

Subject: Management Discussion and Analysis for 1Q24 ended 31 March 2024

To: President
The Stock Exchange of Thailand

Betagro Public Company Limited and subsidiaries (collectively called the “Company”) would like to inform the analysis of operating performance, financial position and financial ratio for 1Q24 ended 31 March 2024. The details are as follows:

Summary of Operating Performance for 1Q24 ended 31 March 2024

Items	1Q24	1Q23	Change	
	THB mm	THB mm	THB mm	%
Total Income	27,215.4	27,911.8	(696.40)	(2.5)
Gross Profit	2,921.8	3,397.9	(476.1)	(14.0)
Earnings before Interest, Taxes, Depreciation and Amortization ^{/1} (EBITDA)	1,486.6	1,827.1	(340.5)	(18.6)
Net Profit	(124.1)	392.8	(516.9)	(131.6)

Remark: /1 Calculated as operating profit (loss) adding back depreciation and amortization

Total Income

The Company's total income was at 27,215.4 million in 1Q24, a decrease of 2.5% from THB27,911.8 million in 1Q23. This was mainly due to a decrease in revenue from the food and protein business which was affected by a significant decrease in domestic pork prices from illegal pork smuggling although sales volume increased according to the Company's capacity expansion plan.

Profitability Ratio

Financial Ratio	1Q24	1Q23
Gross Profit Margin (%) ^{/1}	10.8	12.3
EBITDA Margin (%) ^{/2}	5.5	6.5
Net Profit Margin (%) ^{/3}	(0.5)	1.4

Remark:

/1 Calculated as gross profit divided by sum of revenue from sale of goods and revenue from rendering of services

/2 Calculated as EBITDA divided by total income

/3 Calculated as profit for the period divided by total income

Gross profit and gross profit margin

The Company's gross profit was at THB2,921.8 million in 1Q24, a decrease of 14.0% from THB3,397.9 million in 1Q23 and gross profit margin was at 10.8% in 1Q24, down from 12.3% in 1Q23. The decrease in gross profit and gross profit margin was primarily due to illegal pork smuggling which resulted in a significant decrease in domestic pork prices.

EBITDA and EBITDA Margin

The Company's EBITDA was at THB1,486.6 million in 1Q24, a decrease of 18.6% from THB1,827.1 million in 1Q23 and EBITDA margin was at 5.5% in 1Q24, down from 6.5% in 1Q23. The decrease in EBITDA and EBITDA margin was attributable to a decrease in gross profit and gross profit margin of the food and protein business from illegal pork smuggling. However, the Company was able to control expenses efficiently, resulting in SG&A to Sales Ratio at 10.3% in 1Q24 which was in line with the Company's target in 2024 at 10-11%.

Net profit and net profit margin

The Company recorded a net loss of THB124.1 million and a net profit margin of 0.5% in 1Q24, compared with a net profit of THB392.8 million and a net profit margin of 1.4% in 1Q23. The net loss and negative net profit margin were mainly attributable to a decrease in gross profit margin from a significant decrease in domestic pork prices although the Company was able to control expenses efficiently.

Financial Position

Items	As at 31 March 2024	As at 31 December 2023	Change	
	THB mm	THB mm	THB mm	%
Total Assets	61,960.9	62,501.0	(540.1)	(0.9)
Total Liabilities	36,649.2	37,188.6	(539.4)	(1.5)
Total Shareholders' Equity	25,311.7	25,312.4	(0.7)	0

Total Assets

As at 31 March 2024, the Company's total assets were at THB61,960.9 million. Total assets include cash and cash equivalents, receivables, inventories, biological assets, land, building and equipment and right of use assets. Total assets decreased from THB62,501.0 million as at 31 December 2023 following a decrease in current biological assets since the Company's pig production costs decreased in line with a decrease in animal feed costs.

Total Liabilities

As at 31 March 2024, the Company's total liabilities were at THB36,649.2 million. Total liabilities mainly comprise of bank overdrafts and short-term loans from financial institutions, trade accounts payable, lease liabilities and debentures. Total liabilities decreased from THB37,188.6 million as at 31 December 2023, primarily due to a decrease in trade accounts payable since the Company repaid the trade creditors that were due from purchasing raw materials for animal feed in late 2023.

Total Shareholders' Equity

As at 31 March 2024, the Company's total shareholders' equity was at THB25,311.7 million, which was close to as at 31 December 2023.

Total Liabilities to Equity Ratio and Interest bearing debt-to-equity Ratio

Financial Ratio	As at 31 March 2024	As at 31 December 2023
Total Liabilities to Equity Ratio (times) ^{/1}	1.45	1.47
Interest Bearing Debt to Equity Ratio (times) ^{/2}	0.97	0.97

Remark:

/1 Calculated as total liabilities divided by total shareholders' equity

/2 Calculated as interest bearing debt divided by total shareholders' equity

Total Liabilities to Equity Ratio slightly decreased from 1.47x as at 31 December 2023 to 1.45x as at 31 March 2024, primarily due to a decrease in total liabilities as mentioned earlier. Meanwhile, Interest Bearing Debt to Equity Ratio was at 0.97x, which was close to as at 31 December 2023.

Please be informed accordingly,

Sincerely yours,

(Ms. Dulaya Phuangthong)

Chief Financial Officer