

August 13, 2019

President Bakery Public Company Limited would like to submit the report of Management Discussion and Analysis (MD&A) for Performance Result in Q2/2019 ended on June 30, 2019 which has been reviewed by the auditor. The financial statement of the Company, in which the equity method is applied, shows considerable change in the operating results from the same period last year. The Company would like to clarify such significant changes as below,

**(Unit: million Baht)**

	Q2/2019	%	Q2/2018	%	Increase (Decrease)	% +/- ( - )
Sales	1,883.08	98.33	1,809.27	98.78	73.81	4.08
Total revenues	1,915.14	100	1,831.65	100	83.49	4.56
Cost of Sales	1,030.71	54.74	1,038.15	57.38	(7.44)	(0.72)
Gross Profit	852.37	45.26	771.12	42.62	81.25	10.54
Selling and Administrative expenses	450.20	23.51	412.33	22.51	37.87	9.18
Profit for the period	384.25	20.06	339.18	18.52	45.07	13.29
Earnings per share (Baht)	0.85		0.75		0.10	13.33

	For the 6 month period ended 30 June 2019	%	For the 6 month period ended 30 June 2018	%	Increase (Decrease)	% +/- ( - )
Sales	3,685.24	98.60	3,581.88	98.78	103.36	2.89
Total revenues	3,737.67	100	3,626.01	100	111.66	3.08
Cost of Sales	2,035.84	55.24	2,068.42	57.75	(32.58)	(1.58)
Gross Profit	1,649.40	44.76	1,513.47	42.25	135.93	8.98
Selling and Administrative expenses	888.40	23.77	818.88	22.58	69.52	8.49
Profit for the period	723.07	19.35	658.53	18.16	64.54	9.80
Earnings per share (Baht)	1.61		1.46		0.15	10.27

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 Sale Revenue

The Company recorded total sale revenue of Baht 1,883.08 million and Baht 1,809.27 million in Q2/2019 and Q2/2018 respectively, or increasing by 4.08%.

For the first half of the year 2019 ended on June 30, total sale revenue stood at Baht 3,685.24 million, or increasing by 2.89% from the same period last year.

### 1.2 Cost of Sales

The cost of sales of the Company in Q2/2019 stood at Baht 1,030.71 million, decreasing by 0.72% from the same quarter last year. The cost of sales to total sales ratio to be at 54.74% in Q2/2019, lower from 57.38% in the same quarter last year. As a result, the gross profit margin of the Company stood at 45.26% increasing from 42.62% in the same quarter last year.

For the first half of the year 2019 ended on June 30, the cost of sales stood at Baht 2,035.84 million, decreasing by Baht 32.58 million or 1.58% from the same period last year, due to lower price of major raw materials and the management of returned products with reduced quantity, the Company has managed cost control efficiently. The cost of sales to total sales ratio to be at 55.24% decreasing from 57.75% in the same period last year. As a result, the gross profit margin increased to 44.76% from 42.25% in the same period last year.

### 1.3 Selling and Administrative Expenses

The selling and administrative expenses in Q2/2019 amounted to Baht 450.20 million, accounting for 23.51% of total income, increasing by 9.18% from the same quarter last year and half-year ended on June 30, 2019 and 2018 the selling and administrative expenses were accounted for 23.77% and 22.58%, increasing by 8.49% from the same period 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

As of June 30, 2019, the Company recorded quarterly profit of Baht 384.25 million, or increasing by 13.29% from the previous year, and recorded net profit of Baht 723.07 million in the first half of 2019, or increasing by 9.8% from the previous year. Resulted from increased sales volume. In addition, the Company gained the profit sharing of Baht 0.98 million from joint-venture business in half-year.

**Financial Position of the Company****(Unit: million Baht)**

	June 30, 2019	%	December 31, 2018	%	Increase (Decrease)	% +/( - )
Total Assets	8,933.83	100	8,690.27	100	243.56	2.80
Total Liabilities	1,161.24	13.00	1,269.13	14.60	(107.89)	(8.50)
Shareholders' Equity	7,772.59	87.00	7,421.14	88.40	351.45	4.74
Total Liabilities and Shareholders' Equity	8,933.83	100	8,690.27	100	243.56	2.80

**2. Financial Position****2.1 Assets**

The total assets of the Company as of June 30, 2019 amounted to Baht 8,933.83 million, increasing by Baht 243.56 million from December 31, 2018. Main asset of the Company comprised of current assets by 43.95% of total assets and non-current assets by 56.05% of total assets. The increase in current assets resulted from increasing short-term investments by Baht 118.52 million.

Trade and other receivables of the Company was at 10.42% of total assets, decreasing by Baht 15.98 million from December 31, 2018, because most of our account receivable was paid on schedule.

**2.2 Liability**

The liability of the Company as of June 30, 2019 totaled to Baht 1,161.24 million, accounting for 13% of total Liability and Shareholders' Equity and decreasing by 4.74% 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 June 30, 2019 stood at Baht 7,772.59 million, accounting for 87% of the total of Liabilities and Shareholders' Equity. The shareholders' equity increased by Baht 351.45 million from December 31, 2018, due to operating profit. In addition, the book value of the Company was at 17.27 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 half-year ended on June 30, 2019 amounted to Baht 884.74 million, decreasing by Baht 51.72 million or by 5.58% from the previous year

The net cash used for investing activities totaled to Baht 208.49 million, decreasing by Baht 485.78 million. Resulted from higher short-term investment.

As a result, the Company recorded cash and cash equivalents of Baht 718.63 million as of June 31, 2019, increasing by Baht 260.08 million from the same quarter last year.

As of June 30, 2019, the Company maintained the current ratio at 4.07, and the average days sales at 1 day. Meanwhile, the average days of debt collection of the Company stood at 45 days, and the average days of debt repayment was at 70 days. As a result, the cash cycle of the Company was at 24 days.

To be informed accordingly,

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(Ms. Petcharat Anantawichai)

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