



November 10th, 2023

Subject Management Discussion and Analysis for the Operating Results of the Third Quarter of 2023

To President,
The Stock Exchange of Thailand

Enclosure Management Discussion and Analysis of the Financial Statement for the Third Quarter of 2023, each of Thai and English version

JD Food Public Company Limited ("JDF" or the "Company") would like to inform the Company's performance and submit the audited financial statement for the three-month period ended and nine-month period ended as of September 30th, 2023, which has been reviewed by the independent auditor. The Company's three-month period ended net profit was equal to Baht 12.16 million which was increased by 564.48% while comparing with the same quarter of 2022 which as recorded profit at Baht 1.83 million. During the 9M23, the Company recorded the net profit of Baht 20.88 million, which increased by 116.15% while comparing with the 9M22's which was recorded profit at Baht 9.66 million. Further details are as per attached.

Please be informed accordingly.

Sincerely yours,

(Miss Ratana Eaiprasertsak)
Chief Executive Officer

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Report on operating

Results for the third quarter of 3/2023,3/2022 & for 9 months ending 30 September. 2023 & 2022

Profit or Loss:	The Third quarter of 2023				For 9 month ending 30 September			
	Q3/2565		Q3/2566		For 9 months of 2022		For 9 months of 2023	
	ล้านบาท	%	ล้านบาท	%	ล้านบาท	%	ล้านบาท	%
Revenues	147.28	100.00%	158.07	100.00%	429.23	100.00%	461.44	100.00%
Cost of sales	108.99	74.00%	114.39	72.37%	313.04	72.93%	330.49	71.62%
Gross Profit	38.29	26.00%	43.68	27.63%	116.19	27.07%	130.95	28.38%
Selling and distribution expenses	13.77	9.35%	13.55	8.57%	38.78	9.03%	55.95	12.13%
Administrative expense	22.04	14.96%	17.61	11.14%	61.29	14.28%	53.64	11.62%
Total expense	35.81	24.31%	31.16	19.71%	100.07	23.31%	109.59	23.75%
Operating profit	2.48	1.68%	12.52	7.92%	16.12	3.76%	21.36	4.63%
Finance cost	1.89	1.28%	1.18	0.75%	9.50	2.21%	3.79	0.82%
Other income	1.08	0.73%	0.90	0.57%	2.57	0.60%	3.03	0.66%
Other expense	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Income tax expenses	(0.16)	(0.11%)	0.09	0.05%	(0.47)	(0.11%)	(0.28)	(0.06%)
Profit for the year	1.83	1.24%	12.16	7.69%	9.66	2.25%	20.88	4.52%

Revenue from Sales

In Q3/2023 and Q3/2022, the company has total revenue of Baht 158.07 million and Baht 147.28 million respectively, the revenue increase 7.33%. caused of the growth in the domestic market. Such an increase in sales was due to the growth in OEM products, along with the increase of own brands products cause by new SKUs, new channel, and new distributors.

For the export market, the increase of sales was due to the company has a new authorized distributor for coconut chips under company's brand, Coco Munchie in Chinese market, along with new products in Korean market.

In 9M/2023 and 9M/2022, the company had total revenue of Baht 461.44 million and Baht 429.23 million respectively. The revenue increased 7.50%, the ratio between domestic sales and export sales is 83 percent. For the product categories, OEM sales in Q3/2023 represented 87 percent of total sales, in respect of which own brand accounted for 13 percent.

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Gross Margin

In Q32023 and Q32022, the company has gross margin of Baht 43.68 million and Baht 38.29 million respectively, the ratio of gross margin is increase by 14.08% from the same quarter of the previous year. The increase in gross margin from the increase of revenue from sales, whereas the Company's cost of sales to revenue ratio decreased 1.63% from the same quarter last year.

In 9M2023 and 9M2022, the company has gross margin of Baht 130.95 million and Baht 116.19 million respectively, the ratio of gross margin is increase by 12.70% from the previous year. The increase in gross margin caused from the increased of revenue from sales, whereas cost of sales has maintained consistent at approximately 72%. was partially due to the increase in production capacity. Also, the replacement of machine instead of human labor, the decrease of the raw material cost in some agricultural products and import products. For the reason aboved cause the decrease of cost per unit.

Selling Expenses

In Q32023 and Q32022, the company had selling expenses accounting to Baht 13.77 million and Baht 13.55 million, respectively. The sale expense has neither increase nor decrease significantly.

In 9M2023 and 9M2022, the company had selling expenses accounting to Baht 55.95 million and Baht 38.78 million, respectively. The selling expenses increased 44.28% compared to the previous year. The mainly increase was from marketing and promotional expenses for new products as well as building brand awareness such as the brand promotion on iron Chef show on CH7 channel, the sponsorship for Thailand Chef Association. In addition, the company has launched the new products through HORECA section which considers the continuing growth. Also, the company attended many foods exhibition both domestic and international such as Thaifex Ahuga 2023, Sial China 2023, Summer Fancy Food Show (New York City) in order to gain new opportunities in sales.

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Administrative Expenses

In Q32023 and Q32022, the company has an amount of administrative expense amounting Baht 17.61 million and Baht 22.04 million, respectively. The administrative expenses decreased 20.10% compared to the same period last year. The main reason was from the expenses of upgrading the depreciated machinery, In order to produce protein snack products and the company has less depreciation due to the amortization.

In 9M2022 and 9M2023, the company had administrative expenses amounting to Baht 53.64 million and Baht 61.29 million, respectively. The administrative expenses decreased 12.48% compared to the previous year. The main reason was the company had the IPO preparation expenses in2022. Furthermore, the decrease in administrative expenses came from the organization restructuring. and the expenses of upgrading the depreciated machinery, In order to produce protein snack products and the company has less depreciation due to the amortization.

Net Profit

In Q32023 and Q32022, the company's net profit was accounting to Baht 12.16 million and Baht 1.83 million, respectively. The net profit increased 564.48% from the same period last year. The change in the company's net profit was caused by the reasons mentioned above.

In 9M2023 and 9M2022, the company's net profit was accounting to Baht 20.88 million and Baht 9.66 million, respectively. The net profit increased 116.15% from the previous year. The change in the company's net profit was caused by the reasons mentioned above.

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Financial Status

Details (Unit : Million Baht)	30 September 2023	31 December 2022	Change Increase/(Decrease)	
			Million Baht	Percent
Total Assets	862.79	884.75	(21.96)	(2.48)
Total Liabilities	185.12	215.95	(30.83)	(14.28)
Shareholders' equity	677.68	668.80	8.88	1.33

As of September 30th, 2023, the Company's total assets equal to Baht 862.79 million which main assets consist of property plant and equipment (PPE), trade accounts receivables and other receivables, other current assets (short-term investments), cash and cash equivalents, inventories and investment properties.

As of September 30th, 2023, the Company's total liabilities equal to Baht 185.12 million which mainly consist of short-term and long-term loans from financial institutions and trade payables and other payables. The Company's borrowings include short-term borrowings using promissory notes to be used in business operations. As of September 30th, 2023, the borrowings from financial institutions decreased from the repayment.

As of September 30, 2023, the company's total equities equal to Baht 667.68 million, the increase from profits from the company's operations.

As of September 30th, 2023, the Company's total debt to equity ratio to 0.27 times due, However, the ratio was according to the criteria set by the financial institution which stipulated that the borrower must maintain the debt to equity ratio of not more than 2.50 times.

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