

November 10, 2023

President Bakery Public Company Limited would like to submit the report of Management Discussion and Analysis (MD&A) for Operating Result in Q3/2023 ended on September 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)

	Q3/2023	%	Q3/2022	%	Increase (Decrease)	
					Amount	%
Sales	1,966.24	99.53	1,992.79	99.42	(26.55)	(1.33)
Total revenues	1,975.51	100	2,004.40	100	(28.89)	(1.44)
Cost of Sales	1,039.83	52.88	1,053.38	52.86	(13.55)	(1.29)
Gross Profit	926.41	47.12	939.41	47.14	(13.00)	(1.38)
Selling and Administrative expenses	440.59	22.30	417.97	20.85	22.62	5.41
Profit for the period	451.33	22.85	480.69	23.98	(29.36)	(6.11)
Profit for the period (Baht)	1.00		1.07		(0.07)	(6.54)

	For the 9 month period ended 30 September 2023	%	For the 9 month period ended 30 September 2022	%	Increase (Decrease)	
					Amount	%
Sales	5,561.95	99.19	5,554.26	99.41	7.69	0.14
Total revenues	5,607.42	100	5,587.18	100	20.24	0.36
Cost of Sales	3,010.96	54.14	2,992.87	53.88	18.09	0.60
Gross Profit	2,550.99	45.87	2,561.39	46.12	(10.40)	(0.41)
Selling and Administrative expenses	1,258.66	22.45	1,222.51	21.88	36.15	2.96
Profit for the period	1,221.70	21.79	1,245.48	22.29	(23.78)	(1.91)
Profit for the period (Baht)	2.71		2.77		(0.06)	(2.17)

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 1,966.24 million and Baht 1,992.79 million in Q3/2023 and Q3/2022 respectively, or decreasing by 1.33%.

For the nine-month period ended September 30 2023, total sale revenue stood at Baht 5,561.95 million, or increasing by 0.14% from the same period last year.

1.2 Cost of Sales

The cost of sales of the Company in Q3/2023 stood at Baht 1,039.83 million, or decreasing by 1.29% from the same quarter of 2022. The cost of sales to total sales ratio to be at 52.88% in Q3/2023. As a result, the gross profit margin of the Company stood at 47.12%, as a result of main raw material price decrease.

For the nine-month period ended September 30 2023, the cost of sales stood at Baht 3,010.96 million, increasing by Baht 18.09 million or 0.60% from the same period last year. At the beginning of the year, prices of main raw materials were higher than the same period last year, and began to decrease during the third quarter. As a result, the gross profit margin decreased to 45.87% from 46.12% in the same period last year.

1.3 Selling and Administrative Expenses

The selling and administrative expenses in Q3/2023 amounted to Baht 440.59 million, accounting for 22.30% of total revenues, increasing by 5.41% from the same quarter last year. For nine-month period ended on September 30, 2023 and 2022 the selling and administrative expenses were accounted for 22.45% and 21.88% respectively, increasing by 2.96% from the same period last year, mainly from the depreciation of vehicles due to the purchase of more vehicles for use in delivering goods. Most of this came from the increased depreciation of vehicles due to the purchase of 54 vehicles for use in delivering goods to replace the old ones that had a long service life.

1.4 Profit for the period

The Company had the profit for the period of Baht 451.33 million for the three month period ended 30 September 2023, or decreasing by 6.11% from the same period last year and recorded net profit of Baht 1,221.69 million in nine month of 2023, or decreasing by 1.91% from the same period last year. Moreover, the Company has recognized the share of profit from investment in joint venture for the nine month period ended 30 September 2023 in the amount of Baht 4.72 million.

Financial Position of the Company

(Unit: million Baht)

	September 30, 2023	%	December 31, 2022	%	Increase (Decrease)	
					Amount	%
Total Assets	12,388.76	100	12,200.98	100	185.78	1.52
Total Liabilities	1,179.78	9.52	1,267.00	10.38	(87.22)	(6.88)
Shareholders' Equity	11,206.98	90.48	10,933.98	89.62	273.00	2.50
Total Liabilities and Shareholders' Equity	12,386.76	100	12,200.98	100	185.78	1.52

2. Financial Position

2.1 Assets

The total assets of the Company as of September 30, 2023 amounted to Baht 12,386.76 million, increasing by Baht 185.78 million from December 31, 2022. Main asset of the Company comprised of current assets by 53.54% of total assets and non-current assets by 46.46% of total assets. Most of this increased from other non-current financial assets. Purchasing land for building a distribution center and transport vehicles

The trade and other receivables of the Company accounted for 8.39% of total assets, increasing by Baht 35.91 million from December 31, 2022, in line with increasing credit sales and an average collection period of 50 days.

2.2 Liabilities

The liabilities of the Company as of September 30, 2023 totaled to Baht 1,179.78 million, accounting for 9.52% of total Liabilities and Shareholders' Equity and decreasing by 6.88%, which compared to as of December 31, 2022. As a result of raw material price decrease, and paid for corporate income tax. The debt to equity ratio of the Company was at 0.11 times decrease from 0.12 times as of December 31, 2022.

2.3 Shareholders' Equity

The Shareholders' Equity of the Company as of September 30, 2023 amounted to Baht 11,206.98 million, accounting for 90.48% of Liabilities and Shareholders' Equity and increasing by Baht 273.00 million from December 31, 2022. As a result, the book value of the Company stood at 24.90 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 September 30, 2023 amounted to Baht 1,308.89 million, decreasing by Baht 451.16 million or by 25.63% from the previous year.

The net cash used for investing activities totaled to Baht 615.92 million, due to the purchase of land for construction of 3 distribution centers and 54 vehicles for transporting goods.

The cash used in financing activities was at Baht 911 million, mostly dividend payment amount of Baht 900 million.

As a result, the Company recorded cash and cash equivalents of Baht 430.91 million as of September 30, 2023, decreasing by Baht 218.03 million.

As of September 30, 2023, the Company maintained the current ratio at 6.18 times, and the average days sales at 1 day. Meanwhile, the average days of debt collection of the Company stood at 50 days, and the average days of debt repayment was at 75 days. As a result, the cash cycle of the Company was at 24 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