



Tipco 011/2021

Management Discussion and Analysis Tipco Foods Public Company Limited**For the ended March 31, 2021****1. Consolidated statement of comprehensive income ended March 31, 2021**

Unit : Thousand Baht

Statement of comprehensive income	Consolidated financial statements		Changes	
	Q1/2021	Q1/2020	Increase (Decrease)	%
Sales	550,616	765,117	(214,501)	(28%)
Other income	27,300	29,047	(1,747)	(6%)
Total revenues	577,916	794,164	(216,248)	(27%)
Total expenses	638,883	887,979	(249,096)	(28%)
Loss before share of profit (loss) from investment in associate, finance cost and income tax expenses	(60,967)	(93,815)	(32,848)	35%
Share of profit (loss) from investment in associate	98,944	(188,497)	287,441	152%
Profit (loss) before finance cost and income tax expenses	37,977	(282,312)	320,289	113%
Finance income	2	27	(25)	(93%)
Finance cost	(10,334)	(15,407)	(5,073)	(33%)
Profit (loss) before income tax expenses	27,643	(297,719)	325,362	109%
Income tax benefit	13,683	3,222	10,461	325%
Profit (loss) for the period	41,326	(294,497)	335,823	114%

1.1 Sales and service income

Unit : Million Baht

Consolidated financial statements	Product of vegetable and fruit		Changes		Beverage		Changes		Other		Changes		Consolidated financial statements		Changes	
	Q1/2021	Q1/2020	Increase (Decrease)	%	Q1/2021	Q1/2020	Increase (Decrease)	%	Q1/2021	Q1/2020	Increase (Decrease)	%	Q1/2021	Q1/2020	Increase (Decrease)	%
	Sales	205	261	(56)	(21%)	343	500	(157)	(31%)	3	4	(1)	(25%)	551	765	(214)

In the 1st quarter of 2021, the Company and its subsidiaries reported Sales of Baht 551 million, decreased by 28% compared to the same period of last year. This was mainly due to Beverage business saw a 31% drop in sales revenue, related to a slowdown in domestic purchasing power affected by COVID-19. Product of vegetable and fruit business, which saw a 21% drop in sales from the lower export volume from the lack of raw materials due to drought conditions and container shortage from COVID-19 situation.

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1.2 Operating Expense

Unit : Thousand Baht

Operating Expenses	Consolidated financial statements		Change	
	Q1/2021	Q1/2020	Increase (Decrease)	%
Cost of sales	443,551	627,029	(183,478)	(29%)
Selling and distribution expenses	83,205	90,994	(7,789)	(9%)
Administrative expenses	103,178	138,601	(35,423)	(26%)
Other expenses	8,949	31,355	(22,406)	(71%)
Total expenses	638,883	887,979	(249,096)	(28%)

In the 1st quarter of 2021, the Company and its subsidiaries reported total Operating Expense of Baht 639 million decreased by 28% compared to the same period last year, mainly due to the following reasons:

- Cost of sales decreased by 29%, in line with decreasing in sales volume and controlling cost of sales.
- Selling and distribution expenses decreased by 9% from adjusting sales and promotion expenses in accordance with market conditions.
- A decreasing in administrative expenses by 26% from controlling expenses in accordance with a decrease in Sales.
- Loss on exchange of Baht 9 million due to the Baht appreciation.

1.3 Share of profit from investment in associate

In the 1st quarter of 2021, the Company reported share of profit from investment in associate of Baht 99 million increased by 152% compared to the same period of last year.

In September 2020, the US State Department requested the associate to wind down crude oil procurement from Venezuela. In order to avoid a potential US sanction, the associate complied with the request and informed the US State Department in writing that the associate would cease purchasing crude oil from this source, effective by the end of November 2020. Currently, the associate already ceased its purchasing crude oil from this source.

The associate notified the Stock Exchange of Thailand of these facts on 11 September 2020, 15 September 2020 and 23 November 2020, together with the associate's plans to mitigate the risk arising from the disruption of its normal source of crude supply by considering plans to procure non-Venezuelan crude oil from other sources or to procure asphalt from other sources.

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1.4 Finance Cost

In the 1st quarter of 2021, the Company and its subsidiaries reported Finance Cost of Baht 10 million decreased from the previous year by 33% compared to the same period of last year mainly due to a decrease in long-term loan.

2. Consolidated statement of financial position as at 31 March 2021

Unit : Thousand Baht

Statement of financial position	Consolidated financial statements		Changes	
	31 Mar 21	31 Dec 20	Increase (Decrease)	%
Assets				
Current assets	908,884	980,510	(71,626)	(7%)
Non-current assets	5,485,639	5,506,749	(21,110)	(0%)
Total assets	6,394,523	6,487,259	(92,736)	(1%)
Liabilities and shareholders' equity				
Liabilities				
Current liabilities	1,572,736	1,601,400	(28,664)	(2%)
Non-current liabilities	590,309	666,359	(76,050)	(11%)
Total liabilities	2,163,045	2,267,759	(104,714)	(5%)
Shareholders' equity				
Total shareholders' equity	4,231,478	4,219,500	11,978	0%
Total liabilities and shareholders' equity	6,394,523	6,487,259	(92,736)	(1%)

2.1 Asset

As of March 31, 2021, the Company and its subsidiaries had total assets of Baht 6,395 million, a decrease of 1% from the end of 2020. Current assets decreased by Baht 72 million or 7% mainly due to the decrease in accounts receivable while non-current assets decreased by Baht 21 million.

2.2 Liabilities

As of March 31, 2021, the Company and its subsidiaries had total liabilities of Baht 2,163 million, a decrease of 5% from the end of 2020, with the main changes from current liabilities decreased by Baht 29 million or 2% due to the decrease in current portion of long-term loans from financial institutions. Non-current liabilities decreased by Baht 76 million or 11% due to a decrease in long-term loan.

2.3 Shareholders' equity

As of March 31, 2021, Total Shareholders' Equity of the Company and its subsidiaries was Baht 4,231 million increased from the end of 2020, mainly due to an increase in Other components of shareholders' equity.

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**3. Consolidated cash flow statement for the 3-month period ended March 31, 2021**

Unit : Thousand Baht

Cash flow statement	Consolidated financial statements
	Q1/2021
Cash flows from operating activities	
Net cash flows from operating activities	157,575
Cash flows from investing activities	
Net cash flows from investing activities	93,525
Cash flows from financing activities	
Net cash flows used in financing activities	(246,711)
Net increase in cash and cash equivalents	4,389
Cash and cash equivalents at beginning of period	55,544
Cash and cash equivalents at end of period	59,933

As of March 31, 2021, the Company and subsidiaries had an increase in net cash and cash equivalents Baht 4 million, with the company and its subsidiaries had net cash flow from operating activities of Baht 158 million. Net cash flow from investing activities was Baht 94 million, mainly from dividend received from associate. Net cash flow used in financing activities of Baht 247 million from repayment of long-term loans from financial institutions and dividend paid.

4. Financial Ratio from consolidated financial statement for the ended March 31, 2021

Profitability ratios	Consolidated financial statements		Changes
	Q1/2021	Q1/2020	
Gross Profit Margin	19%	18%	1%
EBITDA Margin	24%	(24%)	48%
Net Profit Margin	7%	(37%)	44%
Return on shareholders' equity	1%	(7%)	8%
The Capacity to pay and liquidity ratios	31 Mar 21	31 Dec 20	Changes
Debt to equity ratio (Times)	0.51	0.54	(0.03)
Liquidity ratio (Times)	0.58	0.61	(0.03)

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