

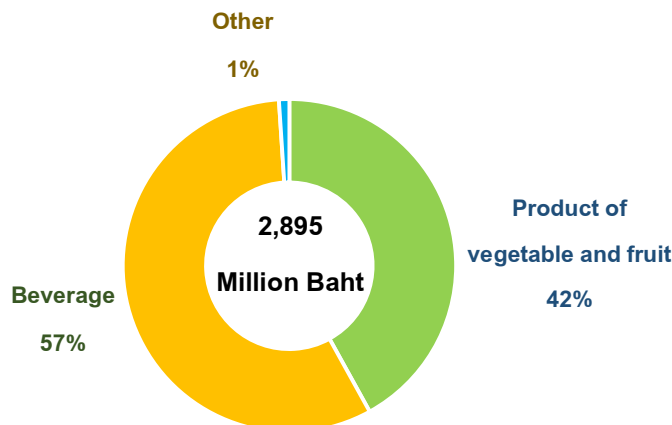


Tipco 003/2022

Management Discussion and Analysis Tipco Foods Public Company Limited**Performance for the year ended 31 December 2022****1. Consolidated statements of comprehensive income**

Unit: Thousand Baht

Statement of comprehensive income	Consolidated financial statements		Changes	
	For the year 2022	For the year 2021	Increase (Decrease)	%
Sales	2,895,342	2,427,551	467,791	19%
Other income	93,093	96,427	(3,334)	(3%)
Total revenues	2,988,435	2,523,978	464,457	18%
Total expenses	3,258,464	2,592,263	666,201	26%
Loss before share of profit (loss) from investment in associate, finance cost and income tax expenses	(270,029)	(68,285)	(201,744)	(295%)
Share of profit (loss) from investment in associate	554,580	520,178	34,402	7%
Profit (loss) before finance cost and income tax expenses	284,551	451,893	(167,342)	(37%)
Finance Income	8	15	7	(47%)
Finance cost	(43,238)	(38,703)	4,535	12%
Profit (loss) before income tax expenses	241,321	413,205	(171,884)	(42%)
Income tax benefit (expenses)	38,497	15,397	23,100	150%
Profit (loss) for the year	279,818	428,602	(148,784)	(35%)

Operating Revenues Structure for the year ended 31 December 2022**Product of vegetable and fruit**

Revenue from sales of vegetable and fruit processing products, health products, and agriculture business

Beverage

Revenue from sales of consumer business
Fruit Juice, vegetable Juice and mineral

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1.1 Sales

Unit : Million Baht

Consolidated financial statements	Product of vegetable and fruit		Changes		Beverage		Changes		Other		Changes	
	For the year 2022	For the year 2021	Increase (Decrease)	%	For the year 2022	For the year 2021	Increase (Decrease)	%	For the year 2022	For the year 2021	Increase (Decrease)	%
Sales	1,201	860	341	40%	1,664	1,547	117	8%	30	21	9	43%

For the year 2022, the Company and its subsidiaries reported Sales of Baht 2,895 million, an increase of Baht 467 million or an increase of 19% from the year 2021, with the major sales coming from 2 businesses:

1) Sales from vegetables and fruit products increased by Baht 341 million or an increase of 40% from the year 2021, mainly due to an increase in the sales of processed fruit approximately Baht 300 million come from export sales compared to the previous year.

2) Sales from beverages increased by Baht 117 million or an increase of 8% from the previous year, this was mainly due to the increase of export sales products compared to the previous year, new product releases (NPD) in the third quarter and expand its own sales channels (Self-Distribution) in addition to selling through the distributor.

1.2 Operating Expenses

Unit : Thousand Baht

Expenses	Consolidated financial statements		Change	
	For the year 2022	For the year 2021	Increase (Decrease)	%
Cost of sales	2,314,445	1,835,088	479,357	26%
Selling expenses	516,485	332,440	184,045	55%
Administrative expenses	427,534	408,700	18,834	5%
Loss on exchange	0	16,035	(16,035)	(100%)
Total expenses	3,258,464	2,592,263	666,201	26%

In 2022, the Company and its subsidiaries reported a total operating expense of Baht 3,258 million, an increase of 26% from the year 2021, the main reasons are as follows.

- The cost of sales increased by Baht 479 million, in line with the increase in sales. However, the impact of raw material and packaging costs increased significantly compared to the previous year. The production capacity also did not meet the plan. This causes the increased rate of cost of sales to be higher than the increased rate of sales.

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- Selling and distribution expenses increased by Baht 184 million, mainly due to the distribution policy in the first quarter of 2022 to expand to its own channel (Self-distribution). This has resulted in an increase in sales and distribution expenses including sales team management expenses.
- Administrative expenses increased by Baht 19 million, mainly due to unplanned expenses incurred in the second half of the year 2022.

1.3 Share of profit from investment in associate

In the year 2022, the Company reported a share of profit from investment in associate of Baht 554 million increased by 7% compared to the last year.

1.4 Finance cost

For the year 2022, the Company and its subsidiaries reported a financial cost of Baht 43 million, or an increase of 12% compared to the previous year, because of an increase in loans from financial institutions during the year 2022.

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**2. Consolidated statements of financial position as at 31 December 2022**

Unit : Thousand Baht

Statement of financial position	Consolidated financial statements		Changes	
	31-Dec-22	31-Dec-21	Increase (Decrease)	%
Assets				
Current assets	1,219,222	1,119,600	99,622	9%
Non-current assets	5,320,362	5,318,505	1,857	0%
Total assets	6,539,584	6,438,105	101,479	2%
Liabilities and shareholders' equity				
Liabilities				
Current liabilities	1,942,973	1,528,317	414,656	27%
Non-current liabilities	236,023	508,893	(272,870)	(54%)
Total liabilities	2,178,996	2,037,210	141,786	7%
Shareholders' equity				
Total shareholders' equity	4,360,587	4,400,895	(40,308)	(1%)
Total liabilities and shareholders' equity	6,539,583	6,438,105	101,478	2%

2.1 Assets

As of 31 December 2022, the Company and its subsidiaries reported total assets of Baht 6,539 million.

An increase of Baht 101 million from Baht 6,438 million at the end of 2021 was mainly due to

- An increase in investment in associate of Baht 202 million, this came from a share of profit and dividend received during the year 2022.
- An increase in net trade accounts receivable of Baht 103 million, which mainly came from the Product of vegetable and fruits business of Baht 71 million and the Beverage business of Baht 30 million.
- Property, plant and equipment decreased from normal depreciation for the year of Baht 252 million.

2.2 Liabilities

As of 31 December 2022, the Company and its subsidiaries reported total liabilities of Baht 2,179 million.

An increase of Baht 142 million from Baht 2,037 million at the end of 2021 was mainly due to

- A net increase in short-term loans from financial institutions amounting to Baht 422 million for liquidity management among the Group.
- Long-term loans from financial institutions decreased by Baht 258 million from normal repayment as scheduled.

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2.3 Shareholders' equity

As of 31 December 2022, the Company and its subsidiaries reported shareholders' equity by Baht 4,361 million, decreased by Baht 40 million from Baht 4,401 million at the end of 2021, mainly because of

- Net profit for the year 2022 amounts to Baht 280 million.
- The Company paid dividends to shareholders of Baht 371 million during the year 2022.

3. Consolidated cash flow statement for the year ended 31 December 2022

Unit : Thousand Baht

Cash flow statement	Consolidated For the year 2022
Cash flows from operating activities	
Net cash flows from operating activities	19,128
Cash flows from investing activities	
Net cash flows from investing activities	295,037
Cash flows from financing activities	
Net cash flows used in financing activities	(319,671)
Net increase in cash and cash equivalents	(5,506)
Cash and cash equivalents at beginning of period	78,108
Cash and cash equivalents at end of period	72,602

For the year ended 31 December 2022, the Company and its subsidiaries reported a net increase in cash and cash equivalents of Baht 72 million from 3 main activities:

- Net cash from operating activities of Baht 19 million mainly comes from operating profit.
- Net cash from investing activities amounted to Baht 295 million. The main cash flow came from dividend income from associates of Baht 388 million.
- Net cash used in financing activities of Baht 320 million, consisting of an increase in short-term loans of Baht 422 million, dividends paid to shareholders of Baht 371 million, and repayment of long-term loans from financial institutions of Baht 337 million.

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**4. Financial Ratio from consolidated financial statements****For the year ended 31 December 2022 and 2021**

Profitability ratios	Consolidated financial statements		Changes
	For the year 2022	For the year 2021	
Gross Profit Margin	20%	24%	(4%)
EBITDA Margin	21%	34%	(13%)
Net Profit Margin	9%	17%	(8%)
Return on Equity	6%	10%	(3%)
The Ability to pay and liquidity ratios	31-Dec-22	31-Dec-21	Changes
Debt to equity ratio (Times)	0.50	0.46	0.04
Liquidity ratio (Times)	0.63	0.73	(0.11)

The Company and its subsidiaries' gross profit margin decreased from 24% in the year 2021 to 20% in the year 2022, mainly due to the impact of material prices, packaging and transportation expenses being higher compared to the previous year.

EBITDA Margin dropped from 34% for the year 2021 to 21% for the year 2022, mainly due to an increase in selling expenses of Baht 184 million or 55% compared to the last year.

The financial ratios regarding the ability to pay and liquidity ratios for the year 2022 were slightly changed from the end of 2021.

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