

August 11, 2023

President Bakery Public Company Limited would like to submit the report of Management Discussion and Analysis (MD&A) for Operating Result in Q2/2023 ended on June 30, 2023 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)

	Q2/2023	%	Q2/2022	%	Increase (Decrease)	
					Amount	%
Sales	1,810.45	99.14	1,821.16	99.61	(10.71)	(0.59)
Total revenues	1,826.18	100	1,828.27	100	(2.09)	(0.11)
Cost of Sales	991.98	54.79	999.79	54.90	(7.81)	(0.78)
Gross Profit	818.47	45.21	821.37	45.10	(2.90)	(0.35)
Selling and Administrative expenses	418.12	22.90	404.52	22.13	13.60	3.36
Profit for the period	382.17	20.93	386.60	21.15	(4.43)	(1.15)
Profit for the period (Baht)	0.85		0.86		(0.01)	(1.16)

	For the 6 month period ended 30 June 2023	%	For the 6 month period ended 30 June 2022	%	Increase (Decrease)	
					Amount	%
Sales	3,595.72	99.00	3,561.47	99.41	34.25	0.96
Total revenues	3,631.91	100	3,582.78	100	49.13	1.37
Cost of Sales	1,971.13	54.82	1,939.49	54.46	31.64	1.63
Gross Profit	1,624.59	45.18	1,621.98	45.54	2.61	0.16
Selling and Administrative expenses	818.07	22.52	804.54	22.46	13.53	1.68
Profit for the period	770.37	21.21	764.78	21.35	5.59	0.73
Profit for the period (Baht)	1.71		1.70		0.01	0.59

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 1,810.45 million and Baht 1,821.16 million in Q2/2023 and Q2/2022 respectively, or decreasing by 0.59%.

For the first half of the year 2023 ended on June 30, total sale revenue stood at Baht 3,595.72 million, or increasing by 0.96% from the same period last year.

1.2 Cost of Sales

The cost of sales of the Company in Q2/2023 stood at Baht 991.98 million, or decreasing by 0.78% from the same quarter of 2022. The cost of sales to total sales ratio to be at 54.79% in Q2/2023, lower from 54.90% in the same quarter last year. As a result, the gross profit margin of the Company stood at 45.21% increasing from 45.10% in the same quarter last year.

For the first half of the year 2023 ended on June 30, the cost of sales stood at Baht 1,971.13 million, increasing by Baht 31.64 million or 1.63% from the same period last year. As a result, the gross profit margin decreased to 45.18% from 45.54% in the same period last year.

1.3 Selling and Administrative Expenses

The selling and administrative expenses in Q2/2023 amounted to Baht 418.12 million, accounting for 22.90% of total revenues, increasing by 3.36% from the same quarter last year and half-year ended on June 30, 2023 and 2022 the selling and administrative expenses were accounted for 22.52% and 22.46% respectively, increasing by 1.68% from the same period last year, Mainly from the depreciation of vehicles due to the purchase of more vehicles for use in delivering goods.

1.4 Profit for the period

The Company had the profit for the period of Baht 382.17 million for the three month period ended 30 June 2023, or decreasing by 1.15% from the same period last year and recorded net profit of Baht 770.37 million in the first half of 2023, or increasing by 0.73% from the same period last year. Moreover, the Company has recognized the share of profit from investment in joint venture for the 6 month period ended 30 June 2023 in the amount of Baht 3.12 million.

Financial Position of the Company

(Unit: million Baht)

	June 30, 2023	%	December 31, 2022	%	Increase (Decrease)	
					Amount	%
Total Assets	12,247.73	100	12,200.98	100	46.75	0.38
Total Liabilities	1,096.54	8.95	1,267.00	10.38	(170.46)	(13.45)
Shareholders' Equity	11,151.19	91.05	10,933.98	89.62	217.21	1.99
Total Liabilities and Shareholders' Equity	12,247.73	100	12,200.98	100	46.75	0.38

2. Financial Position

2.1 Assets

The total assets of the Company as of June 30, 2023 amounted to Baht 12,247.73 million, increasing by Baht 46.75 million from December 31, 2022. Main asset of the Company comprised of current assets by 51.96% of total assets and non-current assets by 48.04% of total assets. The increase in current assets resulted from increasing cash and cash equivalents by Baht 115.01.

The trade and other receivables of the Company accounted for 4.89% of total assets, decreasing by Baht 404.80 million from December 31, 2022, in line with decreasing credit sales and an average collection period of 40 days.

2.2 Liabilities

The liabilities of the Company as of June 30, 2023 totaled to Baht 1,096.54 million, accounting for 8.95% of total Liabilities and Shareholders' Equity and decreasing by 13.45%, which compared to as of December 31, 2022. As a result, the debt to equity ratio of the Company was at 0.10 times decrease from 0.12 times as of December 31, 2022.

2.3 Shareholders' Equity

The Shareholders' Equity of the Company as of June 30, 2023 amounted to Baht 11,151.19 million, accounting for 91.05% of Liabilities and Shareholders' Equity and increasing by Baht 217.21 million from December 31, 2022, resulting from the operating profits. As a result, the book value of the Company stood at 24.78 Baht per share, increasing from 24.30 Baht per share in 2022.

3. Liquidity Position

The net cash from operating activities of the Company in half-year ended on June 30, 2023 amounted to Baht 1,169.61 million, increasing by Baht 0.44 million or by 0.04% from the previous year.

The net cash used for investing activities totaled to Baht 534.17 million, increasing by Baht 33.42 million, due to the purchase of more vehicles for use in delivering goods

The cash used in financing activities was at Baht 520.43 million, mostly due to the dividend payment for the operating result in second half in 2022 amount of Baht 513 million, which was paid on May 24, 2023.

As a result, the Company recorded cash and cash equivalents of Baht 763.95 million as of June 30, 2023, increasing by Baht 115.01 million.

As of June 30, 2023, the Company maintained the current ratio at 6.44 times, and the average days sales at 1 day. Meanwhile, the average days of debt collection of the Company stood at 40 days, and the average days of debt repayment was at 75 days. As a result, the cash cycle of the Company was at 34 days.

This is to be informed for your acknowledgement

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(Miss Petcharat Anantawichai)

Director and Senior Management Accounting Department
and Finance Department Manager

Company Secretary