

9 November 2022
Bangkok Ranch Public Company Limited
Management Discussion and Analysis
Business overview
For the three-month period ended 30 September 2022

	For the three-month period ended		
	30 September 2022	30 September 2021	Change
	Million Baht	Million Baht	%
Sales	2,104	1,729	22
Cost of sales	(1,626)	(1,476)	(10)
Gross profit	478	253	89
<i>% Gross profit</i>	<i>23%</i>	<i>15%</i>	
Other income	30	(0)	7,703
Selling and administrative expenses	(288)	(230)	(25)
Operating profit (loss)	221	24	817
Share of gain (loss) from investments in joint ventures	5	(1)	499
Profit (loss) before finance cost and income tax income (expense)	225	22	928
Finance cost	(52)	(59)	12
Income tax income (expense)	(37)	5	(892)
Net profit (loss) for the period	136	(32)	530
Attributable to non-controlling interests of subsidiaries	(1)	0	(1,050)
Net profit (loss) for the period attributable to equity holders of the Company	136	(32)	529
EBITDA	331	108	206

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 September 2022 with total sales revenue of 2,104 million Baht and net profit has increased compared to last quarter 2022. Moreover, cost of sales including selling and administrative expenses increased for the three-month period end 30 September 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 nine-month period ended 30 September 2022

	For the nine-month period ended		
	30 September 2022	30 September 2021	Change
	Million Baht	Million Baht	%
Sales	6,259	5,102	23
Cost of sales	(4,958)	(4,324)	(15)
Gross profit	1,302	778	67
% Gross profit	21%	15%	
Other income	44	2	1,957
Selling and administrative expenses	(860)	(641)	(34)
Impairment loss of investments in subsidiary and group of non-current assets held-for-sale	-	(65)	100
Operating profit	487	74	561
Share of gain (loss) from investments in joint ventures	9	(8)	213
Profit before finance cost and income tax income (expense)	496	66	653
Finance cost	(155)	(155)	0
Income tax income (expense)	(88)	15	(704)
Net profit (loss) for the period	253	(75)	437
Attributable to non-controlling interests of subsidiaries	(2)	1	(366)
Net profit (loss) for the period attributable to equity holders of the Company	251	(73)	442
EBITDA	795	358	122

The Group's operating results for the nine-month period ended 30 September 2022 showed better sales and operating performance from the same period last year. On the other hand, cost of sales including selling and administrative expenses increased compared to last quarter due to higher cost and tough economic global environment.

Financial position

	As at		Change %
	30 September 2022 Million Baht	31 December 2021 Million Baht	
Total current assets	2,766	2,846	(3)
Total non-current assets	7,884	7,946	(1)
Total assets	10,651	10,792	(1)
Total current liabilities	2,895	4,034	(28)
Total non-current liabilities	3,461	2,725	27
Total liabilities	6,356	6,759	(6)
Total Shareholders' Equity	4,294	4,033	6
Total Liabilities and Shareholders' Equity	10,651	10,792	(1)

As of 30 September 2022, the Group has total assets of 10,651 million Baht, a decrease of 141 million Baht from 31 December 2021, mainly from depreciation of plant and equipment.

As of 30 September 2022, the Group has total liabilities of 6,356 million Baht, a decrease of 403 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 nine month period ended 30 September 2022.

Financial Ratios

Liquidity Ratios	30 September 2022	31 December 2021
Current Ratio (times)	0.96	0.71
Quick Ratio (times)	0.46	0.32
Activity Ratios	30 September 2022	30 September 2021
Account Receivable Turnover (times)	9.57	8.58
Average Collection Period (days)	28	31
Fixed Asset Turnover (times)	1.39	1.05
Account Payable Turnover (times)	7.74	8.09
Average Payment Period (days)	35	33
Cash Cycle (days)	72	99
Inventory Turnover (times)	3.42	2.66
Inventory Turnover Period (days)	79	101
Total Assets Turnover (times)	0.59	0.47
Leverage Ratios		
Interest Coverage (times)	3.20	0.42
	30 September 2022	31 December 2021
Debt / Equity Ratio (times)	1.48	1.68
Profitability Ratios	30 September 2022	30 September 2021
Gross Profit Margin (%)	20.8%	15.3%
Net Profit Margin (%)	4.0%	(1.4%)
Return on Assets or ROA (%)	4.6%	0.6%
Return on Equity or ROE (%)	6.1%	(1.8%)

Factors affecting the Group's performance in the future

Global economic environment have been very challenging. High inflation rates, rising commodity prices, volatile energy prices and logistic costs are 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.

Our 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