



Thai President Foods Public Company Limited

Management Discussion and Analysis

For the three-month and six-month periods ended 30 June 2024

1. Performance Results

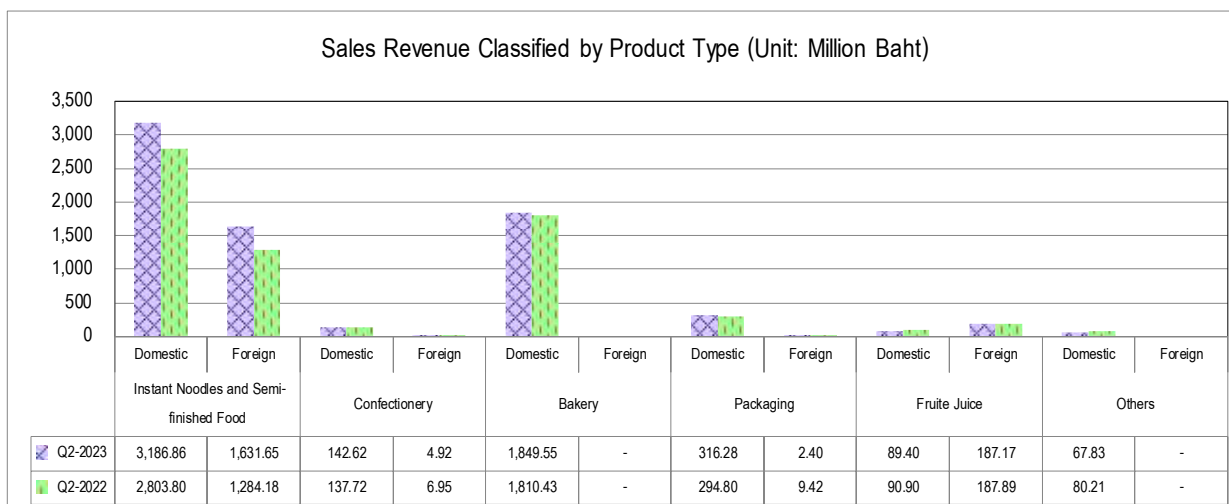
For the operating result of second Quarter ended June 30, 2024 and six-month period ended June 30, 2024 with the Statement of Comprehensive Income presented as below.

Unit: Million Baht

	The three-month period ended 30 June		Change	The six-month period ended 30 June		Change
	2024	2023	%	2024	2023	%
Sales	7,478.68	6,706.30	11.52%	14,482.83	13,506.42	7.23%
Cost of sales	4,940.85	4,565.20	8.23%	9,559.98	9,289.39	2.91%
Gross profit	2,537.83	2,141.10	18.53%	4,922.85	4,217.03	16.74%
Gross profit margin	33.93%	31.93%		33.99%	31.22%	
Dividend income	25.96	33.52	-22.56%	92.60	63.28	46.32%
Other income	52.49	83.34	-37.02%	141.74	103.15	37.41%
Selling and administrative expenses	1,174.93	989.24	18.77%	2,214.72	1,939.96	14.16%
Loss on exchange					16.45	
Profit from operating activities	1,441.35	1,268.73	13.61%	2,942.47	2,427.05	21.24%
Share of profit from investments in associates and joint venture	34.24	50.00	-31.53%	91.81	39.09	134.87%
Finance income	188.08	140.57	33.79%	363.68	270.04	34.68%
Finance cost	(0.91)	(1.92)	-52.85%	(1.83)	(3.63)	-49.60%
Income tax expenses	(272.45)	(212.59)	28.16%	(539.83)	(411.06)	31.33%
Non-controlling interests of the subsidiaries	296.88	304.49	-2.50%	618.44	577.58	7.07%
Profit on equity holders of the Company	1,093.43	940.30	16.28%	2,237.86	1,743.91	28.32%

1.1 Sales

The company's sales revenue for the second quarter of 2024 was 7,478.68 million baht, compared to 6,706.30 million baht for the same period in 2023, representing an increase of 11.52%. For the first half of 2024, total sales reached 14,482.83 million baht, which is an increase of 976.41 million baht or 7.23% compared to the same period in the previous year.





In Q2/2024, revenues from domestic sales of instant noodles and instant foods increased by 13.66% when broken down by product and region. This rise was largely due to the release of new flavors in the OK product line and an increase in advertising and promotional expenditures, which also led to better sales of existing flavors. Overseas sales jumped by 27.06%, influenced by the depreciation of the Thai Baht against the US Dollar and the initiation of instant noodle production and sales by the company's subsidiary in Myanmar.

1.2 Cost of Sales

Cost of sales for the second quarter of 2024 amounted to 4,940.85 million baht, an increase of 375.65 million baht or 8.23% compared to the same period last year. For the first half of 2024, the company's cost of sales was 9,559.98 million baht, an increase of 270.59 million baht or 2.91% compared to the same period in 2023. This increase is in line with the rise in sales.

When comparing the ratio of cost of sales to sales revenue, for the second quarter of 2024 and the first half of the year, it was 66.07% and 66.01% respectively. These figures are lower than the same periods of the previous year, which were 68.07% and 68.78% respectively. This decrease is due to lower prices of main raw materials.

1.3 Selling and Administrative Expenses

The selling and administrative expenses for the second quarter of 2024 were 1,174.93 million baht, marking an 18.77% increase, or 185.69 million baht, compared to the same period in the previous year. This increase was largely due to elevated shipping costs, the depreciation of additional vehicles procured for delivery purposes and higher employee expenses from salary base increases. The ratio of selling and administrative expenses to sales revenue was 15.71% in Q2/2024, up from 14.75% in Q2/2023.

1.4 Net Profit

The company achieved a net profit attributable to shareholders of 1,093.43 million baht in the second quarter of 2024, an increase of 153.13 million baht, or 16.28%, compared to the same quarter last year. The net profit margin was 14.62%, factoring in profits from investments in associated companies and joint ventures, along with financial income. This increase was primarily due to higher sales. For the first half of 2024, the company reported a net profit of 2,237.86 million baht, which is 493.96 million baht or 28.32% higher than the same period the previous year.



2. Financial Position

For statement of financial as at June 30, 2024, changes as compared to December 31, 2023 are as followed:

2.1 Assets

	Unit: Million Baht			
	Total assets			
	30-Jun-2024	31-Dec-2023	Change	(%)
Cash and cash equivalents	4,776.18	4,202.33	573.85	13.66%
Trade and other receivables	5,020.71	4,533.23	487.48	10.75%
Current portion of long-term loans to related parties	3.54	4.70	(1.16)	-24.59%
Current portion of long-term loans to unrelated parties	1,000.00	1,000.00		
Inventories	2,504.50	2,203.65	300.85	13.65%
Other current financial assets	10,851.51	10,592.77	258.74	2.44%
Securities purchased under resale agreements	136.63	0.00	136.63	
Current portion of account receivable under repurchase agreement	500.00	500.00		
Other current assets	239.81	215.11	24.70	11.48%
Assets held for sale	0.00	131.70	(131.70)	
Total current assets	25,032.88	23,383.49	1,649.39	7.05%
Loan and Investment in associates, joint venture	3,950.03	3,676.51	273.52	7.44%
Other non-current financial assets	9,076.47	9,682.04	(605.57)	-6.25%
Investment properties	414.43	414.43		
Property, plant and equipment	8,751.02	8,266.63	484.39	5.86%
Other non-current assets	508.23	341.81	166.42	48.69%
Total non-current assets	22,700.18	22,381.42	318.76	1.42%
Total assets	47,733.06	45,764.91	1,968.15	4.30%

As of June 30, 2024, the company's total assets amounted to 47,733.06 million baht, an increase of 1,968.15 million baht, or 4.30%, from the end of the previous year. The asset structure consisted of fixed assets valued at 25,032.88 million baht, making up 52.44% of total assets, and current assets totaling 22,700.81 million baht, accounting for 47.56%. The increase in assets was mainly driven by growth in cash and cash equivalents, trade and other receivables, and property, plant, and equipment.



2.2 Liabilities and Shareholders' Equity

Unit: Million Baht

Total liabilities and shareholders' equity				
	30-Jun-2024	31-Dec-2023	Change	(%)
Trade and other payables	2,514.17	2,276.18	237.99	10.46%
Current portion of long-term lease liabilities	45.25	46.77	(1.52)	-3.24%
Other current liabilities	1,315.50	1,282.32	33.18	2.59%
Other non-current liabilities	1,033.85	1,017.17	16.68	1.64%
Total liabilities	4,908.77	4,622.45	286.32	6.19%
Total shareholders' equity	42,824.29	41,142.46	1,681.83	4.09%

As of June 30, 2024, the company's total liabilities stood at 4,908.77 million baht, an increase of 286.32 million baht or 6.19% since the end of 2023. This increase was primarily due to a rise in trade and other payables. The main components of the liabilities were trade and other payables, which accounted for 51.22% of the total liabilities, and current liabilities, making up 26.80%. The debt-to-equity ratio was 0.11. At the same time, the company's shareholder's equity totaled 42,824.29 million baht, marking an increase of 1,681.83 million baht or 4.09% from the end of 2023, driven by the company's operating profit.

3. Liquidity Position

Cash flow statement for the period ended June 30, 2024, details as follow:

Unit: Million Baht

January - June		
	2024	2023
Net cash flows from operating activities	2,238.37	2,377.79
Net cash flows used in investing activities	(938.21)	(80.07)
Net cash flows used in financing activities	(743.36)	(587.44)
Increase (decrease) in translation adjustments	17.06	(2.29)
Net increase (decrease) in cash and cash equivalents	573.86	1,707.99



As of June 30, 2024, the company reported a net cash flow from operating activities of 2,238.37 million baht, net cash flow used in investing activities of 938.21 million baht, and net cash flow used in financing activities of 743.36 million baht. The overall net cash flow for the period was 573.86 million baht, representing a decrease of 1,134.14 million baht from the beginning of the period. This decrease was mainly due to increased investment in assets and a dividend payment of 715.25 million baht.

Please kindly be informed accordingly

Your sincerely,

(Mr. Wasan Boonsampankit)

Manager of Finance and Investment Department (CFO)

August 14, 2024