

May 13, 2019

President Bakery Public Company Limited would like to submit the report of Management Discussion and Analysis (MD&A) for Operating Result in Q1/2019 ended on March 31, 2019 which has been reviewed by the auditor. The financial statement of the Company, as shown by equity method, records changes in the operating results from the same period last year. The Company would like to clarify such significant changes as below,

Performance of the Company

(Unit: million Baht)

	Q1/2019	%	Q1/2018	%	Increase (Decrease)	
					Amount	%
Sales	1,802.16	98.88	1,772.62	98.79	29.54	1.67
Total revenues	1,822.53	100	1,794.36	100	28.17	1.57
Cost of Sales	1,005.12	55.77	1,030.27	58.12	(25.15)	(2.44)
Gross Profit	797.04	44.23	742.35	41.88	54.69	7.37
Selling and Administrative expenses	438.20	24.04	406.55	22.66	31.65	7.79
Profit for the period	338.81	18.59	319.35	17.80	19.46	6.09
Profit for the period (Baht)	0.75		0.71		0.04	5.63

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 revenue of Baht 1,802.16 million and Baht 1,772.62 million in Q1/2019 and Q1/2018 respectively, or increasing by 1.67%.

1.2 Cost of Sales

The cost of sales of the Company in Q1/2019 stood at Baht 1,005.12 million, or decreasing by 2.44% from the same quarter last year, due to lower price of major raw materials and the Company has managed cost control efficiently, the cost of sales to total sales ratio to be at 55.77% in Q1/2019, decreasing from 58.12% in the same quarter last year. As a result, the gross profit margin of the Company stood at 44.23% increasing from 41.88% in the same quarter last year.

1.3 Selling and Administrative Expenses

The selling and administrative expenses in Q1/2019 amounted to Baht 438.20 million, accounting for 24.04% of total income, increasing by 7.79% from the same quarter last year. The selling and administrative expenses was increasing from higher sale promotion and advertising cost to encourage effective channels of product distribution.

1.4 Net Profit

The Company gained the net profit of Baht 338.81 million for the quarter ended on March 31, 2019, or increasing by 6.09% from the same period last year due to higher sales revenue and lower cost of good sold. In a meantime, the Company gained the profit sharing of Baht 1.29 million from investment in joint-venture business in Q1/2019.

Financial Position of the Company

(Unit: million Baht)

	March 31, 2019	Proportion	December 31, 2018	Proportion	Increase (Decrease)	
					Amount	%
Total Assets	8,916.84	100	8,690.27	100	226.57	2.61
Total Liabilities	1,150.80	12.91	1,269.13	14.60	(118.33)	(9.32)
Shareholders' Equity	7,766.04	87.09	7,421.14	85.40	344.90	4.65
Total Liabilities and Shareholders' Equity	8,916.84	100	8,690.27	100	226.57	2.61

2. Financial Position

2.1 Assets

The total assets of the Company as of March 31, 2019 amounted to Baht 8,916.84 million, increasing by Baht 226.57 million from December 31, 2018. Main asset of the Company comprised of current assets by 44.72% of total assets and non-current assets by 55.28% of total assets. The increase in current assets resulted from increasing cash and cash equivalents by Baht 310.95 million and increasing short-term investments by Baht 191.60 million.

The trade and other receivables of the Company accounted for 9.58% of total assets, decreasing by Baht 92.58 million from 2018 because the most of account receivables were paid on due.

2.2 Liabilities

The liabilities of the Company as of March 31, 2019 totaled to Baht 1,150.80 million, accounting for 12.91% of total Liabilities and Shareholders' Equity and decreasing by 9.32% from December 31, 2018. As a result, the debt to equity ratio of the Company was at 0.15 lower from 0.17 as of December 31, 2018.

2.3 Shareholders' Equity

The shareholders' equity of the Company as of March 31, 2019 stood at Baht 7,766.04 million, accounting for 87.09% of the total of Liabilities and Shareholders' Equity. The shareholders' equity increased by Baht 344.90 million from December 31, 2018 due to operating profit. In addition, the book value of the Company was at 17.26 Baht per share, increasing from 16.49 Baht per share in 2018.

3. Liquidity Position

The net cash from operating activities of the Company in Q1 ended on March 31, 2019 amounted to Baht 423.68 million, increasing by Baht 6.98 million or by 1.68% from the previous year because of higher sales volume and profit.

The net cash used in investing activities totaled to Baht 103.04 million, decreasing by Baht 406.27 million, resulted from higher amount of short-term and long-term investments.

As a result, the Company recorded cash and cash equivalents of Baht 769.49 million as of March 31, 2019, increasing by Baht 310.95 million.

As of March 31, 2019, the Company maintained the current ratio at 4.22, and the average days sales at 1 day. Meanwhile, the average days of debt collection of the Company stood at 44 days, and the average days of debt repayment was at 71 days. As a result, the cash cycle of the Company was at 26 days.

This is to be informed for your acknowledgement

.....

(Ms. Petcharat Anantawichai)

Director and Senior Management Accounting Department
and Finance Department Manager
Company Secretary