



บริษัท ที เอส ฟลาวมิลล์ จำกัด (มหาชน)
T S FLOUR MILL PUBLIC COMPANY LIMITED

“เรา คือ ผู้ผลิตแป้งสาลีชั้นนำ โดยมุ่งเน้นการพัฒนาสู่ความเป็นเลิศ ทั้งในด้านพาณิชย์และคุณภาพผลิตภัณฑ์อย่างยั่งยืนมืออาชีพ”

May 15, 2024

Subject: Clarification on the cause of changes in operating results.

To: Director and Manager
The Stock Exchange of Thailand

According to T S Flour Mill Public Company Limited ("the Company"), the financial statements for Quarter 1/2024 Ended on March 31, 2024. The company's financial statement showed net profit of 9 thousand baht. Compared to the Quarter 1/2023, net profit decreased by 37.26 million baht or 100.0%. The Company would like to clarify as follows :

Unit : Thousand Baht

Description	Q1/2024		Q1/2023		Q1/2024 compare with Q1/2023	
	Amount	%	Amount	%	More (Less) Amount	%
<u>Average Capacity Utilization</u>		<u>69.49%</u>		<u>66.20%</u>		<u>3.29%</u>
Revenue from sales	436,060	100.0%	502,121	100.0%	(66,061)	(13.2%)
Cost of sales	(407,592)	(93.5%)	(421,098)	(83.9%)	(13,506)	(3.2%)
Gross Profit	28,468	6.5%	81,023	16.1%	(52,555)	(64.9%)
Gain from Exchange Rate	1,410	0.3%	(7,122)	(1.4%)	8,532	(119.8%)
Gain on Derivatives	2,178	0.5%	9,793	2.0%	(7,615)	(77.8%)
Other income	255	0.1%	212	0.0%	43	20.3%
Selling expenses	(8,439)	(1.9%)	(9,251)	(1.8%)	(812)	(8.8%)
Administrative expenses	(19,083)	(4.4%)	(23,960)	(4.8%)	(4,877)	(20.4%)
Finance cost	(4,769)	(1.1%)	(3,931)	(0.8%)	838	21.3%
Profit before income tax	20	0.0%	46,764	9.3%	(46,744)	(100.0%)
Income tax expenses	(11)	(0.0%)	(9,495)	(1.9%)	(9,484)	(99.9%)
Profit for the period	9	0.0%	37,269	7.4%	(37,260)	(100.0%)
Basic earnings per share	-	Baht	0.09	Baht	(0.09)	(100.0%)

The company's sales revenue in the 1st quarter of 2024 decreased by 13.2% compared to the same period of the previous year. with decreased income from the sale of wheat flour 10.8% and wheat bran 2.3% due to the average selling prices of wheat flour and wheat bran decreasing 18.0% and 20.2% respectively.

Gross profit margin decreased 9.6% compared to the previous year. This was a result of the average selling price of wheat flour decreasing by 18.0% as customers bargained for the price according to the falling wheat market price. But the average cost of wheat used in this period decreased by only 9.5% because the company Still using high-cost wheat stocks.



บริษัท ที เอส ฟลาวมิลล์ จำกัด (มหาชน) T S FLOUR MILL PUBLIC COMPANY LIMITED

“เรา คือ ผู้ผลิตแป้งสาลีชั้นนำ โดยมุ่งเน้นการพัฒนาสู่ความเป็นเลิศ ทั้งในด้านพาณิชย์และคุณภาพผลิตภัณฑ์อย่างยั่งยืนมืออาชีพ”

Current situation

Because in 2021-2022 the market prices for wheat and wheat flour have increased significantly. But the wheat market price has dropped since the end of the first quarter of 2023 and has continued to decline until now. With the situation of fluctuations in the price of raw materials in this world coupled with the economic situation that is not very good As a result, the company Flour sales have been lower than the target since the end of 2023, and this has led to a long-standing stock of high-priced raw materials remaining until now. But in terms of selling price, the price has been continuously negotiated down by customers. The company is forced to sell at a loss in order to maintain relationships with customers. while still having to bear the burden of high-cost rice stocks This has resulted in a sharp decrease in gross profit margins. This makes the results of this quarter not look very good.

However, the company expects that the situation regarding selling prices, costs, and profit margins will improve in the second half of the year. Due to planning to expand the market and increase sales of wheat flour In addition, high-priced wheat stocks are likely to be gone in the second quarter and the wheat market price is likely to increase, which will reflect in the selling price of wheat flour that is likely to increase as well.

And even if faced with severe fluctuations in cost prices and selling price of wheat flour Until causing a decrease in operating profits, TMILL still adheres to creating returns for shareholders. It has been proposed to pay dividends to shareholders of another 0.07 baht per share, which was approved by the 2024 Annual General Meeting of Shareholders on April 25, 2024.

Sustainable Business Development Strategy Drive

The company has been operating in accordance with a sustainable business development strategy. In the year 2023, the Company has defined its sustainable vision as "We" will grow together with creating social and environmental value based on good corporate governance. This is achieved by integrating sustainable development approaches with business operations and pursuing policies and goals for ethical and sustainable development. The organization's mission is reviewed comprehensively to cover all stakeholders throughout the supply chain.

Furthermore, the company has launched the Tmill caravan for society to advance in creating happiness, smiles, and strength for communities, society, and the environment through various monthly activities, reinforcing the mission:

- TMILL is relentlessly dedicated to creating the highest quality products and services with cutting-edge innovation to enhance the quality of life for consumers.
- TMILL provides the most valuable returns to shareholders by adhering to ethical principles in conducting business and achieving profitable and sustainable growth.
- TMILL is the preferred and trusted partner, delivering services beyond expectations.
- TMILL cultivates an organizational culture that emphasizes efficiency, is a learning organization, provides opportunities for employee participation, and encourages employees to utilize their best potential with dedication and responsibility.
- TMILL plays a crucial role in creating positive impacts on communities and society.

Please be informed accordingly.

Yours sincerely,

Wawta Kullachothhada

Chief Financial Officer & Company Secretary