



บริษัท ที เอส ฟลาวมิลล์ จำกัด (มหาชน)
T S FLOUR MILL PUBLIC COMPANY LIMITED

“เรา คือ ผู้ผลิตแป้งสาลีชั้นนำ โดยมุ่งเน้นการพัฒนาสู่ความเป็นเลิศ ทั้งในด้านพาณิชย์และคุณภาพผลิตภัณฑ์อย่างยั่งยืนมืออาชีพ”

August 15, 2022

Subject: Clarification on the cause of changes in operating results.

To: Director and Manager
The Stock Exchange of Thailand

According to T S Flour Mill Public Company Limited ("the Company"), the financial statements for Q2/2022 Ended on June 30, 2022. The company's financial statement showed net profit of 34.16 million baht. Compared to Q2/2021, net profit decreased by 0.28 million baht or 0.8%. The Company would like to clarify as follows :

Unit : Thousand Baht

Description	Q2/2022		Q2/2021		Q2/2022 compare with Q2/2021	
	Amount	%	Amount	%	More (Less) Amount	%
Average Capacity Utilization		69.77%		74.92%		(5.15%)
Revenue from sales	472,231	100.0%	374,119	100.0%	98,112	26.2%
Cost of sales	(405,403)	(85.8%)	(293,966)	(78.6%)	111,437	37.9%
Gross Profit	66,828	14.2%	80,153	21.4%	(13,325)	(16.6%)
Gain from Exchange Rate	(826)	(0.2%)	6,182	1.7%	(7,008)	(113.4%)
Gain on Derivatives	15,646	3.3%	(3,994)	(1.1%)	19,640	(491.7%)
Other income	487	0.1%	939	0.3%	(452)	(48.1%)
Selling expenses	(10,148)	(2.1%)	(10,717)	(2.9%)	(569)	(5.3%)
Administrative expenses	(24,346)	(5.2%)	(26,857)	(7.2%)	(2,511)	(9.3%)
Finance cost	(3,601)	(0.8%)	(2,436)	(0.7%)	1,165	47.8%
Profit before income tax	44,040	9.3%	43,270	11.6%	770	1.8%
Income tax expenses	(9,884)	(2.1%)	(8,839)	(2.4%)	1,045	11.8%
Profit for the period	34,156	7.2%	34,431	9.2%	(275)	(0.8%)
Basic earnings per share	0.09	Baht	0.09	Baht	-	0.0%



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The Company's sales revenue in Q2/22 increased by 26.2% compared to the same period of the previous year. Wheat flour sales increased by 26.3%, while wheat bran sales decreased 0.1%. However, although sales volume of wheat flour and wheat bran decreased by 6.3% and 12.8%. But the average selling price of wheat flour and wheat bran increased by 40.3% and 14.1%, respectively.

Gross profit margin in Q2/22 decreased by 7.2% compared to the same period last year. This was a result of the cost of wheat used in Q2/22 increased by 50.3% over Q2/21 which is the proportion of cost increased higher than the selling price of wheat flour.

The average capacity utilization rate in Q2/22 was 69.77% decreased by 5.15% compared to the same period last year. This is a reduction in sales volume according to the strategy to adjust the current situation in which wheat prices have risen.

And from the financial statements for the six-month period ended June 30, 2022. It appears that the Company's financial statements show a net profit of 51.94 million baht. When compared to the same period of the previous year Net profit decreased by 29.35 million baht or 36.1%. The Company would like to clarify as follows :

Unit : Thousand Baht

Description	6 months/2022		6 months/2021		6m/2022 compare with 6m/2021	
	Amount	%	Amount	%	More (Less) Amount	%
<u>Average Capacity Utilization</u>		<u>69.51%</u>		<u>77.30%</u>		<u>(7.79%)</u>
Revenue from sales	926,746	100.0%	763,828	100.0%	162,918	21.3%
Cost of sales	(801,952)	(86.5%)	(596,797)	(78.1%)	205,155	34.4%
Gross Profit	124,794	13.5%	167,031	21.9%	(42,237)	(25.3%)
Gain from Exchange Rate	(6,185)	(0.7%)	(1,775)	(0.2%)	(4,410)	248.5%
Gain on Derivatives	17,426	1.9%	6,047	0.8%	11,379	188.2%
Other income	780	0.1%	1,916	0.3%	(1,136)	(59.3%)
Selling expenses	(18,961)	(2.0%)	(20,518)	(2.7%)	(1,557)	(7.6%)
Administrative expenses	(44,935)	(4.8%)	(46,209)	(6.0%)	(1,274)	(2.8%)
Finance cost	(6,585)	(0.7%)	(4,460)	(0.6%)	2,125	47.6%
Profit before income tax	66,334	7.2%	102,032	13.4%	(35,698)	(35.0%)
Income tax expenses	(14,398)	(1.6%)	(20,751)	(2.7%)	(6,353)	(30.6%)
Profit for the period	51,936	5.6%	81,281	10.6%	(29,345)	(36.1%)
Basic earnings per share	0.13	Baht	0.20	Baht	(0.07)	(35.0%)



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The Company's sales revenue in the first 6 months of 2022 increased by 21.3% compared to the same period of the previous year. Wheat flour sales revenue increased 21.0% and wheat bran sales increased 0.3%. This was attributed to the average selling price of wheat flour and wheat bran, which increased 39.4% and 14.1%, respectively. Although the sales volume of wheat flour and wheat bran decreased by 10.3%.

Gross margin decreased 8.4% compared to the same period last year. As a result, the cost of wheat used in 2022 rose 52.4%.

The average capacity utilization rate in the first 6 months of 2022 is 69.51% decreased by 7.79% compared to the same period last year.

First half situation

As wheat market prices have risen more than 50%, having continued to rise since 2021. And even higher since the news of the war between Russia and Ukraine during the quarter 1-2/2022. As a result, the selling price of wheat flour was adjusted upward. The Company had to bear some of the higher costs. To help mitigate the impact on customers and end consumers not to be too severe As a result, the gross profit margin has decreased compared to the previous year.

However, the company still has to adjust the strategy for both production and distribution. To maintain profitability to be close to the target set in 2022.

This year 2022 will be a very challenging year for the management. But regardless of the situation The management and all TMILL employees are still relentlessly striving to improve their results and continue to generate the best returns for all stakeholders.

Please be informed accordingly.

Yours sincerely,

Waewta Kullachothhada

(Ms. Waewta Kullachothhada)

Deputy Finance & Accounting Director / Company Secretary