

August 13, 2024

President Bakery Public Company Limited would like to submit the report of Management Discussion and Analysis (MD&A) for Operating Result in Q2/2024 ended on June 30, 2024 which has been reviewed by the auditor. The financial statement of the Company, as shown by equity method. The Company would like to clarify such significant changes as below,

Performance of the Company

(Unit: million Baht)

	Q2/2024	%	Q2/2023	%	Increase (Decrease)	
					Amount	%
Sales	1,849.59	99.52	1,810.45	99.14	39.14	2.16
Total revenues	1,858.56	100	1,826.18	100	32.38	1.77
Cost of Sales	1,010.86	54.65	991.98	54.79	18.88	1.90
Gross Profit	838.73	45.35	818.47	45.21	20.26	2.48
Selling and Administrative expenses	455.70	24.52	418.12	22.90	37.58	8.99
Profit for the period	372.50	20.04	382.17	20.93	(9.67)	(2.53)
Profit for the period (Baht)	0.83		0.85		(0.02)	(2.35)

	For the 6 month period ended 30 June 2024	%	For the 6 month period ended 30 June 2023	%	Increase (Decrease)	
					Amount	%
Sales	3,655.32	99.22	3,595.72	99.00	59.60	1.66
Total revenues	3,684.13	100	3,631.91	100	52.22	1.44
Cost of Sales	1,962.31	53.68	1,971.13	54.82	(8.82)	(0.45)
Gross Profit	1,693.01	46.32	1,624.59	45.18	68.42	4.21
Selling and Administrative expenses	885.12	24.03	818.07	22.52	67.05	8.20
Profit for the period	788.68	21.41	770.37	21.21	18.31	2.38
Profit for the period (Baht)	1.75		1.71		0.04	2.34

Remark: Percentage in Statement of comprehensive income derived from total revenues, while percentage of cost of sales and gross profit from sales

1. Operating Results

1.1 Sales Revenue

The Company recorded total sales of Baht 1,849.59 million and Baht 1,810.45 million in Q2/2024 and Q2/2023 respectively, or increasing by 2.16%.

For the first half of the year 2024 ended on June 30, total sale revenue stood at Baht 3,655.32 million, or increasing by 1.66% from the same period last year.

1.2 Cost of Sales

The cost of sales of the Company in Q2/2024 stood at Baht 1,010.86 million, or increasing by 1.90% from the same quarter of 2023. The cost of sales to total sales ratio to be at 54.65% in Q2/2024, lower from 54.76% in the same quarter last year. As a result, the gross profit margin of the Company stood at 45.35% increasing from 45.21% in the same quarter last year.

For the first half of the year 2024 ended on June 30, the cost of sales stood at Baht 1,962.31 million, decreasing by Baht 8.82 million or 0.45% from the same period last year from raw material prices decreased. As a result, the gross profit margin increased to 46.32% from 45.18% in the same period last year.

1.3 Selling and Administrative Expenses

The selling and administrative expenses in Q2/2024 amounted to Baht 455.70 million, accounting for 24.52 % of total revenues, increasing by 8.99% from the same quarter last year and half-year ended on June 30, 2024 and 2023 the selling and administrative expenses were accounted for 24.03% and 22.52% respectively, increasing by 8.20% from the same period last year, mainly due to depreciation of newly purchased transportation vehicles to replace the old ones that had a long service life, and the increase in promotional advertising costs to stimulate sales.

1.4 Profit for the period

The Company had the profit for the period of Baht 372.50 million for the three month period ended 30 June 2024, or decreasing by 2.53% from the same period last year and recorded net profit of Baht 788.68 million in the first half of 2024, or increasing by 2.38% from the same period last year. Moreover, the Company has recognized the share of profit from investment in joint venture for the 6 month period ended 30 June 2024 in the amount of Baht 2.03 million.

Financial Position of the Company

(Unit: million Baht)

	June 30, 2024	%	December 31, 2023	%	Increase (Decrease)	
					Amount	%
Total Assets	13,201.21	100	12,916.41	100	284.80	2.20
Total Liabilities	1,203.90	9.12	1,174.73	9.09	29.17	2.48
Shareholders' Equity	11,997.30	90.88	11,741.68	90.91	255.62	2.18
Total Liabilities and Shareholders' Equity	13,201.21	100	12,916.41	100	284.80	2.20

2. Financial Position

2.1 Assets

The total assets of the Company as of June 30, 2024 amounted to Baht 13,201.21 million, increasing by Baht 284.80 million from December 31, 2023. Main asset of the Company comprised of current assets by 58.78% of total assets and non-current assets by 41.22% of total assets. The increase in current assets resulted from increasing cash and cash equivalents by Baht 133.97 and increasing from advance payments for purchase of assets.

The trade and other receivables of the Company accounted for 7.62% of total assets, decreasing by Baht 24.05 million from December 31, 2023, and an average collection period of 50 days.

2.2 Liabilities

The liabilities of the Company as of June 30, 2024 totaled to Baht 1,203.90 million, accounting for 8.95% of total Liabilities and Shareholders' Equity and increasing by 2.48%, which compared to as of December 31, 2023. As a result, the debt to equity ratio of the Company was at 0.10 times.

2.3 Shareholders' Equity

The Shareholders' Equity of the Company as of June 30, 2024 amounted to Baht 11,997.30 million, accounting for 90.98% of Liabilities and Shareholders' Equity and increasing by Baht 255.62 million from December 31, 2023, resulting from the operating profits. As a result, the book value of the Company stood at 26.66 Baht per share, increasing from 26.09 Baht per share in 2023.

3. Liquidity Position

The net cash from operating activities of the Company in half-year ended on June 30, 2024 amounted to Baht 878.20 million, decreasing by Baht 291.41 million or by 24.91% from the previous year.

The net cash used for investing activities totaled to Baht 223.57 million, due to the purchase of land for construction of 3 distribution centers and purchase of more vehicles for use in delivering goods.

The cash used in financing activities was at Baht 520.66 million, mostly due to the dividend payment for the operating result in second half in 2023 amount of Baht 513 million, which was paid on May 21, 2024.

As a result, the Company recorded cash and cash equivalents of Baht 703.13 million as of June 30, 2024, increasing by Baht 133.97 million.

As of June 30, 2024, the Company maintained the current ratio at 7.06 times, and the average days sales at 1 day. Meanwhile, the average days of debt collection of the Company stood at 50 days, and the average days of debt repayment was at 71 days. As a result, the cash cycle of the Company was at 20 days.

This is to be informed for your acknowledgement

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(Miss Petcharat Anantawichai)

Director and Senior Management Accounting Department
and Finance Department Manager

Company Secretary