



Thai President Foods Public Company Limited

Management Discussion and Analysis

For the three-month and nine-month periods ended 30 September 2023

1. Performance Results

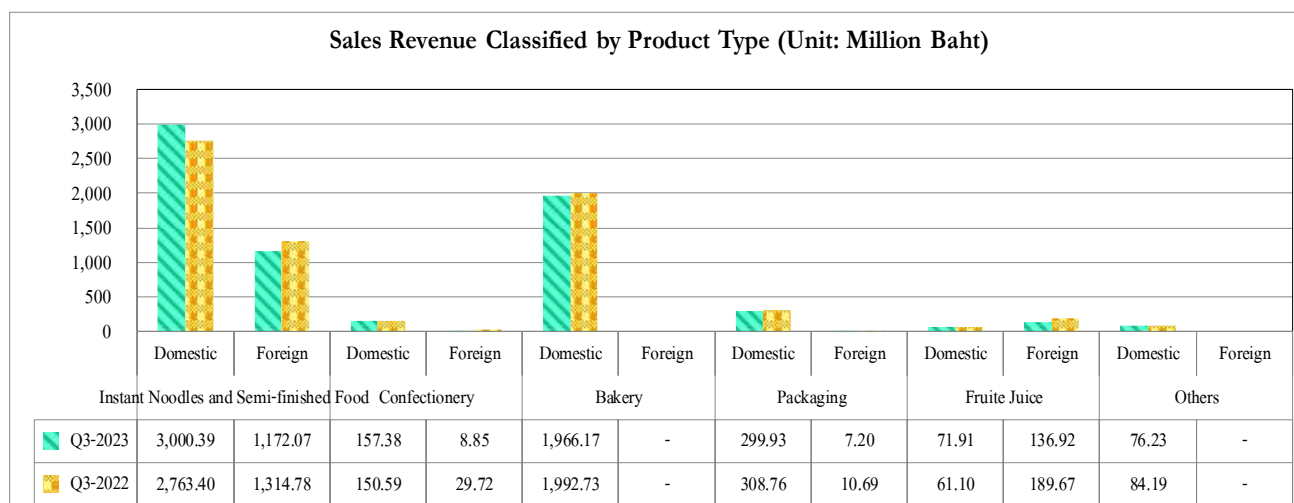
For the operating result of third Quarter ended September 30, 2023 and nine-month period ended September 30, 2023 with the Statement of Comprehensive Income presented as below.

Unit: Million Baht

	The three-month period ended 30 September			The nine-month period ended 30 September		
	2023	2022	Change (%)	2023	2022	Change (%)
Sales	6,897.05	6,905.63	(0.12)	20,403.47	19,600.51	4.10
Cost of sales	4,605.64	4,931.67	(6.61)	13,895.03	14,075.62	(1.28)
Gross profit	2,291.41	1,973.96	16.08	6,508.44	5,524.89	17.80
Gross profit margin	33.22%	28.58%	4.64	31.90%	28.19%	3.71
Selling and administrative expenses	1,009.13	968.50	4.20	2,941.60	3,004.62	(2.10)
Profit from operating activities	1,351.61	1,161.56	16.36	3,778.66	2,828.85	33.58
Non-controlling interests of the subsidiaries	317.99	333.93	(4.77)	895.57	867.01	3.29
Profit on equity holders of the Company	980.43	789.75	24.14	2,724.34	1,954.73	39.37

1.1 Sales

The company recorded the total sales of Baht 6,897.05 million and Baht 6,905.63 million in Q3/2023 and Q3/2022 respectively or decreasing by 0.12%. Additionally, the total sales in the nine-month of 2023 stood at Baht 20,403.47 million, increasing by Baht 802.96 million or 4.10% from the same period last year.





When classified by products and regions in Q3/2023 compared to Q3/2022, the domestic sales of Instant Noodles food increased by 8.58% due to the product price adjustments which increased the sales value. While foreign sales decreased by 10.85% which was affected from the sales of a big customers in the Asian market dropped. The other types of products were affected by the increased selling prices causing total sales to decrease, especially the fruit juice and the biscuit which dropped by 16.73% and 7.81% respectively.

1.2 Cost of Sales

The cost of sales of the Company amounted to Baht 4,605.64 million in Q3/2023, decreasing by Baht 326.03 million or 6.61% from the previous year, and the cost of sales in the nine-month of 2023 stood at Baht 13,895.03 million, decreasing by Baht 180.59 million or 1.28% from the same period last year because the price of main raw materials, palm oil, decreased. Thus, the cost of sales to total sales revenues ratio was at 66.78%, 68.10% in Q3/2023, the nine-month of 2023 respectively, lower than that in the previous year which stood at 71.42%, 71.81% accordingly.

1.3 Selling and Administrative Expenses

The selling and administrative expenses in Q3/2023 totaled to Baht 1,009.13 million, increasing by Baht 40.63 million or 4.20% from a year earlier, mainly because of the higher employee expense in accordance with higher number of employees and salary base, and higher vehicle depreciation. However, the selling and administrative expenses to the total revenues' ratio was at 14.63%, 14.02% in Q3/2023, Q3/2022 respectively.

1.4 Net Profit

The Company recorded net profit of Baht 980.43 million in Q3/2023, increasing by Baht 190.68 million or 24.14% from the previous year. The profit margin of the company stood at 13.70% of total revenue (plus Share of profit from investments in associates and finance income), which resulted from cost of raw material prices decreasing. Thus, the company gained net profit of Baht 2,724.34 million in the nine-month of 2023, increasing by Baht 769.61 million or 39.37% from the previous year.



2. Financial Position

For statement of financial as at September 30, 2023, changes as compared to December 31, 2022 are as followed:

2.1 Assets

Unit: Million Baht

	Total assets			
	30-Sep-2023	31-Dec-2022	Change	(%)
Cash and cash equivalents	4,926.40	3,827.29	1,099.11	28.72
Trade and other receivables	4,326.87	3,923.81	403.06	10.27
Inventories	2,464.21	2,685.22	(221.01)	(8.23)
Other current financial assets	8,809.49	8,404.90	404.59	4.81
Current portion of account receivable under repurchase agreement	500.00	0.00	500.00	100.00
Other current assets	229.55	229.37	0.18	0.08
Total current assets	21,256.52	19,070.59	2,185.93	11.46
Loan and Investment in associates, joint venture	4,776.36	4,897.47	(121.11)	(2.47)
Other non-current financial assets	9,712.85	9,895.23	(182.38)	(1.84)
Investment properties	414.43	411.01	3.42	0.83
Property, plant and equipment	8,339.38	8,335.17	4.21	0.05
Other non-current assets	338.51	270.87	67.64	24.97
Total non-current assets	23,581.53	23,809.75	(228.22)	(0.96)
Total assets	44,838.05	42,880.34	1,957.71	4.57

The total assets of the Company as of September 30, 2023 amounted to Baht 44,838.05 million, increasing by Baht 1,957.71 million or 4.57% from the end of last year. The structure of assets of the Company consisted of the fixed assets of Baht 23,581.53 million, accounting for 52.59% of total assets, and the current assets of Baht 21,256.52 million, accounting for 47.41% of total assets. Our asset mainly increased from the Cash and Cash equivalents, current portion of account receivable under repurchase agreement and other current financial assets.



2.2 Liabilities

Unit: Million Baht

Total liabilities and shareholders' equity				
	30-Sep-2023	31-Dec-2022	Change	(%)
Trade and other payables	2,163.48	2,239.91	(76.43)	(3.41)
Current portion of long-term lease liabilities	46.03	45.78	0.25	0.55
Other current liabilities	1,884.88	1,124.14	760.74	67.67
Other non-current liabilities	1,055.77	1,030.14	25.63	2.49
Total liabilities	5,150.16	4,439.97	710.19	16.00
Total shareholders' equity	39,687.89	38,440.37	1,247.52	3.25

Total liability if the Company stood at Baht 5,150.16 million as of September 30, 2023, increasing by Baht 710.19 million from the end of last year. Our liability increased mainly from the Baht 741.83 million accrued dividend, which is due to be paid on October 18, 2023. Most of liability of the company was current liability, while the non-current liability was accounted for 20.50% of total liability. Additionally, debt to equity ratio of the Company was at 0.17.

2.3 Shareholders' Equity

The shareholders' equity of the Company as of September 30, 2023 amounted to Baht 39,687.89 million, increasing by Baht 1,247.52 million or 3.25% from the end of 2022, which contributed from the company net profit of this quarter.

3. Liquidity Position

Cash flow statement for the period ended September 30, 2023, details as follow:

Unit: Million Baht

	January - September	
	2023	2022
Net cash flows from operating activities	3,677.86	2,415.32
Net cash flows used in investing activities	(1,613.53)	(81.47)
Net cash flows used in financing activities	(950.04)	(643.28)
Increase (decrease) in translation adjustments	(15.18)	(26.02)
Net increase (decrease) in cash and cash equivalents	1,099.11	1,664.55



The balance of operation activities cash inflow in Q3/2023 totaled to Baht 3,677.86 million. Meanwhile the cash outflow from investment and financing activities amounted to Baht 1,613.53 million and Baht 950.04 million respectively, which resulted from the company has profit from operation, while the cash outflow was used in purchasing machineries for expanding the production line. The Company, as of September 30, 2023, recorded cash and cash equivalents item of Baht 4,926.40 million, increasing by Baht 1,099.11 million

Please kindly be informed accordingly

Your sincerely,

(Mr. Wasan Boonsampankit)

Manager of Finance and Investment Department (CFO)

November 14, 2023