Management Discussion and Analysis Translation

For the 3 month ended March 31, 2025 and March 31,2024

Operating and Financial Status

Overview

Company's operating results in Q1/2025 had a net profits of Bt. 209.70 million, an increased of Bt. 11.82 million or 5.97%. Turnover amounted to Bt. 920.64 million, an increased by Bt. 25.43 million or 2.84%. Most of the growth came from the domestic sales channel which increased by Bt. 31.65 million . and Industrial Sales channel increased by Bt. 11.74 million.

Export sales in Q1/2025 decreased by Bt. 10.38 million or 11.78%.

Cost of sales in Q1/2025 amounted to Bt. 554.94 million, an decreased of Bt. 1.13 million or 0.20% from Q1/2024. The change in cost of sale is considered insignificant.

Distribution expenses in Q1/2025 amounted to Bt. 80.12 million, a increased of Bt.13.45 million or 20.17% from Q1/2023. Mainly from promotional and advertising expenses.

Administrative expenses in Q1/2025 amounted to Bt. 41.11 million, a decreased of Bt. 0.08 million or 0.18% from Q1/2024.

Operating review

Profitability

Thai Theparos Plc's net profit for 3 month ended March 31 2025 and March 31 2024.

The net profit margin on turnover resulted in change from Bt.197.88 million to Bt. 209.70 million It was an increased from 21.74% to 22.40%.

		March 31, 2024	March 31, 2025	Change	%
Net profit (Million Baht)		197.88	209.70	11.82	5.97
Gross Profit Margin	%	37.88	39.72	1.84	
Net Profit Margin	%	21.74	22.40	0.66	

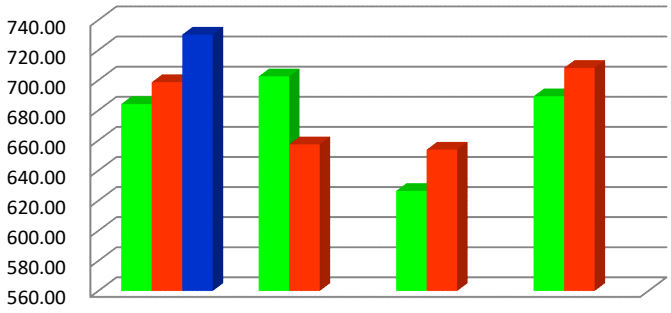
The company's net profit in Q1/2025 increased Q1/2024 by Bt. 11.83 million or 5.97%.

(Million Baht)	March 31, 2024	%	March 31, 2025	%	Change	%
1. Domestic Sales	698.78	77.43	730.43	78.04	31.65	4.53
Industrial Sales	99.12	10.98	110.86	11.84	11.74	11.84
Sales to associate	16.46	1.82	16.97	1.81	0.51	3.10
Export Sales	88.10	9.76	77.72	8.30	(10.38)	(11.78)
Total	902.46	100.00	935.98	100.00	33.52	3.71
Less volume rebates	(7.25)	(0.80)	(15.34)	(1.64)	(8.09)	(111.59)
Net Sales	895.21	99.20	920.64	98.36	25.43	2.84
2. Cost of sales of goods	556.07		554.94		(1.13)	(0.20)
% of total sales of goods	62.12		60.28		(1.84)	
3. Distribution expenses	66.68		80.12		13.44	20.16
% of total sales of goods	7.45		8.70		1.25	
4. Administrative expenses	41.19		41.11		(0.08)	(0.19)
% of total sales of goods	4.60		4.47		(0.14)	
Earnings Per Share (Baht)	**0.55**		**0.58**		**0.03**	**5.97**

Total domestic sales in Q1/2025 increased Bt. 31.65 million or 4.53% , mainly from the cash van sales increased by Bt. 2.83 million or 4.47%, modern trade sales increased by Bt. 34.61 million or 12.68%, domestic sales channel decreased by Bt. 6.83 million or 2.28%.

Sales in the industrial in Q1/2025 increased by Bt.11.74 million or 11.84%, driven by the growth of the ready-to-eat food manufacturing plants.

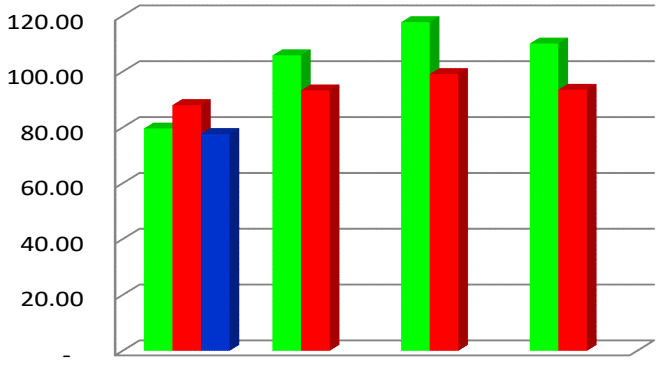
Domestic sales by Quarterly (Million Baht)



	Q1	Q2	Q3	Q4	Annual
2023	684.22	702.65	626.52	689.43	2,702.82
2024	698.78	657.43	653.97	708.28	2,718.46
2025	730.43				730.43

The value of overseas sales in Q1/2025 decreased by Bt. 10.38 million or 11.78 as a result to the conflict situation in Myanmar, the fluctuation of currencies in neighboring countries, and the rising shipping costs, which hindered the achievement of export target.

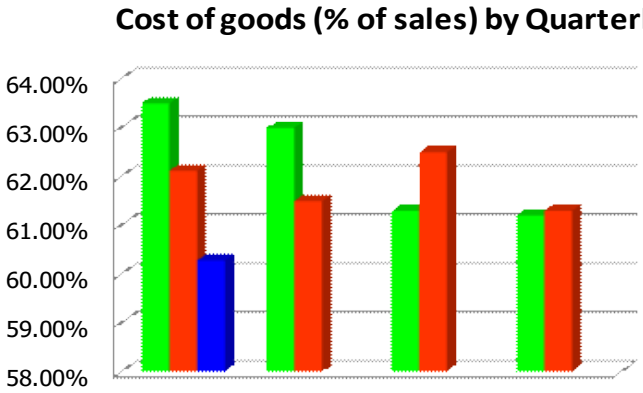
Export sales by Quarterly (Million Baht)



	Q1	Q2	Q3	Q4	Annual
2023	79.70	105.89	117.79	110.13	413.51
2024	88.10	93.33	99.18	93.57	374.18
2025	77.72				77.72

The sale of associated companies for 3 month ended March 31 2025 and March 31 2024, Exter (Thailand) Limited sales higher than in Q1/2025 amounted to Bt. 0.51 million or 3.10%.

(Million Baht)	March 31, 2024	March 31, 2025	Change	%
Exter (Thailand) Limited	16.46	16.97	0.51	3.10



	Q1	Q2	Q3	Q4	Annual
2023	63.50%	63.00%	61.30%	61.20%	64.67%
2024	62.12%	61.50%	62.50%	61.30%	62.26%
2025	60.28%				60.28%

Cost of goods sold in 2025 decreased from 62.12% percentage of sales in 2024 compare to 60.28% percentage of sales in 2025 decreased 1.84%. Due to the efficient energy management in production, the cost has improved. The cost of certain raw materials increased and decreased, but it had no impact on the overall product cost.

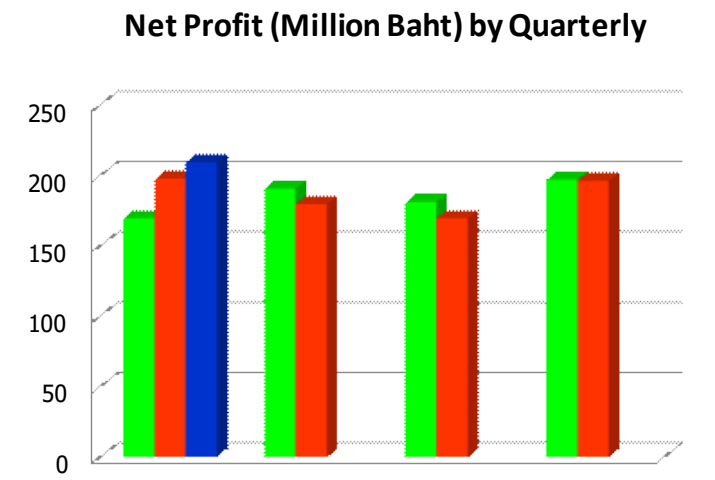
Distribution expenses of sales in 2025 increased from 7.45% percentage of sales in 2024 compare to 8.70% percentage of sales in 2025 increased 1.25%. Most of it comes from marketing support activities and advertising expenses.

Administrative expenses in 2025 decreased from 4.60% percentage of sales in 2024 compare to 4.47% percentage of sales in 2025 decreased 0.14%.

For the above reasons performance for 3 month ended March 31 2025 and March 31 2024. The company had a net profit of Bt. 209.70 million, an increased of Bt. 11.82 million or 5.97% in Q1/2024.

Earning Before Income Tax (EBT) for 3 month ended March 31 2025 and March 31 2024, as following:

		March 31, 2024	March 31, 2025	Change	%
Earning before income tax expense (Million Baht)		247.32	261.49	14.17	5.73
EBT Margin	%	27.18	27.93	0.75	



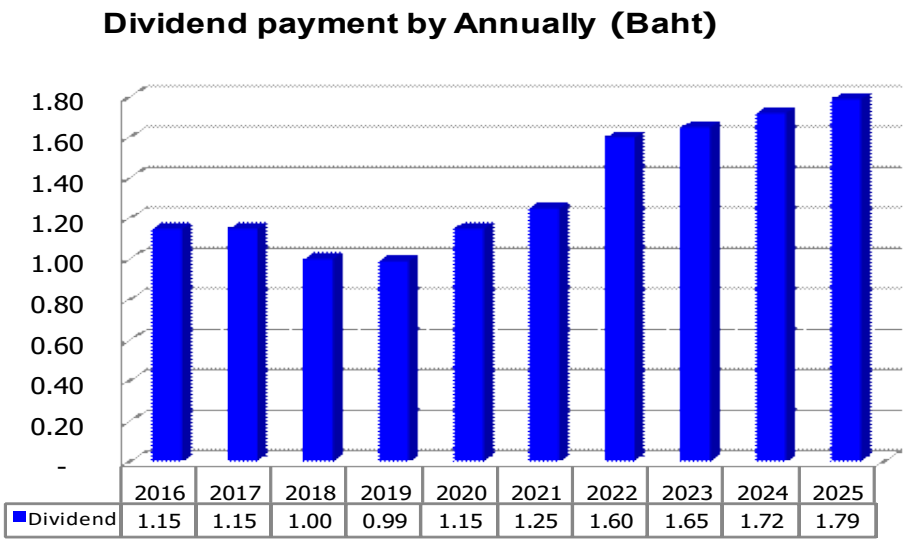
	Q1	Q2	Q3	Q4	Annual
2023	169.88	190.90	181.36	197.46	739.60
2024	197.88	179.80	169.77	196.40	743.85
2025	209.70				209.70

Dividend Policy

The Company has the policy to pay dividend to shareholders at not less than 50 percent of the net profit in each year and will be paid in the next year.

At the annual general meeting of the shareholders of the Company held on 23 April 2025, the shareholders approved the appropriation of dividend for 2024 amounting 360 million shares, and will be paid at Bt.1.79 per share, amounting to Bt. 644.40 million (payout ratio 86.63%). The shareholders must be listed on May 2, 2025 to be eligible for dividend payout. The payment is scheduled to be made on May 19, 2025.

		2024	2025	Change	%
Net profit (Last year)		739.60	743.85	4.25	0.57
Dividends paid (Million Baht)		619.20	644.40	25.20	4.07
Dividends per share (Baht)		1.72	1.79	0.07	4.07
Dividends pay out	%	83.72	86.63		



Report and Analysis of Financial Position

Financial Structure

Debt Equity Ratios

Company have conservative financial policy which resulted in debt equity ratio 0.102 for 2024 and 0.115 for 2025. Money is being saved and business is buffered from price and seasonal volatility of agriculture raw material. Most of debt are current liabilities.

(Million Baht)	December 31, 2024	%	March 31, 2025	%
Total liabilities	320.99	9.25	385.84	10.31
Equity	3,148.51	90.75	3,358.22	89.69
Total assets	**3,469.50**	**100.00**	**3,744.06**	**100.00**
Trade accounts payable	90.03	2.59	109.78	2.93
Income tax payable	91.80	2.65	143.70	3.84
Other accounts payable	103.33	2.98	94.80	2.53
Non current liabilities	35.83	1.03	37.56	1.01
Total liabilities	**320.99**	**9.25**	**385.84**	**10.31**
Issued and paid-up share capital	360.00	10.39	360.00	9.62
Premium on ordinary shares	615.60	17.74	615.60	16.44
Fair value change in investment	-	-	-	-
Legal reserve retained eaming	60.00	1.73	60.00	1.60
Unapproprieated retained eaming	2,112.91	60.90	2,322.62	62.03
Total equity	**3,148.51**	**90.75**	**3,358.22**	**89.69**
Debt Equity Ratios	**0.102**		**0.115**	

The company do not have long term loans for financing. The company uses most of its capital structure from shareholders' equity.

Liquidity

Cash flows

(Million Baht)	March 31, 2024	March 31, 2025	Change	%
Cash flows from operating activities	212.62	233.29	20.67	9.72
Net cash uses in investment activities	43.54	119.48	75.94	174.41
Net cash uses in financing activities	0.06	-	(0.06)	
Net in cash and cash equivalents increase (decrease)	256.22	352.77	96.55	37.68

Cash flow from operating activities in Q1/2025 increased from Q1/2024 in the amount of Bt. 20.67 million or 9.72%. Caused by changes to assets and liabilities, most of them were lower trade accounts receivables of Bt. 9.03 million, and lower trade payables of Bt. 19.50 million.

Net cash uses in investment activities in Q1/2025 increased from Q1/2024 in the amount of Bt. 75.94 million or 174.41%. Due to selling temporary investments.

(Million Baht)	December 31, 2024	March 31, 2025	Change	%
Current assets	2,437.58	2,697.90	260.32	10.68
Current liabilities	285.15	348.29	63.14	22.14
Current ratio (Time)	8.55	7.75	(0.80)	(9.39)

Current ratio

In 2025, Current ratio 7.75 times is decreased 8.88 times in 2024. This result from the increased of current assets by Bt. 260.32 million, most of these are cash of cash equivalent by Bt. 352.77 million, advance payment for raw materials purchased Bt. 106.80 million and current liabilities Bt. 63.14 million most of these are trade payables of Bt. 19.76 million, income tax payable Bt. 51.90 million.

However, the company has strictly adhered to the financial management policy. The company has a high working capital ratio, there is no liquidity issue. As of March 31, 2025, the company has cash and cash equivalents of over Bt. 978.64 million (before dividend payment Bt. 644.40 million) and overdraft loan facility which has not been used from bank around Bt. 97.50 million to support the need for emergency funds.

The ability to pay debt and practice according to the loan

The company has no debt resulting from loan of any kind. Most of liabilities are current liabilities from trade account payable and accrued expenses. The company has performed its duty as a good debtor and paid debt in accordance with customer's trade agreement.

Quality of Assets

Change in Assets

The Company has total assets as at March 31, 2025 amounting to Bt. 3,744.06 million increased by 7.91% compared to total assets of Bt. 3,469.50 million as of December 31, 2024.

(Millon Baht)		December 31, 2024	March 31, 2025	Change	%
Current assets		2,437.58	2,697.90	260.32	10.68
Non current assets		1,031.92	1,046.16	14.24	1.38
Total assets		**3,469.50**	**3,744.06**	**274.56**	**7.91**
Current assets / Total assets	%	70.26	72.06	1.80	
Non current assets / Total assets	%	29.74	27.94	(1.80)	
Total assets	**%**	**100.00**	**100.00**	-	

As of March 31, 2025, company has current assets and non-current assets as 72..06% and 27.94% of the total assets compared to 70.26% and 29.74% as at December 31, 2024.

Company's policy to set the time commercial credit (Term of credit)

The company categorizes sales as follows:

1. Cash Sale
2. Credit Sale
   - Traditional trade sales and Export sales are given credit 30-45 days credit term.
   - Modern trade and Industrial sales are given credit 60 days credut term.

Million Baht		December 31, 2024	March 31, 2025	Change	%
Net / Sales		895.98	919.98	24.00	2.68
Trade accounts receivable -Net		383.91	374.89	(9.02)	(2.35)
Accounts receivable Turnover/Quarter	Times	2.36	2.42	0.06	2.54
Average Collection Period	Days	39	38	-	-
Inventories Turnover Period	Days	98	94	(4.00)	(4.08)
Repayment Period	Days	16	16	-	-
Cash Cycle Period	Days	120	115	(5.00)	(4.17)

In Q1/2025, the payment is tracked and credit is carried out strictly to customers.

Overall, the company's average account receivable turnover ratio in Q1/2025 was 2 times, which is at the same level as Q4/2024. The collection period in Q1/2025 was faster by 1 day compared to Q4/2024. The average inventory turnover period in Q1/2025 was 4 days shorter than Q4/2024, due to lower finished goods stock the end of March.

Main Part of Assets

	Million Baht December 31, 2024	%	Million Baht March 31, 2025	%
Cash and cash equivalent	625.87	18.04	978.64	26.14
Property, plant and equipment	773.37	22.29	787.05	21.02
Current investments	788.56	22.73	639.96	17.09
Inventories	572.85	16.51	574.70	15.35
Trade receivable	383.91	11.07	374.89	10.01
Land not used in operations	204.07	5.88	204.07	5.45
Advance payment for raw materials purchased	47.84	1.38	106.80	2.85
Investments in associate	42.32	1.22	43.70	1.17
Other receivables	9.39	0.27	11.75	0.31
Other current assets	7.16	0.21	8.66	0.23
Deferred tax assets	4.84	0.14	5.15	0.14
Bank deposits under commitment	4.80	0.14	4.80	0.13
Current portion of loan to associate	2.00	0.06	2.50	0.07
Other non-current assets	1.01	0.03	0.95	0.04
Intangible assets	0.35	0.01	0.33	0.01
Other long-term investment	0.16	0.00	0.11	0.00
Long-term loans to associate	1.00	0.03	-	
Total assets	**3,469.50**	**100.00**	**3,744.06**	**100.00**

For accounts receivables, adequate allowance for doubtful accounts has been made based on the facts as of 31 March 2025, has an allowance for doubtful accounts of Bt. 3.90 million which is at the same of December 31, 2024.

(Million Baht)	December 31, 2024	March 31, 2025	Change	%
Related parties	16.00	22.71	6.71	41.94
Other parties	371.81	356.08	(15.73)	(4.23)
Total	387.81	378.79	(9.02)	(2.33)
Less allowance for doubtful accounts	(3.90)	(3.90)	0.00	0.00
Net trade accounts receivable	383.91	374.89	(9.02)	(2.35)

Inventory are not deterated or obsolete.

(Million Baht)	December 31, 2024	March 31, 2025	Change	%
Finished goods	103.28	93.13	(10.15)	(9.83)
Work in process	135.78	147.19	11.41	8.40
Raw materials	335.65	338.74	3.09	0.92
Raw materials in transit	2.44	-	(2.44)	(100.00)
Suplies	0.73	0.67	(0.06)	(8.22)
Loss allowance for value adjustments	(5.03)	(5.03)	0.00	0.00
Total inventories	**572.85**	**574.70**	**1.85**	**0.32**

The inventories of work-in-progress, raw materials, and packaging increased to support production and sales in the future.

Long-term investment

(Million Baht)	December 31, 2024	March 31, 2025	Change	%
Investment in marketable equity security	0.16	0.11	(0.05)	(31.25)
Total long-term investment	**0.16**	**0.11**	**(0.05)**	**(31.25)**

Allowance for impairment losses

Unused land

(Million Baht)	December 31, 2024	March 31, 2025	Change	%
Unused land at cost	204.07	204.07	-	-
Less allowance for impairment losses	-	-	-	-
Net	**204.07**	**204.07**	-	-

The company has the land not used in operations which had been acquired for the purpose of plant expansion in 1994. The company had reconsidend the purpose and cancelled the expansion project since current plant is able to support the growth of the company.

(Mr. Tanawat Winyarat)

Deputy Managing Director