



**Thai President Foods Public Company Limited**  
**Management Discussion and Analysis**  
**For the first Quarter ended March 31, 2023**

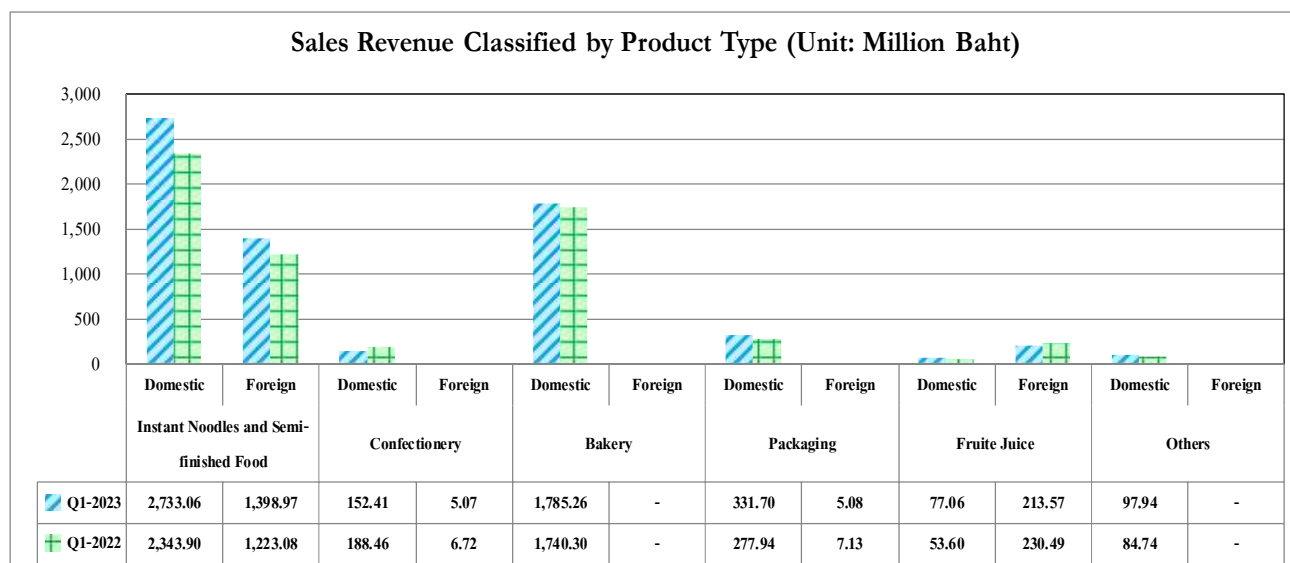
## 1. Performance Results

For the operating result of first Quarter ended March 31, 2023, compared with the same period of 2022. There is profit on equity holders of the company at the amount of Baht 803.60 million increased compared to the same period of previous year that the company has profit on equity holders of the company at Baht 608.75 million or increased by 32.01 %. The Statement of Comprehensive Income in brief is presented as follows.

	January - March		Unit: Million Baht	
	2023	2022	Change	(%)
Sales	6,800.12	6,156.36	643.76	10.46
Cost of sales	4,724.19	4,380.01	344.18	7.86
Gross profit	2,075.93	1,776.35	299.58	16.86
Gross profit margin	30.53%	28.85%	1.68%	
Dividend income	29.76	29.82	(0.06)	(0.20)
Other income	47.89	37.23	10.66	28.64
Selling and administrative expenses	950.72	984.85	(34.13)	(3.47)
Loss on exchange rate	44.54	-	44.54	100.00
Profit from operating activities	1,158.32	858.55	299.77	34.92
Share of profit from investments in associates and joint venture	(10.92)	41.48	(52.40)	(126.33)
Finance income	129.47	98.74	30.73	31.12
Finance cost	(1.71)	(0.87)	(0.84)	96.55
Income tax expenses	(198.47)	(121.58)	(76.89)	63.24
Non-controlling interests of the subsidiaries	273.09	267.56	5.53	2.07
Profit on equity holders of the Company	803.60	608.75	194.85	32.01

### 1.1 Sales

The company recorded total sales of Baht 6,800.12 million and Baht 6,156.36 million in Q1/2023 and Q1/2022 respectively or increasing by 10.46 %.



When classified by products and regions in Q1/2023 compared to Q1/2022, the domestic and foreign sales of Instant Noodles food increased by 16.60 % and 14.38 % respectively because the company has adjusted its products selling prices during the late of last year which affect to the sales value. The packaging, bakery and fruit juice sales grew by 18.14 %, 2.58 % and 2.31 % respectively, along with the overall market growth and adjusting product prices according to the increase in raw material costs.

The other income increased to Baht 10.66 million due to an increase in the fair value. While as, the share of profit from investments in associates and joint ventures decreased to Baht 52.40 million baht which was affected from the rising raw material costs.

## 1.2 Cost of Sales

The cost of sales of the Company amounted to Baht 4,724.19 million in Q1/2023, increasing by Baht 344.18 million or 7.86 % from the previous year, mainly due to due to higher wheat flour prices. Thus, the cost of sales to total sales revenues ratio was at 69.47% in Q1/2023, lower than that in the previous year which stood at 71.15 % from an increase in the products selling prices.

## 1.3 Selling and Administrative Expenses

The selling and administrative expenses in Q1/2023 totaled to Baht 950.72 million, decreasing by Baht 34.13 million or 3.47 % from a year earlier resulted from the decreasing in exporting expense, especially the freight costs. However, the selling and administrative expenses to the total revenues ratio was at 13.98 %, 16.00 % in Q1/2023, Q1/2022 respectively.



## 1.4 Net Profit

The Company recorded net profit of Baht 803.60 million in Q1/2023, increasing by Baht 194.85 million or 32.01% from the previous year, resulted from the cost of main raw materials such as palm oil and lower selling and administrative expenses. However, the profit margin of the company stood at 11.49 % lower than Q1/2022 which stood at 9.57 %,

## 2. Financial Position

For statement of financial as at March 31, 2023, changes as compared to December 31, 2022 are as followed:

### 2.1 Assets

	Unit: Million Baht			
	Total assets			
	31 March 2023	31 December 2022	Change	(%)
Cash and cash equivalents	4,569.73	3,827.29	742.44	19.40
Trade and other receivables	3,800.72	3,923.81	(123.09)	(3.14)
Inventories	2,716.53	2,685.22	31.31	1.17
Other current financial assets	8,818.36	8,404.90	413.46	4.92
Other current assets	277.43	229.37	48.06	20.95
Total current assets	20,182.77	19,070.59	1,112.18	5.83
Loan and Investment in associates, joint venture	5,070.07	4,897.47	172.60	3.52
Other non-current financial assets	9,679.97	9,895.23	(215.26)	(2.18)
Investment properties	411.01	411.01	-	-
Property, plant and equipment	8,289.28	8,335.17	(45.89)	(0.55)
Other non-current assets	291.58	270.87	20.71	7.65
Total non-current assets	23,741.91	23,809.75	(67.84)	(0.28)
<b>Total assets</b>	<b>43,924.68</b>	<b>42,880.34</b>	<b>1,044.34</b>	<b>2.44</b>

The total assets of the Company as of March 31, 2023 amounted to Baht 43,924.68 million, increasing by Baht 1,044.34 million or 2.44 % from the end of last year. The structure of assets of the Company consisted of the non-current assets of Baht 23,741.91 million, accounting for 54.05 % of total assets, and the current assets of Baht 20,182.77 million, accounting for 45.95 % of total assets. Our asset mainly increased from Cash and Cash equivalents and other current financial assets.



## 2.2 Liabilities

Unit: Million Baht

	Total liabilities and shareholders' equity			
	31 March 2023	31 December 2022	Change	(%)
Short-term loan from financial institution	240.00	-	240.00	100.00
Trade and other payables	2,070.72	2,239.91	(169.19)	(7.55)
Current portion of long-term lease liabilities	45.20	45.78	(0.58)	(1.27)
Other current liabilities	1,122.17	1,124.14	(1.97)	(0.18)
Other non-current liabilities	1,031.60	1,030.14	1.46	0.14
<b>Total liabilities</b>	<b>4,509.69</b>	<b>4,439.97</b>	<b>69.72</b>	<b>1.57</b>
<b>Total shareholders' equity</b>	<b>39,414.99</b>	<b>38,440.37</b>	<b>974.62</b>	<b>2.54</b>

Total liability of the Company stood at Baht 4,509.69 million as of March 31, 2023 increasing by Baht 69.72 million mostly from the short-term loan from financial institutions which belonged to a subsidiary. Most of liability of the company was current liability, while the non-current liability accounted for 22.88 % of total liability. Additionally, debt to equity ratio of the Company was 0.15 times.

## 2.3 Shareholders' Equity

The shareholders' equity of the Company as of March 31, 2023 amounted to Baht 39,414.99 million, increasing by Baht 974.62 million or 2.54 % from the end of 2022, resulting from the company can gain net profit in this quarter.

## 3. Liquidity Position

Cash flow statement for the period ended March 31, 2023 details as follow:

Unit: Million Baht

	January - March	
	2023	2022
Net cash flows from operating activities	1,037.64	558.79
Net cash flows used in investing activities	(498.03)	582.93
Net cash flows used in financing activities	224.10	236.51
Increase (decrease) in translation adjustments	(21.26)	0.52
Net increase (decrease) in cash and cash equivalents	742.45	1,378.75



The balance of operating activities cash flow in Q1/2023 amounted to Baht 1,037.64 million, financing activities in the amount to Baht 224.10 million and cash flows used in investing activities in the amount to Baht 498.03 million as of March 31, 2023. Cash and cash equivalents item of Baht 4,569.73 million, increase by Baht 742.45 million which resulted from the company has profit from operation and allocate to invest in financial assets for increased liquidity management.

Please kindly be informed accordingly

Your sincerely,

(Mr. Wasan Boonsampankit)

Manager of Finance and Investment Department (CFO)

May 15, 2023