



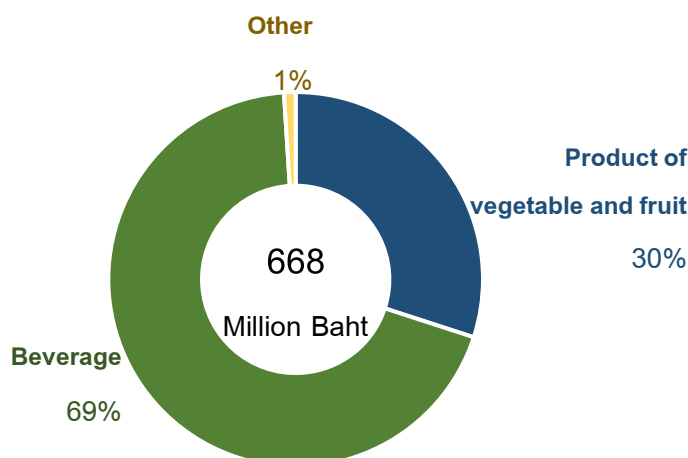
Tipco 010/2023

Management Discussion and Analysis Tipco Foods Public Company Limited

For ended March 31, 2023

Consolidated statement of comprehensive income

Statement of comprehensive income	Consolidated financial statements		Changes	
	Q1 2023	Q1 2022	Increase (Decrease)	%
Unit : Thousand Baht				
Sales	667,694	615,652	52,042	8%
Other income	43,261	30,610	12,651	41%
Total revenues	710,955	646,262	68,346	12%
Expenses				
Cost of sales	534,359	504,773	29,586	6%
Selling and distribution expenses	108,356	78,597	29,759	38%
Administrative expenses	83,446	105,070	(21,624)	(21%)
Loss on exchange	81	-	81	0%
Total expenses	726,242	688,440	37,802	5%
Operating profit (loss)	(15,287)	(42,178)	26,891	(64%)
Share of profit from investment in associate	264,380	50,648	213,732	422%
Finance income	2	339	(337)	(99%)
Finance cost	(13,858)	(10,443)	3,415	33%
Profit before income tax expenses	235,237	(1,634)	236,871	(14,496%)
Income tax benefit (expenses)	(3,739)	6,030	(9,769)	(162%)
Profit for the year	231,498	4,396	227,102	5,166%

Operating Revenues Structure in the 1st Quarter of 2023**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 water

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โรงงานเชียงใหม่ : เลขที่ 205/1 หมู่ 2 ตำบลโป่งแยง อำเภอแมริม จังหวัดเชียงใหม่ 50180 ประเทศไทย

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Revenues from sales of goods and gross profit

Unit: Million Baht

Consolidated financial statements	Product of vegetable and fruit		Changes		Beverage		Changes		Others		Changes		Consolidated financial statements		Changes	
	Q1 2023	Q1 2022	Increase (Decrease)	%	Q1 2023	Q1 2022	Increase (Decrease)	%	Q1 2023	Q1 2022	Increase (Decrease)	%	Q1 2023	Q1 2022	Increase (Decrease)	%
Revenues from sales of goods	197	234	(37)	(16%)	462	363	99	27%	9	19	(10)	(53%)	668	616	52	8%
Gross profit (Loss)	4	27	(23)	(85%)	126	80	46	58%	3	4	(1)	100%	133	111	22	20%
Gross Profit (Loss) Margin	2%	12%	-10%		27%	22%	5%		33%	21%	12%		20%	18%	2%	

In the first quarter of 2023, the Company and its subsidiaries reported revenues from sales of Baht 668 million, an increase of Baht 52 million or 8% compared to the same period of the last year. A gross profit of Baht 133 million, an increase of Baht 22 million or a gross profit margin of 2% compared to the same period of the last year, mainly due to the following:

Product of vegetable and fruit

The vegetable and processed fruit business reported sales revenues of Baht 197 million, a decrease of 16% compared to the same period of the last year. The main reason is that in the fourth quarter of 2022, there was a relatively high volume of export products. As a result, the main customers still have inventories and delay ordering the products in this quarter.

In addition, the relatively dry climate factor resulted in the volume of pineapples, which is the main raw material leading to the high cost of pineapple. In the first quarter of 2023, the Company's gross profit, therefore, decreased by Baht 23 million or representing a decrease in the gross profit margin of 10% compared to the same period last year.

Beverage

The beverage business reported sales revenues of Baht 462 million, which increased by 27% from the same period of the last year. The main reason is that in the first quarter of 2023, the Company was able to increase sales for both products 100% fruit juice and mineral water, as well as adjust the selling price, leading to an increase in gross profit of Baht 46 million or the gross profit margin increased by 5% compared to the same period of the last year.

Operating Expenses

In the first quarter of 2023, the Company and its subsidiaries have operating expenses amounting to Baht 726 million, an increase of 5% from the same period last year. Mainly due to as follows.

- The cost of sales increased 6% from the same period last year. Mainly a result of rising raw material prices and a relatively dry climate make a decrease in agricultural products' quality and quantity leading to higher costs.

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- Selling and distribution expenses increased 38% compared to the same period last year. The main reason was due to an increase in the cost of communication and public relations and the cost of product distribution (Self-distribution).
- Administrative expenses decreased by 21% from the same period last year because the Company's subsidiary recognized a loss on impairment of fixed assets and loss on disposal of fixed assets with a total amount of approximately Baht 24 million in the first quarter of 2022.

Share of profit from investment in associate

In the first quarter of 2023, the Company recognized a share of profit from investment in associate of Baht 264 million, an increase of 442% compared to the same period last year.

Finance cost

In the first quarter of 2023, the Company and its subsidiaries reported a finance cost of Baht 13 million, an increase of 33% from the same period last year.

Consolidated statement of financial position

Statement of financial position	Consolidated financial statements		Changes	
	31-Mar-23	31-Dec-22	Increase (Decrease)	%
Unit : Thousand Baht				
Assets				
Current assets	1,184,918	1,219,222	(34,304)	(3%)
Non-current assets	5,532,501	5,320,362	212,139	4%
Total assets	6,717,419	6,539,584	177,835	3%
Liabilities and shareholders' equity				
Liabilities				
Current liabilities	1,935,207	1,942,973	(7,766)	(0%)
Non-current liabilities	220,594	236,023	(15,429)	(7%)
Total liabilities	2,155,801	2,178,996	(23,195)	(1%)
Shareholders' equity				
Total shareholders' equity	4,561,618	4,360,588	201,030	5%
Total liabilities and shareholders' equity	6,717,419	6,539,584	177,835	3%

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**Assets**

As of March 31, 2023, the Company and its subsidiaries had total assets of Baht 6,717 million, a net increase of 3% from the end of the year 2022, mainly due to an increase in investment in the associated company of Baht 234 million.

Liabilities

As of March 31, 2023, the Company and its subsidiaries had total liabilities of Baht 2,156 million, a decrease of 1% from the end of 2022. This was mainly due to an increase in bank overdrafts and short-term loans of Baht 76 million and repayment of long-term loans from financial institutions of Baht 84 million during the period.

Consolidated cash flow statement

Cash flow statement	Consolidated
	financial statements
	31-Mar-23
Unit : Thousand Baht	
Cash flows from operating activities	
Net cash flows from operating activities	33,637
Cash flows from investing activities	
Net cash flows used in investing activities	(16,727)
Cash flows from financing activities	
Net cash flows used in financing activities	(13,669)
Net increase in cash and cash equivalents	3,241
Cash and cash equivalents at beginning of period	72,602
Cash and cash equivalents at end of period	75,843

As of March 31, 2023, the Company and its subsidiaries had a net increase in cash and cash equivalents of Baht 3 million. This comprised 1) net cash flows from operating activities of Baht 34 million, 2) net cash flows used in investing activities of Baht 17 million, mainly from cash paid for the acquisition of property, plant and equipment, 3) net cash flows used in financing activities of Baht 14 million, mainly from an increase in bank overdrafts and short-term loans from financial institutions, and repayment of long-term loans from financial institutions during the period.

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**Financial Ratio from consolidated financial statement**

Profitability ratios	Consolidated financial statements		Changes
	Q1 2023	Q1 2022	
Gross Profit Margin	20.0%	18.0%	2%
EBITDA Margin	43.4%	15.4%	28%
Net Profit Margin	32.6%	0.7%	32%
Return on Equity	5.1%	0.1%	5%
The Capacity to pay and liquidity ratios	31-Mar-23	31-Dec-22	Changes
Debt to equity ratio (Times)	0.47	0.50	(0.03)
Liquidity ratio (Times)	0.61	0.63	(0.02)

The Company and its subsidiaries gross profit margin slightly increased from 18% in the first quarter of 2022 to 20% in the first quarter of 2023, mainly due to an increase in the sales volume of the beverage business's products and an adjustment of selling price during the period.

EBITDA Margin increased significantly from 15% in the first quarter of 2022 to 43% in the first quarter of 2023, mainly due to the Company recognized share of profit from investments in the associated company in the amount of Baht 264 million or an increase in 422% compared to the same period last year. As a result, an increase in both net profit margin and return on equity ratios compared to the same period last year.

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