



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

“เราคือ ผู้ผลิตแป้งสาลีชั้นนำ โดยมุ่งเน้นการพัฒนาสู่ความเป็นเลิศ ทั้งในด้านพาณิชย์และคุณภาพผลิตภัณฑ์อย่างยั่งยืนมืออาชีพ”

August 15, 2023

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 Q2/2023 Ended on June 30, 2023. The company's financial statement showed net profit of 18.28 million baht. Compared to Q2/2022, net profit decreased by 15.88 million baht or 46.5%. The Company would like to clarify as follows :

Unit : Thousand Baht

Description	Q2/2023		Q2/2022		Q2/2023 compare with Q2/2022	
	Amount	%	Amount	%	More (Less) Amount	%
Average Capacity Utilization		59.96%		69.77%		(9.81%)
Revenue from sales	423,394	100.0%	472,231	100.0%	(48,837)	(10.3%)
Cost of sales	(369,255)	(87.2%)	(405,403)	(85.8%)	(36,148)	(8.9%)
Gross Profit	54,139	12.8%	66,828	14.2%	(12,689)	(19.0%)
Gain from Exchange Rate	2,275	0.5%	(826)	(0.2%)	3,101	(375.4%)
Gain on Derivatives	4,278	1.0%	15,646	3.3%	(11,368)	(72.7%)
Other income	652	0.2%	487	0.1%	165	33.9%
Selling expenses	(8,922)	(2.1%)	(10,148)	(2.1%)	(1,226)	(12.1%)
Administrative expenses	(25,166)	(5.9%)	(24,346)	(5.2%)	820	3.4%
Finance cost	(4,213)	(1.0%)	(3,601)	(0.8%)	612	17.0%
Profit before income tax	23,043	5.4%	44,040	9.3%	(20,997)	(47.7%)
Income tax expenses	(4,762)	(1.1%)	(9,884)	(2.1%)	(5,122)	(51.8%)
Profit for the period	18,281	4.3%	34,156	7.2%	(15,875)	(46.5%)
Basic earnings per share	0.05	Baht	0.09	Baht	(0.04)	(44.4%)



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The Company's revenue from sales in the 2nd quarter of 2023 decreased by 10.3% compared to the same period last year. Wheat flour sales revenue decreased by 9.5% and wheat bran sales revenue decreased by 0.9%, as well as sales volume of wheat flour and wheat bran which decreased by 15.2% and 20.6%. The average selling price increase was 5.3% and 18.0% respectively.

Gross margin in the 2nd quarter of 2023 decreased by 1.4% compared to the same period last year. As a result of the cost of wheat used in the 2nd quarter of 2023 increased by 7.5% from the 2nd quarter of 2022, which is a higher cost ratio than the selling price of wheat flour.

And from the financial statements for the six-month period ended June 30, 2023. It appears that the Company's financial statements show a net profit of 55.55 million baht. When compared to the same period of the previous year Net profit increased by 3.61 million baht or 7.0%. The Company would like to clarify as follows :

Unit : Thousand Baht

Description	6 months/2023		6 months/2022		6m/2023 compare with 6m/2022	
	Amount	%	Amount	%	More (Less) Amount	%
Average Capacity Utilization		63.08%		69.51%		(6.43%)
Revenue from sales	925,515	100.0%	926,746	100.0%	(1,231)	(0.1%)
Cost of sales	(790,353)	(85.4%)	(801,952)	(86.5%)	(11,599)	(1.4%)
Gross Profit	135,162	14.6%	124,794	13.5%	10,368	8.3%
Gain from Exchange Rate	(4,847)	(0.5%)	(6,185)	(0.7%)	1,338	(21.6%)
Gain on Derivatives	14,071	1.5%	17,426	1.9%	(3,355)	(19.3%)
Other income	864	0.1%	780	0.1%	84	10.8%
Selling expenses	(18,173)	(2.0%)	(18,961)	(2.0%)	(788)	(4.2%)
Administrative expenses	(49,126)	(5.3%)	(44,935)	(4.8%)	4,191	9.3%
Finance cost	(8,144)	(0.9%)	(6,585)	(0.7%)	1,559	23.7%
Profit before income tax	69,807	7.5%	66,334	7.2%	3,473	5.2%
Income tax expenses	(14,257)	(1.5%)	(14,398)	(1.6%)	(141)	(1.0%)
Profit for the period	55,550	6.0%	51,936	5.6%	3,614	7.0%
Basic earnings per share	0.14	Baht	0.13	Baht	0.01	7.7%



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The Company's revenue from sales in the first 6 months of 2023 decreased by 0.1% compared to the same period last year. Wheat flour sales revenue decreased by 0.6% and wheat bran sales revenue increased by 0.4% due to the decrease in sales volume of wheat flour and wheat bran by 9.7% and 14.5%. Average wheat will increase by 10.1% and 20.7%.

Gross profit margin increased 1.1% compared to the same period last year. This is a result of wheat bran selling prices that have increased by 20.7%.

### Current situation

Due to last year Wheat and wheat flour market prices have increased considerably. But nowadays, the wheat market price has started to decline since the end of the first quarter, causing some mills to accelerate the release of old rice stocks at high prices by agreeing to sell at a loss. And make many customers bring the price they get to negotiate with the company. However, the company has to reduce the selling price of flour to customers in order to maintain the relationship. Although the reduced market price has not yet reflected the current cost. As a result, the gross profit margin decreased in the second quarter.

However, the company still has to adjust its strategy in both production and distribution in order to maintain profitability close to the target set in 2023.

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 And is a stable investment choice for investors forever.

Please be informed accordingly.

Yours sincerely,

Wawta Kullachothhada

( Ms. Wawta Kullachothhada )

Chief Financial Officer & Company Secretary