

February 22nd, 2024


Subject Management's Description and Analysis for the Operating Results for Year 2023
To Board of Directors, and Management of The Stock Exchange of Thailand

Enclosure Management's Description and Analysis of the Financial Statement for Year 2023,
both Thai and English version

JD Food Public Company Limited (“JDF” or the “Company”) hereby submits the financial statements for the fiscal year ending December 31, 2023, which have been audited by licensed accountants and approved for submission to the Stock Exchange of Thailand. The Company recorded a net profit of 42.27 million baht for the year 2023, an increase of 30.39 million baht or 255.81 percent compared to the same period in fiscal year 2022, which had a net profit of 11.88 million baht. The Company explains the reasons for its operational performance, with details attached.

Please be informed accordingly.

Sincerely yours,



(Miss Ratana Eaiprasertsak)

Chief Executive Officer

Address

116,116/1,116/2 หมู่ 3 ตำบลบางไทร อําเภอเมืองสมุทรสาคร จังหวัดสมุทรสาคร 74000
116, 116/1, 116/2 Moo 3, T. Bangthorat, A.Muangsamutsakhon, Samutsakhon 74000 Thailand
เลขประจำตัวพืษียมาศ 0107563000151

Tel. (034) 440-681-2
www.jdfthailand.com

Overview of Company Operations:

JD Food Public Company Limited ("Company") primarily engages in the manufacturing and distribution of seasoning products and dehydrated food. The company's product line can be categorized into two main types based on distribution characteristics:

- 1) OEM or Contract Manufacturing Products: This includes seasoning products, crispy coconut snacks, and high-protein snacks. These are sold to customers in the industrial food business, such as semi-prepared noodle and snack businesses, as well as restaurant businesses.
- 2) Company's Brand Products: These are sold to general customers through wholesalers, large-scale retailers, and online channels. In 2023, the Company introduced new products such as crispy high-protein snacks under the brand "Good eats," products for the hotel, restaurant, and catering business (HORECA), and semi-prepared curry paste under the brand "Kindee" with new flavors.

For the financial year ending December 31, 2023, and 2022, the company had total revenues of 637.14 million baht and 579.53 million baht, respectively. In 2023, the company's total revenue increased from sales of products both domestically and internationally, including new products to both existing and new customers domestically and internationally. The company expanded its customer base and product offerings to include customers in the restaurant, and food supplement businesses.

In 2023, the gross profit increased from sales revenue, and there was cost control and raw material management. As for net profit, for the years 2023 and 2022, it amounted to 42.27 million baht and 11.88 million baht, respectively. The increase in net profit was due to an increase in gross profit and a decrease in selling expenses, administration expenses, and financial costs.

Address

116,116/1,116/2 หมู่ 3 ตำบลบางไทรไร่ อำเภอเมืองสมุทรสาคร จังหวัดสมุทรสาคร 74000
116, 116/1, 116/2 Moo 3, T. Bangthorat, A.Muangsamutsakhon, Samutsakhon 74000 Thailand
เลขประจำตัวผู้เสียภาษี 0107563000151

Tel. (034) 440-681-2
www.jdfthailand.com

Report on Operations:

Results for the Year of 2023 & 2022

Profit or loss:	For the year ended					
	2022		2023		Diff	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from contracts with customers	573.18	98.90	631.35	99.09	58.17	10.15
Other income	6.35	1.10	5.79	0.91	(0.56)	(8.82)
Total Income	579.53	100.00	637.14	100.00	57.61	9.94
Expense:						
Cost of sales	419.55	72.39	453.56	71.18	34.01	8.11
Selling and distribution expenses	56.44	9.74	66.20	10.39	9.76	17.29
Administrative expenses	79.93	13.79	71.12	11.16	(8.81)	(11.02)
Total Expenses	555.92	95.92	590.88	92.73	34.96	6.29
Finance cost	11.04	1.90	4.68	0.73	(6.36)	(57.61)
Profit before income tax expenses	12.57	2.17	41.58	6.52	29.01	230.79
Income tax expenses	0.69	0.12	(0.69)	(0.11)	(1.38)	(200.00)
Profit for the year	11.88	2.05	42.27	6.63	30.39	255.81

Revenue from Sales

For the years 2023 and 2022, the company had total revenues of 631.35 million baht and 573.18 million baht, respectively. The total revenue increased by 58.17 million baht, representing a 10.15 percent increase. The increase in total revenue is attributed to sales of goods both domestically and internationally. The growth is divided by customer groups as follows:

Address



The domestic customer Group:

- The snack and confectionery customer group experienced the highest growth, particularly due to the ability to grow with key customers. Sales increased from selling imported raw materials to major customers for use in manufacturing. Additionally, the team has several new customers, establishing a significant customer base for the future.
- The HORECA customer group saw growth in 2023 as their customer base started spending more, resulting in a recovery compared to 2022. The focus was on developing products closely with customers, including new products and cost-effective options, especially for powdered and drink mixes. New flavors and varieties of drink mixes were introduced.
- The instant noodle customer group experienced a decrease in seasoning powder sales in 2023 due to customer management policies. However, the company expanded its product range, particularly imported raw materials, to increase sales and provide alternatives to customers. 2023 was a period of sourcing and finding suppliers for quality products meeting customer standards, ensuring increased sales from imported product groups in 2024 to compensate for lost market share.
- An interesting market in 2023 was the food supplement market, with growth stemming from customers in the protein drink segment, which is currently experiencing high growth. This led to market expansion into the food supplement group to learn and develop products according to customer demand in the future.

Address

The foreign customer groups.

For the year 2023, the company generated revenue of 54.66 million baht from sales to foreign customers, which increased by 24.77 million baht, or 82.87 percent. The increase in revenue from foreign sources was attributed to new customer orders and expanding distribution channels, particularly in the Asian region, including China, Korea, and Malaysia.

In 2023, the sales proportion within the domestic market was 91 percent, while sales to foreign markets accounted for 9 percent. Additionally, the proportion of contract manufacturing sales was 88 percent, with 12 percent of sales under the company's brand.

Cost of sale

For the years 2023 and 2022, the company's cost of goods sold amounted to 453.56 million baht and 419.55 million baht, respectively. The proportion of cost of goods sold to revenue decreased by 71.84% from the previous year's 73.20%. This change followed the same direction as the increase in the company's sales revenue.

Furthermore, the company implemented several cost-saving measures. It replaced labor with machinery, leading to reduced costs. Additionally, efficient procurement management contributed to cost reduction. The installation of a Solar roof also led to a decrease in electricity expenses. Overall, the company adhered to cost reduction policies.

However, the company faced challenges regarding global raw material prices, which increased due to adjustments in commodities like sugar and exchange rate fluctuations. This led to price adjustments for certain primary raw materials. Moreover, some production expenses increased compared to the previous year, such as bonuses paid to employees based on company performance.

Address

116,116/1,116/2 หมู่ 3 ตำบลบางไทร อำเภอมืองสมุทรสาคร จังหวัดสมุทรสาคร 74000
116, 116/1, 116/2 Moo 3, T. Bangthorat, A.Muangsamutsakhon, Samutsakhon 74000 Thailand
เลขประจำตัวพืษียามั 0107563000151

Tel. (034) 440-681-2
www.jdfthailand.com

Selling Expenses

For the years 2023 and 2022, the company's selling expenses amounted to 66.20 million baht and 56.44 million baht, respectively. This represents an increase of 9.76 million baht, or 17.29 percent. The increase in selling expenses was primarily due to marketing and sales promotion costs, including brand awareness activities, product promotions targeting the HORECA market group, and brand awareness through support on the Iron Chef program. Additionally, expenses related to various online platforms such as Facebook, Instagram, and TikTok were incurred, as these are growing markets.

Furthermore, the company participated in various trade shows both domestically and internationally, such as Thaifex2023, Sial China 2023, and the Summer Fancy Food Show (New York City), to increase sales opportunities. Additionally, bonuses were paid to employees based on the company's performance.

Administrative Expenses

For the years 2023 and 2022, the company's management expenses amounted to 71.12 million baht and 79.93 million baht, respectively. This represents a decrease of 8.81 million baht, or 11.02 percent. The decrease in management expenses was due to several factors:

- 1) Costs related to upgrading old machinery to produce protein snacks were incurred, contributing to a reduction in expenses.
- 2) Depreciation expenses decreased due to the disposal of expired assets.

Additionally, there were structural adjustments in management to increase efficiency and align with the company's policies. In 2022, there was an increase in management expenses due to costs associated with entering the securities market.

Net Profit

For the years 2023 and 2022, the Company had a net profit of 42.27 million baht and 11.88 million baht, respectively. This represents an increase in net profit of 30.39 million baht, or 255.81 percent. The increase in net profit was due to the reasons previously mentioned.

Address

Financial Status

Details (Unit : Million Baht)	31 December 2023	31 December 2022	Change	
			Increase/(Decrease) Million Baht	Percent
Total Assets	847.41	884.75	(37.34)	(4.22)
Total Liabilities	148.43	215.95	(67.52)	(45.49)
Shareholders' equity	698.98	668.80	30.18	4.51

As of December 31, 2023, the Company's total assets amounted to 847.41 million baht. The significant assets included land, buildings, and equipment; trade receivables and other receivables; other current financial assets (short-term investments); cash and cash equivalents; inventory and investment properties. The major changes in the assets were mainly due to cash and cash equivalents and other current financial assets decreasing from the sale of securities for investment purposes.

As of December 31, 2023, the Company's total liabilities amounted to 148.43 million baht. The main liabilities of the Company consisted of short-term and long-term borrowings from financial institutions, trade payables, and other payables. The Company's borrowings included both short-term borrowings using promissory notes for business operations. As of December 31, 2023, the Company's borrowings from financial institutions decreased due to loan repayments.

As of December 31, 2023, the Company's shareholders' equity amounted to 698.98 million baht, which increased from the profits generated from the Company's operations.

As of December 31, 2023, the Company's debt-to-equity ratio was 0.21, which complies with the financial institution's criteria that the borrower's debt-to-equity ratio should not exceed 2.50 times.

Address