

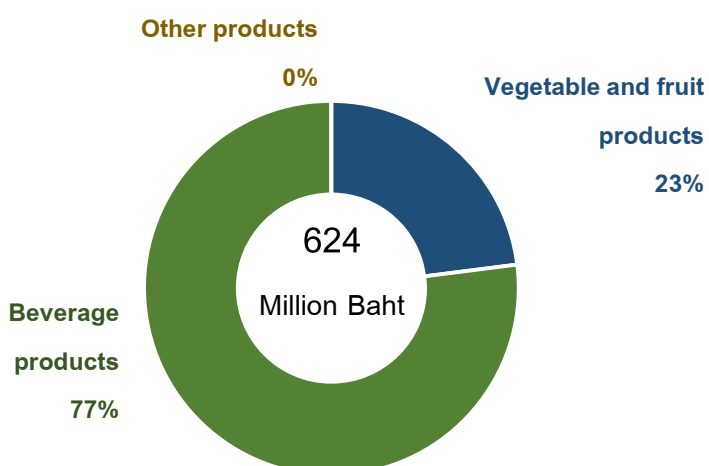


Tipco 012/2024

Management Discussion and Analysis Tipco Foods Public Company Limited**Performance in the 1st quarter of 2024 ended 31 March 2024****1. Consolidated statements of comprehensive income for the 1st quarter ended 31 March 2024 and 2023**

Unit: Thousand Baht

Statement of comprehensive income	Consolidated financial statements		Changes	
	Q1 2024	Q1 2023	Increase (Decrease)	%
Sales	623,717	667,694	(43,977)	(7%)
Other income	30,610	43,261	(12,651)	(29%)
Total revenues	654,327	710,955	(56,628)	(8%)
Total expenses	708,258	726,242	(17,984)	(2%)
Operating Loss	(53,931)	(15,287)	(38,644)	(253%)
Share of profit from investment in associate	1,846	264,380	(262,534)	(99%)
Profit (loss) before finance cost and income tax expenses	(52,085)	249,093	(301,178)	(121%)
Finance Income	1	2	1	(50%)
Finance cost	(18,614)	(13,858)	4,756	34%
Profit (loss) before income tax expenses	(70,698)	235,237	(305,935)	(130%)
Income tax benefit (expenses)	3,552	(3,739)	7,291	(195%)
Profit (loss) for the period	(67,146)	231,498	(298,644)	(129%)

Operating Revenues Structure in the 1st quarter of 2024 ended 31 March 2024**Product of vegetable and fruit**

Revenue from sales of vegetable and fruit processing products, health products, and agriculture business

Beverage

Revenue from sales of consumer business
Fruit Juice, vegetable Juice and mineral water

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1.1 Sales and gross margin

Unit : Million Baht

Consolidated financial statements	Product of vegetable and fruit		Changes		Beverage		Changes		Other		Changes		Consolidated financial statements		Changes	
	Q1 2024	Q1 2023	Increase (Decrease)	%	Q1 2024	Q1 2023	Increase (Decrease)	%	Q1 2024	Q1 2023	Increase (Decrease)	%	Q1 2024	Q1 2023	Increase (Decrease)	%
	Revenues from sales of goods	145	197	(52)	(26%)	479	462	17	4%	-	9	(9)	(100%)	624	668	(44)
Gross profit (Loss)	(45)	4	(49)	(1,225%)	148	126	22	17%	-	3	(3)	(100%)	103	133	(30)	(23%)
Gross Profit (Loss) Margin	(31%)	2%	(33%)		31%	27%	4%		-	33%	-33%		17%	20%	(3%)	

In the 1st quarter of 2024, the Company and its subsidiaries reported total sales revenues of Baht 624 million, a decrease of Baht 44 million or 7% from the same period of the previous year.

Sales revenues from vegetables and fruit products decreased by Baht 52 million, or 26% from the 1st quarter of 2023, this was mainly from situation of pineapple supply in 2024, both within the area of Prachuap Khiri Khan province (the main source) and outside the area, only a less volume tons of pineapple released to the market. Faced with problems in terms of a shortage of pineapple quantity and high price. This is because the weather conditions are not conducive to growth. There is not much pineapple raw material entering the processing factory. Causing the production output to be under expected especially in the 1st quarter of 2024. In addition, due to ship delays, the shortage of empty containers has also affected export volumes.

1.2 Operating Expenses

Unit : Thousand Baht

Expenses	Consolidated financial statements		Change	
	Q1 2024	Q1 2023	Increase (Decrease)	%
Cost of sales and services	520,721	534,359	(13,638)	(3%)
Selling expenses	101,509	108,356	(6,847)	(6%)
Administrative expenses	86,028	83,446	2,582	3%
Loss on exchange	0	81	(81)	(100%)
Total expenses	708,258	726,242	(17,984)	(2%)

In the 1st quarter of 2024, the Company and its subsidiaries reported operating expenses of Baht 708 million, a decrease of Baht 18 million or 2% from the same period of the previous year. The main reasons are as follows.

1. Costs of sales decreased by Baht 14 million in line with a decrease in sales revenue. The gross profit margin dropped from 20% in the 1st quarter of 2023 to 17% in the 1st quarter of 2024 resulting from raw material price increasing.
2. Selling and distribution expenses decreased in line with decreases in sales revenue. Moreover, a decreased with digital marketing expense.

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- Administrative expenses increased by Baht 3 million due to an increase in staff costs and travel expenses to penetrate customers both domestic and international.

1.3 Share of profit from investment in associate

In the 1st quarter of 2024, the Company recognized a share of profit from investment in associate of Baht 1.8 million, a decrease of 99% from the 1st quarter of the previous year.

2. Consolidated statements of financial position as at 31 March 2024

Unit: Thousand Baht

Statement of financial position	Consolidated financial statements		Changes	
	31-Mar-24	31-Dec-23	Increase (Decrease)	%
Assets				
Current assets	1,040,230	1,120,889	(80,659)	(7%)
Non-current assets	5,322,023	5,249,135	72,888	1%
Total assets	6,362,253	6,370,024	(7,771)	(0%)
Liabilities and shareholders' equity				
Liabilities				
Current liabilities	1,393,354	1,384,730	8,624	1%
Non-current liabilities	785,640	819,670	(34,030)	(4%)
Total liabilities	2,178,994	2,204,400	(25,406)	(1%)
Shareholders' equity				
Total shareholders' equity	4,183,259	4,165,624	17,635	0%
Total liabilities and shareholders' equity	6,362,253	6,370,024	(7,771)	(0%)

2.1 Assets

As of 31 March 2024, the Company and its subsidiaries reported total assets of Baht 6,362 million. A decrease of Baht 8 million from total assets of Baht 6,370 million at the 1st quarter of 2023 with the main reasons as follows.

- A decrease in net trade accounts receivable of Baht 6 million, which mainly came from the beverage business.
- Net inventories decreased by Baht 45 million, mainly from the vegetable and fruit business.
- Property, plant, and equipment net decreased by Baht from 16 million from normal depreciation for the period of Baht 48 million, In addition, to an increase from the acquisition by Baht 32 million.
- An increase in investment in associate of Baht 87 million from carrying amount of investment in associate.

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2.2 Liabilities

As of 31 March 2024, the Company and its subsidiaries reported total liabilities of Baht 2,179 million. A decrease of Baht 25 million from total liabilities of Baht 2,204 million at the 1st quarter of 2023 with the main reasons as follows.

1. Repayment of long-term loans from financial institutions of Baht 37 million.
2. Incremental on bank overdrafts and short-term loans from financial institutions of Baht 3 million.
3. Overall increase in trade payables and other current liabilities of Baht 5 million.
4. Incremental on provision for long-term employee benefits of Baht 3 million.

2.3 Shareholders' equity

The Company and its subsidiaries' equity decreased by Baht 18 million from Baht 4,166 million at the 1st quarter of 2023 to Baht 4,183 million at the 1st quarter of 2024, mainly a result of

1. Net loss for the 1st quarter of 2024 amounts to Baht 67 million.
2. Incremental on other components of shareholders' equity about share of profit from investment in associate of Baht 85 million.

3. Consolidated cash flow statement for the 1st quarter of 2024 ended March 31, 2024

Unit : Thousand Baht

Cash flow statement	For the three-month 31 March 2024
Cash flows from operating activities	
Net cash flows from operating activities	50,769
Cash flows from investing activities	
Net cash flows used in investing activities	(43,930)
Cash flows from financing activities	
Net cash flows used in financing activities	(38,168)
Net decrease in cash and cash equivalents	(31,329)
Cash and cash equivalents at beginning of period	86,570
Cash and cash equivalents at end of period	55,241

For the 1st quarter of 2024, the Company and its subsidiaries reported a net decrease in cash and cash equivalents of Baht 31 million from 3 main activities:

- 1) Net cash from operating activities of Baht 51 million.
- 2) Net cash used in investing activities amounted to Baht 44 million. The main cash outflow for property plant and equipment of Baht 44 million.

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3) Net cash used in financing activities of Baht 38 million, consisting of a borrowing of long-term loans from financial institutions of Baht 3 million, a paid in lease liabilities of Baht 5 million, and a repayment in bank long-term loans of Baht 37 million.

4. Financial Ratio from consolidated financial statements for the 1st quarter of 2024 ended 31 March 2024

Profitability ratios	Consolidated financial statements		Changes
	For the three-month 31 March 2024	For the three-month 31 March 2023	
Gross Profit Margin	16.5%	20.0%	(3.5%)
EBITDA Margin	(0.6%)	43.4%	(44.0%)
Net Profit Margin	(10.3%)	32.6%	(42.8%)
Return on Equity	(1.6%)	5.1%	(6.7%)
Liquidity and The Capacity to pay ratios	31-Mar-24	31-Dec-23	Changes
Current ratio (Times)	0.75	0.81	(0.06)
Debt to equity ratio (Times)	0.52	0.53	(0.01)

The Company and its subsidiaries' gross profit margin decreased from 20.0% in the 1st quarter of 2023 to 16.5% in the 1st quarter of 2024. The major reason was from increasing in raw material costs comparing to the 1st quarter of 2023.

EBITDA Margin decreased from 43.4% in the 1st quarter of 2023 to (0.6%) in the 1st quarter of 2024.

Net Profit Margin decreased from 32.6% in the 1st quarter of 2023 to (10.3%) in the 1st quarter of 2024, mainly from decreasing in the share of profit from investment in associate by Baht 262 million or 99% compared to the same period of the previous year. As a result, a decrease in both Net Profit Margin and Return on Equity compared to the same period of the previous year.

Current ratio decreased to 0.75 times at the 1st quarter of 2024 from 0.81 times at the 1st quarter of 2023 from a decrease in inventories, an increase in bank overdrafts and short-term loans from financial institutions, also with increasing of accounts payable from sale promotions.

Debt to equity ratio slightly decreased from 0.53 times at the 1st quarter of 2023 to 0.52 times at the 1st quarter of 2024, mainly due to repayment in long-term loans from financial institutions. While the shareholders' equity increased from an increase in other components of shareholders' equity.

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