)

	June 30, 2022	%	December 31, 2021	%	Increase (Decrease)	
					Amount	%
Total Assets	11,438.31	100	11,234.20	100	204.11	1.82
Total Liabilities	1,050.31	9.18	1,093.73	9.74	(43.42)	(3.97)
Shareholders' Equity	10,388.00	90.82	10,140.47	90.26	247.53	2.44
Total Liabilities and Shareholders' Equity	11,438.31	100	11,234.20	100	204.11	1.82

## 2. Financial Position

### 2.1 Assets

The total assets of the Company as of June 30, 2022 amounted to Baht 11,438.31 million, increasing by Baht 204.11 million from December 31, 2021. Main asset of the Company comprised of current assets by 53.10% of total assets and non-current assets by 46.90% of total assets. The increase in current assets resulted from increasing cash and cash equivalents by Baht 186.54.

The trade and other receivables of the Company accounted for 5.10% of total assets, decreasing by Baht 287.60 million from December 31, 2021 because the most of account receivables were paid on due.

### 2.2 Liabilities

The liabilities of the Company as of June 30, 2022 totaled to Baht 1,050.31 million, accounting for 9.18% of total Liabilities and Shareholders' Equity and decreasing by 3.97%, which compared to as of December 31, 2021. As a result, the debt to equity ratio of the Company was at 0.10 times decrease from 0.11 times as of December 31, 2021.

### 2.3 Shareholders' Equity

The Shareholders' Equity of the Company as of June 30, 2022 amounted to Baht 10,388.00 million, accounting for 90.82% of Liabilities and Shareholders' Equity and increasing by Baht 247.53 million from December 31, 2021, resulting from the operating profits. As a result, the book value of the Company stood at 23.08 Baht per share, increasing from 22.53 Baht per share in 2021.

### 3. Liquidity Position

The net cash from operating activities of the Company in half-year ended on June 30, 2022 amounted to Baht 1,169.17 million, increasing by Baht 123.33 million or by 11.79% from the previous year because of increased profit.

The net cash used for investing activities totaled to Baht 500.76 million, increasing by Baht 171.13 million, mostly due to the increased in investment in financial assets from the same period last year and increased in advance payments for purchase of assets.

The cash used in financing activities was at Baht 481.88 million, mostly due to the dividend payment for the operating result in second half in 2021 amount of Baht 477 million, which was paid on May 26, 2022.

As a result, the Company recorded cash and cash equivalents of Baht 576.31 million as of June 30, 2022, increasing by Baht 186.54 million.

As of June 30, 2022, the Company maintained the current ratio at 6.42 times, and the average days sales at 1 day. Meanwhile, the average days of debt collection of the Company stood at 37 days, and the average days of debt repayment was at 70 days. As a result, the cash cycle of the Company was at 32 days.

This is to be informed for your acknowledgement

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(Ms. Petcharat Anantawichai)

Director and Senior Management Accounting Department  
and Finance Department Manager

Company Secretary