



Tipco 001/2025

**Management Discussion and Analysis of Tipco Foods Public Company Limited****Performance in the year ended December 31, 2024****Comprehensive income statement for the year ended December 31, 2024 and 2023 –****Continuing operations**

Unit: Million Baht

Statement of comprehensive income	Consolidated financial statements		Changes	
	2024	2023	Increase (Decrease)	%
<b>Profit or loss: Continuing operations</b>				
Sales	1,955	1,932	22	1%
Other income	86	98	(11)	(12%)
<b>Total revenues</b>	<b>2,041</b>	<b>2,030</b>	<b>11</b>	<b>1%</b>
Total expenses	2,103	2,114	(12)	(1%)
<b>Operating Loss</b>	<b>(62)</b>	<b>(85)</b>	<b>23</b>	<b>27%</b>
Profit from change in proportion of investment in associates	51	0	51	100%
Share of profit from investment in associate	330	540	(210)	(39%)
<b>Profit before finance cost and income tax expenses</b>	<b>319</b>	<b>456</b>	<b>(136)</b>	<b>(30%)</b>
Finance cost	(73)	(59)	14	23%
<b>Profit before income tax expenses</b>	<b>246</b>	<b>396</b>	<b>(150)</b>	<b>(38%)</b>
Income tax benefit (expenses)	(48)	18	(66)	(361%)
<b>Profit (loss) from continuing operations</b>	<b>198</b>	<b>414</b>	<b>(216)</b>	<b>(52%)</b>
<b>Discontinued operations</b>				
Loss for the period from discontinuing operations				
- net of income tax	(290)	(169)	(121)	72%
<b>Profit (loss) for the period</b>	<b>(92)</b>	<b>246</b>	<b>(338)</b>	<b>(137%)</b>

For the year 2024, Tipco Foods Public Company Limited (“the Company”) and its subsidiaries reported a net loss of 92 million baht. This includes a net profit from continuing operations of 198 million baht and a net loss from discontinued operations of 290 million baht.

On September 24, 2024, the Board of Directors of Tipco Foods Public Company Limited, in its 7/2024 meeting, resolved to cease the operations of Tipco Pineapple Company Limited, a subsidiary, in the production and distribution of canned pineapples, effective September 25, 2024. The main reasons were continuous operational losses and the volatility in the quantity and price of fresh pineapples, a key raw material. The subsidiary's board has not resolved to liquidate the company. The subsidiary has communicated with all stakeholders to explain the reasons for ceasing operations in the canned pineapple business and has acted fairly and in accordance with the law. This strategic adjustment will not affect the Company's core business

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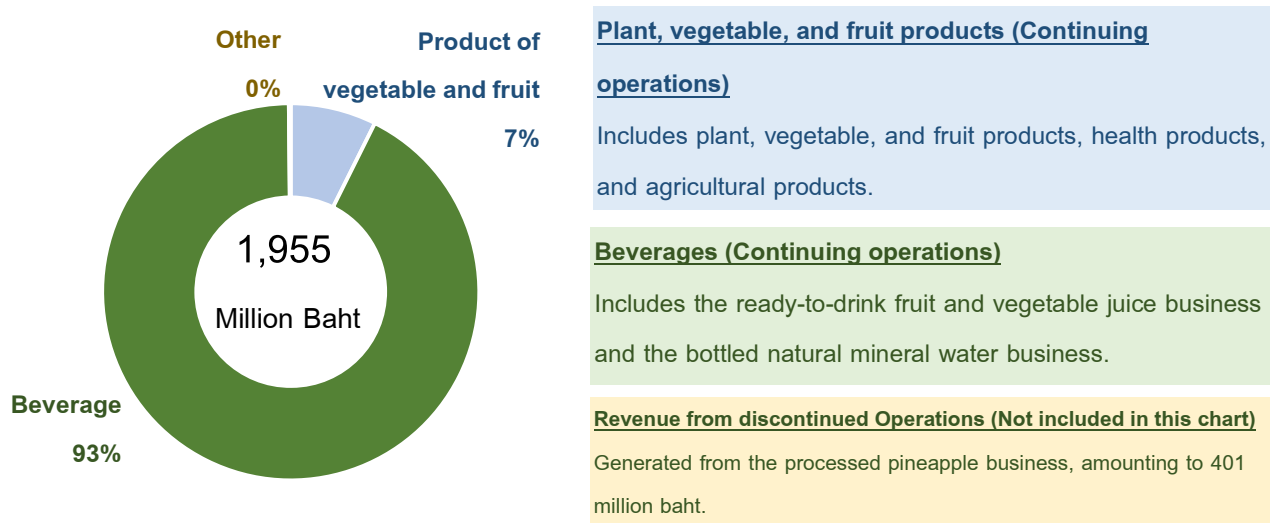
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operations. As of December 31, 2024, the canned pineapple business accounted for approximately 17% of the total revenue in the consolidated financial statements.

**Revenue structure for the year ended December 31, 2024**



**Continuing operations**

1. Sales revenue and gross profit

Unit : Million Baht

Continuing operations	Beverage		Changes		Product of vegetable and fruit		Changes		Other		Changes		Consolidated financial statements		Changes	
	2024	2023	Increase (Decrease)	%	2024	2023	Increase (Decrease)	%	2024	2023	Increase (Decrease)	%	2024	2023	Increase (Decrease)	%
Revenues from sales	1,808	1,771	37	2%	144	134	10	7%	3	27	(24)	(89%)	1,955	1,932	23	1%
Gross profit (Loss)	487	453	34	7%	69	90	(22)	(24%)	-	7	(7)	(100%)	555	550	5	1%
Gross Profit (Loss)	27%	26%	1%		48%	67%	(20%)		0%	26%	(26%)		28%	28%	(0%)	

In 2024, the Company and its subsidiaries had sales revenue from continuing operations totaling 1,955 million baht, an increase of 23 million baht or 1% from the previous year. This was due to two main businesses:

1.1. Beverage Business

Sales revenue for 2024 increased by 37 million baht or 2% compared to the previous year, mainly due to two beverage groups:

Fruit juice products in international markets: Export growth, especially to the Philippines, Hong Kong, and China, except for South Korea, which saw a slight decrease. In the domestic market, revenue from the food service channel grew, driven by customers in the airline, restaurant, and hotel sectors, which showed positive trends in tourism. However, revenue from modern trade and traditional trade channels decreased due

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to the economic slowdown. The Company adjusted its sales management plan to expand in traditional trade channels by changing its distribution strategy to effectively reach target customers and making the modern trade distribution structure more flexible to adapt to changing market conditions.

Bottled natural mineral water products: Growth in all channels due to positive responses to distribution and marketing communication plans throughout the period.

The gross profit margin for the beverage business in 2024 was 27%, up from 26% the previous year, mainly due to more efficient product mix management.

### 1.2. Plant, vegetable, and fruit products business

Revenue from herbal extraction services increased due to new customers. Additionally, the Company recognized increased revenue from sourcing fresh black ginger. The fresh fragrant pineapple products grown by the Company also saw higher production and sales volumes, resulting in an overall sales revenue increase of 10 million baht or 7% compared to the previous year.

The gross profit margin for the extraction business in 2024 was 48%, down from 67% the previous year, mainly due to reduced customer demand for dried herbal products, which will be replaced by new products in 2025.

## 2. Operating Expenses

Unit : Million Baht

Expenses	Consolidated financial statements		Change	
	2024	2023	Increase (Decrease)	%
Cost of sales and services	1,399	1,382	17	1%
Selling expenses	412	428	(15)	(4%)
Administrative expenses	291	305	(14)	(4%)
<b>Total expenses</b>	<b>2,103</b>	<b>2,114</b>	<b>(12)</b>	<b>(1%)</b>

In 2024, the Company and its subsidiaries had total operating expenses of 2,103 million baht, a decrease of 12 million baht or 1% from the previous year, mainly due to:

1. Increased cost of goods sold by 17 million baht due to higher raw material costs in all business segments.
2. Selling and distribution expenses, including administrative expenses, decreased net due to more efficient management

### 3. Share of Profit from Investments in Associates

In 2024, the Company recognized a profit from investments in associates amounting to 330 million baht, a decrease of 39% from the previous year.

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**Consolidated Financial Position as of December 31, 2024**

Unit: Million Baht

Statement of financial position	Consolidated financial statements		Changes	
	31-Dec-24	31-Dec-23	Increase (Decrease)	%
<b>Assets</b>				
Current assets	944	1,121	(177)	(16%)
Non-current assets	4,959	5,249	(290)	(6%)
<b>Total assets</b>	<b>5,904</b>	<b>6,370</b>	<b>(466)</b>	<b>(7%)</b>
<b>Liabilities and shareholders' equity</b>				
<b>Liabilities</b>				
Current liabilities	1,547	1,385	162	12%
Non-current liabilities	651	820	(169)	(21%)
<b>Total liabilities</b>	<b>2,198</b>	<b>2,204</b>	<b>(7)</b>	<b>(0%)</b>
<b>Shareholders' equity</b>				
<b>Total shareholders' equity</b>	<b>3,706</b>	<b>4,166</b>	<b>(460)</b>	<b>(11%)</b>
<b>Total liabilities and shareholders' equity</b>	<b>5,904</b>	<b>6,370</b>	<b>(467)</b>	<b>(7%)</b>

**3.1 Assets**

As of December 31, 2024, the Company and its subsidiaries had total assets of 5,904 million baht, a decrease of 466 million baht from total assets of 6,370 million baht as of the end of 2023. The main reasons were:

1. Trade receivables and inventories decreased net due to reduced production of processed pineapple products.
2. Decrease in investments in associates due to dividend payments received in April 2024.
3. Land, buildings, and equipment decreased due to depreciation for the period.

**3.2 Liabilities**

As of December 31, 2024, the Company and its subsidiaries had total liabilities of 2,198 million baht, a decrease of 7 million baht from total liabilities of 2,204 million baht as of the end of 2023. The main reason was the decrease in employee benefit liabilities.

**3.3 Shareholders' Equity**

The Company and its subsidiaries had shareholders' equity decrease by 460 million baht from 4,166 million baht as of the end of 2023 to 3,706 million baht as of the end of 2024. This was due to:

1. Net loss for the year 2024 amounting to 92 million baht.
2. Dividend payments to shareholders amounting to 304 million baht in the second quarter of 2024.
3. Decrease in other components of shareholders' equity amounting to 65 million baht.

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**Consolidated Cash Flow Statement for the Year Ended December 31, 2024**

Unit : Million Baht

Cash flow statement	Consolidated For the year end 31 December 2024
<b>Cash flows from operating activities</b>	
Net cash flows used in operating activities	(63)
<b>Cash flows from investing activities</b>	
Net cash flows from investing activities	367
<b>Cash flows from financing activities</b>	
Net cash flows used in financing activities	(253)
<b>Net increase in cash and cash equivalents</b>	<b>51</b>
Cash and cash equivalents at beginning of period	87
<b>Cash and cash equivalents at end of period</b>	<b>138</b>

In 2024, the Company and its subsidiaries had a net increase in cash and cash equivalents of 51 million baht from three main activities:

- 1) Net cash used in operating activities amounting to 63 million baht.
- 2) Net cash provided by investing activities amounting to 367 million baht, mainly from dividends received from associates amounting to 370 million baht, net payments for investments in fixed assets amounting to 113 million baht, and cash received from the sale of investments in associates amounting to 110 million baht.
- 3) Net cash used in financing activities amounting to 253 million baht, including an increase in overdrafts and short-term loans from financial institutions amounting to 204 million baht, long-term loans from financial institutions amounting to 15 million baht, dividend payments to shareholders amounting to 304 million baht, lease liabilities payments amounting to 21 million baht, and repayments of long-term loans from financial institutions amounting to 147 million baht.

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**Key financial ratios from the consolidated financial statements for the year ended December 31, 2024**

Profitability ratios	Consolidated financial statements		Changes
	31-Dec-24	31-Dec-23	
Gross Profit Margin	28.4%	28.5%	(0.0%)
EBITDA Margin	25.2%	33.6%	(8.5%)
Net Profit Margin	9.7%	20.4%	(10.7%)
Return on Equity	5.3%	9.9%	(4.6%)
Liquidity and The Capacity to pay ratios	31-Dec-24	31-Dec-23	Changes
Current ratio (Times)	0.61	0.81	(0.20)
Debt to equity ratio (Times)	0.59	0.53	0.06

The Company and its subsidiaries had a gross profit margin of 28.4% in 2024, similar to the previous year. The earnings before interest, taxes, depreciation, and amortization (EBITDA) margin decreased from 33.6% in 2023 to 25.2% in 2024. This was mainly due to a 39% decrease in the share of profit from investments in associates, amounting to 210 million baht, and losses from the beverage products business. These factors also led to a decrease in both the net profit margin and return on equity compared to the same period last year.

The liquidity ratio decreased to 0.61 times at the end of 2024 from 0.81 times at the end of 2023, due to a decrease in trade receivables and inventories of processed pineapple products, as well as an increase in short-term borrowings from financial institutions.

The total debt to equity ratio increased from 0.53 times at the end of 2023 to 0.59 times at the end of 2024, due to a decrease in shareholders' equity resulting from the net loss for the year and dividend payments.