



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

“เรา คือ ผู้ผลิตแป้งสาลีชั้นนำ โดยมุ่งเน้นการพัฒนาสู่ความเป็นเลิศ ทั้งในด้านพาณิชย์และคุณภาพผลิตภัณฑ์อย่างยั่งยืนมืออาชีพ”

November 14, 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 Q3/2022 Ended on September 30, 2022. The company's financial statement showed net profit of 39.42 million baht. Compared to Q3/2021, net profit increased by 16.93 million baht or 75.3%. The Company would like to clarify as follows :

Unit : Thousand Baht

Description	Q3/2022		Q3/2021		Q3/2022 compare with Q3/2021	
	Amount	%	Amount	%	More (Less) Amount	%
Average Capacity Utilization		70.06%		65.79%		4.27%
Revenue from sales	519,419	100.0%	331,628	100.0%	187,791	56.6%
Cost of sales	(430,824)	(82.9%)	(272,085)	(82.0%)	158,739	58.3%
Gross Profit	88,595	17.1%	59,543	18.0%	29,052	48.8%
Gain from Exchange Rate	21,819	4.2%	1,669	0.5%	20,150	1,207.3%
Gain on Derivatives	(20,105)	(3.9%)	3,389	1.0%	(23,494)	(693.2%)
Other income	321	0.1%	43	0.0%	278	646.5%
Selling expenses	(10,018)	(1.9%)	(6,588)	(2.0%)	3,430	52.1%
Administrative expenses	(26,914)	(5.2%)	(27,381)	(8.3%)	(467)	(1.7%)
Finance cost	(4,060)	(0.8%)	(2,487)	(0.7%)	1,573	63.2%
Profit before income tax	49,638	9.6%	28,188	8.5%	21,450	76.1%
Income tax expenses	(10,221)	(2.0%)	(5,703)	(1.7%)	4,518	79.2%
Profit for the period	39,417	7.6%	22,485	6.8%	16,932	75.3%
Basic earnings per share	0.10	Baht	0.06	Baht	0.04	66.7%



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

“เราคือผู้ผลิตแป้งสาลีชั้นนำ โดยมุ่งเน้นการพัฒนาสู่ความเป็นเลิศ ทั้งในด้านพาณิชย์และคุณภาพผลิตภัณฑ์อย่างยั่งยืนมืออาชีพ”

The Company's sales revenue in Q3/22 increased by 56.6% compared to the same period of the previous year. Wheat flour sales increased by 52.6%, and wheat bran sales increased 4.1%. However, although sales volume of wheat flour and wheat bran increased by 6.4% and 12.1%. And the average selling price of wheat flour and wheat bran increased by 51% and 12%, respectively.

Gross profit margin in Q3/22 decreased by 0.9% compared to the same period last year. This was a result of the cost of wheat used in Q3/22 increased by 51% over Q2/21.

Selling & Administrative expenses in Q3/22 increased by 2.96 million baht from increased sales promotion and freight costs.

The average capacity utilization rate in Q3/22 was 70.06% increased by 4.27% compared to the same period last year.

And from the financial statements for the nine-month period ended September 30, 2022. It appears that the Company's financial statements show a net profit of 91.35 million baht. When compared to the same period of the previous year Net profit decreased by 12.41 million baht or 12.0%. The Company would like to clarify as follows :

Unit : Thousand Baht

Description	9 months/2022		9 months/2021		9m/2022 compare with 9m/2021	
	Amount	%	Amount	%	More (Less) Amount	%
<u>Average Capacity Utilization</u>		69.69%		73.47%		(3.78%)
Revenue from sales	1,446,165	100.0%	1,095,456	100.0%	350,709	32.0%
Cost of sales	(1,232,776)	(85.2%)	(868,882)	(79.3%)	363,894	41.9%
Gross Profit	213,389	14.8%	226,574	20.7%	(13,185)	(5.8%)
Gain from Exchange Rate	15,634	1.1%	(106)	(0.0%)	15,740	(14,849.1%)
Gain on Derivatives	(2,679)	(0.2%)	9,436	0.9%	(12,115)	(128.4%)
Other income	1,101	0.1%	1,959	0.2%	(858)	(43.8%)
Selling expenses	(28,979)	(2.0%)	(27,106)	(2.5%)	1,873	6.9%
Administrative expenses	(71,849)	(5.0%)	(73,590)	(6.7%)	(1,741)	(2.4%)
Finance cost	(10,645)	(0.7%)	(6,947)	(0.6%)	3,698	53.2%
Profit before income tax	115,972	8.0%	130,220	11.9%	(14,248)	(10.9%)
Income tax expenses	(24,619)	(1.7%)	(26,454)	(2.4%)	(1,835)	(6.9%)
Profit for the period	91,353	6.3%	103,766	9.5%	(12,413)	(12.0%)
Basic earnings per share	0.23	Baht	0.26	Baht	(0.03)	(11.5%)



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

“เราคือ ผู้ผลิตแป้งสาลีชั้นนำ โดยมุ่งเน้นการพัฒนาสู่ความเป็นเลิศ ทั้งในด้านพาณิชย์และคุณภาพผลิตภัณฑ์อย่างยั่งยืนมืออาชีพ”

The Company's sales revenue in the first 9 months of 2022 increased by 32.0% compared to the same period of the previous year. Wheat flour sales revenue increased 30.5% and wheat bran sales increased 1.5%. This was attributed to the average selling price of wheat flour and wheat bran, which increased 44% and 14%, respectively.

Although the sales volume of wheat flour and wheat bran decreased.

Gross margin decreased 5.9% 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 9 months of 2022 is 69.69% decreased by 3.78% compared to the same period last year.

Current 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. It can be seen that in the third quarter, the selling price of wheat flour has been adjusted to be close to the higher cost. As a result, the gross profit margin began to increase more than the first two quarters.

The company remains committed to creating good returns for shareholders. The Board of Directors has approved the interim dividend payment of 0.08 baht per share on November 24, 2022.

In addition, the company will try to generate good financial returns for shareholders There are still activities to give back to society regularly for the sustainability of business operations It is a stable investment choice for investors forever.

Please be informed accordingly.

Yours sincerely,

Waewta Kullachothhada

(Ms. Waewta Kullachothhada)

Deputy Finance & Accounting Director / Company Secretary