

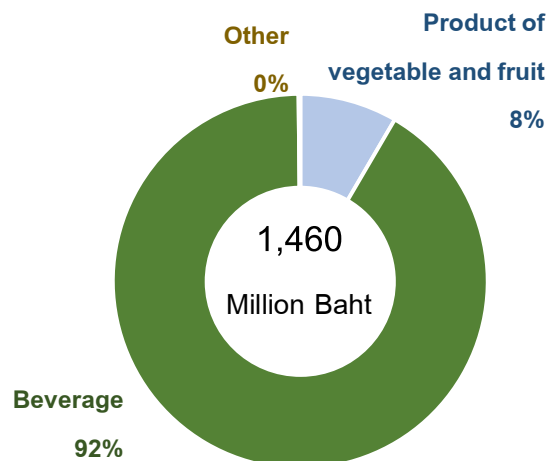


Tipco 018/2024

Management Discussion and Analysis : Tipco Foods Public Company Limited**Performance in the third quarter of 2024 and for the nine-month period ended 30 September 2024****1. Consolidated statements of comprehensive income****for the three-month and nine-month periods ended 30 September 2024 and 2023 – From continuing operations**

Unit: Million Baht

Statement of comprehensive income	Consolidated financial statements		Changes		Consolidated financial statements		Changes	
	Q3 2024	Q3 2023	Increase (Decrease)	%	For the nine-month 2024	For the nine-month 2023	Increase (Decrease)	%
Profit or loss: Continuing operations								
Sales	457	473	(16)	(3%)	1,460	1,414	46	3%
Other income	25	27	(2)	(8%)	70	97	(27)	(28%)
Total revenues	481	499	(18)	(4%)	1,530	1,512	18	1%
Total expenses	535	523	12	2%	1,569	1,563	5	0%
Operating Profit (Loss)	(54)	(24)	30	128%	(39)	(52)	(13)	(25%)
Share of profit from investment in associate	172	47	125	264%	197	486	(289)	(59%)
Profit (loss) before finance cost and income tax	118	24	95	400%	159	434	(276)	(63%)
Finance Income	0	0	0	0%	0	0	(0)	(50%)
Finance cost	(19)	(16)	3	22%	(54)	(43)	11	25%
Profit (loss) before income tax	99	8	91	1,141%	105	391	(286)	(73%)
Income tax benefit (expenses)	(1)	4	(5)	(133%)	0	7	(7)	(98%)
Profit (loss) from continuing operations	98	12	86	723%	105	398	(293)	(74%)
Discontinued operations								
Loss for the period from discontinuing operations								
- net of income tax	(127)	(41)	86	210%	(235)	(128)	108	84%
Profit (loss) for the period	(29)	(29)	(0)	(0%)	(130)	270	(401)	(148%)

Operating Revenues Structure in the nine-month period ended 30 September 2024**Product of vegetable and fruit (Continuing business)**

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

Beverage (Continuing business)

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

Discontinued operations (Not including in this chart)

Revenue from sales of processed fruit products of Baht 391 million

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1.1 Sales and gross margin

Unit : Million Baht

Continuing operations	Product of vegetable and fruit		Changes		Beverage		Changes		Other		Changes		Consolidated financial statements		Changes	
	Q3 2024	Q3 2023	Increase (Decrease)	%	Q3 2024	Q3 2023	Increase (Decrease)	%	Q3 2024	Q3 2023	Increase (Decrease)	%	Q3 2024	Q3 2023	Increase (Decrease)	%
	Revenues from sales of goods	48	33	15	45%	408	433	(25)	(6%)	1	7	(6)	(86%)	457	473	(16)
Gross profit (Loss)	32	13	19	146%	74	113	(39)	(35%)	-	4	(4)	(100%)	106	130	(24)	(18%)
Gross Profit (Loss) Margin	67%	39%	27%		18%	26%	(8%)		0%	57%	(57%)		23%	27%	(4%)	

Continuing operations	Product of vegetable and fruit		Changes		Beverage		Changes		Other		Changes		Consolidated financial statements		Changes	
	For the nine-month 2024	For the nine-month 2023	Increase (Decrease)	%	For the nine-month 2024	For the nine-month 2023	Increase (Decrease)	%	For the nine-month 2024	For the nine-month 2023	Increase (Decrease)	%	For the nine-month 2024	For the nine-month 2023	Increase (Decrease)	%
	Revenues from sales of goods	123	61	62	102%	1,335	1,333	2	0%	2	20	(18)	(90%)	1,460	1,414	46
Gross profit (Loss)	74	31	43	139%	345	362	(17)	(5%)	-	8	(8)	(100%)	419	401	18	4%
Gross Profit (Loss) Margin	60%	51%	9%		26%	27%	(1%)		0%	40%	(40%)		29%	28%	0%	

In the third quarter of 2024, the Company and its subsidiaries reported total sales revenues from continuing operations of Baht 457 million, decreasing to Baht 16 million or 3% from the same period last year.

Overall, for the period of nine-month, the Company and its subsidiaries reported total sales revenues from continuing operations of Baht 1,460 million, increasing of Baht 46 million or 3% from the same period last year.

This came from 2 businesses as follows.

(1) Sales revenues from product of vegetable and fruit

Sales revenues increased by Baht 15 million, or 45%, from the third quarter of 2023, this was mainly from an increase in herb extraction contract for new customer that were delivered in Q2 - Q3 2024, as well as the product of fresh Homsuwan pineapple had higher production and sales volumes. In addition, in Q2 2024 the Company recognized revenue from the procurement of fresh herbal. As a result, overall sales revenues for the nine-month period of 2024 increased by Baht 62 million or 102% compared to the total revenues in the same period of the previous year.

(2) Sales revenues from beverages

Sales revenues decreased by Baht 25 million, or 6%, from the third quarter of 2023, this was mainly from a decrease in revenue from fruit juice products in traditional trade channel related to a slowdown economy. The company plan to expand the customer base in traditional trade channel with the execution of distribution channel management strategies in order to reach the target customer group effectively. For the international market, the company has grown exports especially to Philippine, China and Hong Kong except for slightly decrease due to a change in distribution structure in modern trade channel in South Korea.

Bottled natural mineral water products have been able to grow well in all channels, resulting from a good response to distribution plan and marketing communications.

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Therefore, the overall sales revenues for the nine-month period of 2024 increased by Baht 2 million, or 0.2%, compared to the same period last year.

1.2 Operating Expenses

Unit : Million Baht

Expenses	Consolidated financial statements		Change		Consolidated financial statements		Change	
	Q3 2024	Q3 2023	Increase (Decrease)	%	For the nine-month 2024	For the nine-month 2023	Increase (Decrease)	%
Cost of sales	351	343	8	2%	1,041	1,014	27	3%
Selling and distribution expenses	109	100	9	9%	306	319	(13)	(4%)
Administrative expenses	73	80	(8)	(10%)	220	230	(10)	(4%)
Loss on exchange	3		3	13,576%	2		2	100%
Impairment loss on machinery and equipment				0%		1	(1)	(100%)
Total expenses	535	523	12	2%	1,569	1,563	5	0%

In the third quarter of 2024, the Company and its subsidiaries reported total operating expenses of Baht 535 million, an increase of Baht 12 million or 2% compared to the same period of last year. The main reasons are as follows.

1. Cost of sales increased by Baht 8 million, mainly due to an effect of the raw material price increasing.
2. Selling and distribution expenses increased by Baht 9 million, mainly for advertising, market research and transportation to customer.
3. Administrative expenses decreased by Baht 8 million, mainly due to a decrease in public relations expenses and employee expenses.

Overall, for the nine-month period, the Company and its subsidiaries reported operating expenses of Baht 1,569 million, an increase of Baht 5 million or 0.3% from the same period of the previous year. The main reasons are as follows.

1. Costs of sales increased by Baht 27 million in line with an increase in sales revenue of extract products. Moreover, the price of juice raw materials has also been increased.
2. Selling and distribution expenses, and administrative expenses represented net decreasing in line with the discontinued retail business in 2023.

1.3 Share of profit from investment in associate

In the third quarter of 2024, the Company recognized a share of profit from investment in associate of Baht 172 million, which increased by 264% compared to the same period of last year. Overall, the Company recognized a share of profit from investment in associate of Baht 197 million in the nine-month period of 2024, a decrease of 59% from the same period last year.

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2. Discontinued operations

On September 24, 2024, at the 7/2567 meeting of the Board of Directors of Tipco Foods Public Company Limited (“the Company”) was resolved to cease operations in the canned pineapple production and distribution business of Tipco Pineapple Company Limited (“the Subsidiary”), a subsidiary of the Company, effective from September 25, 2024. The main reasons for this decision are continuous operational losses and the volatility in the quantity and price of key raw materials, namely fresh pineapples, over the past period. However, the Subsidiary’s Board of Directors has not yet resolved to dissolve the company or liquidate its assets. The Subsidiary is currently considering a communication plan and notifying stakeholders about this matter, ensuring fairness and compliance with the law. It should be noted that the cessation of operations in this business is an internal business strategy adjustment of the Company and will not affect the Company’s main business operations, which account for approximately 21% of total revenue.

3. Consolidated statements of financial position as at 30 September 2024

Unit: Million Baht

Statement of financial position	Consolidated financial statements		Changes	
	30-Sep-24	31-Dec-23	Increase (Decrease)	%
Assets				
Current assets	996	1,121	(125)	(11%)
Non-current assets	4,940	5,249	(310)	(6%)
Total assets	5,936	6,370	(434)	(7%)
Liabilities and shareholders' equity				
Liabilities				
Current liabilities	2,058	1,385	674	49%
Non-current liabilities	235	820	(585)	(71%)
Total liabilities	2,293	2,204	89	4%
Shareholders' equity				
Total shareholders' equity	3,642	4,166	(524)	(13%)
Total liabilities and shareholders' equity	5,936	6,370	(435)	(7%)

3.1 Assets

As of 30 September 2024, the Company and its subsidiaries reported total assets of Baht 5,936 million.

A decrease of Baht 434 million from total assets of Baht 6,370 million at the end of 2023 with the main reasons as follows.

1. A decrease in inventory, mainly from lower production volume of processed pineapple products.
2. A decrease in investment in an associate from dividend income in April 2024.
3. A decrease in property, plant, and equipment, which mainly from depreciation for the period.

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3.2 Liabilities

As of 30 September 2024, the Company and its subsidiaries reported total liabilities of Baht 2,293 million. An increase of Baht 89 million from total liabilities of Baht 2,204 million at the end of 2023 with the main reasons as follows.

1. An increase in the utilization of short-term loans.
2. An increase in trade and other payables, mostly from accrued expenses, arising from the discontinued operations of processed pineapple product business.

3.3 Shareholders' equity

The Company and its subsidiaries' equity decreased by Baht 524 million from Baht 4,166 million at the end of 2023 to Baht 3,642 million at the end of the third quarter of 2024, mainly from;

1. Net loss for the nine-month period of 2024 amounting to Baht 130 million.
2. The Company paid a dividend to its shareholders of Baht 304 million in the second quarter of 2024.
3. A decrease in other components of shareholders' equity of Baht 89 million.

4. Consolidated cash flow statement for the nine-month period ended September 30, 2024

Unit : Million Baht

Cash flow statement	Consolidated For the nine-month period end 30 September 2024
Cash flows from operating activities	
Net cash flows used in operating activities	(87)
Cash flows from investing activities	
Net cash flows from investing activities	276
Cash flows from financing activities	
Net cash flows used in financing activities	(250)
Net decrease in cash and cash equivalents	(61)
Cash and cash equivalents at beginning of period	87
Cash and cash equivalents at end of period	26

For the period of nine-month 2024, the Company and its subsidiaries reported a net decrease in cash and cash equivalents of Baht 61 million from 3 main activities:

- 1) Net cash flows used in operating activities of Baht 87 million.
- 2) Net cash flows from investing activities amounted to Baht 276 million, with the main cash flow coming from dividend received from associate of Baht 370 million and paid for acquisition of fixed asset of Baht 96 million.

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3) Net cash flows used in financing activities of Baht 250 million, consisting of an increase in bank overdrafts and short-term loans of Baht 181 million, dividends paid to shareholder of Baht 304 million, repayment of liabilities under lease agreements of Baht 16 million, and repayment of long-term loans from financial institutions of Baht 110 million.

5. Financial Ratio from consolidated financial statements for the nine-month period ended 30 September 2024

Profitability ratios	Consolidated financial statements		Changes
	For the nine-month 30	For the nine-month 30	
	September 2024	September 2023	
Gross Profit Margin	28.7%	28.3%	0.4%
EBITDA Margin	20.0%	39.9%	(19.9%)
Net Profit Margin	6.9%	26.3%	(19.5%)
Return on Equity	2.9%	9.3%	(6.4%)
Liquidity and The Capacity to pay ratios	30-Sep-24	31-Dec-23	Changes
Current ratio (Times)	0.48	0.81	(0.33)
Debt to equity ratio (Times)	0.63	0.53	0.10

The Company and its subsidiaries' gross profit margin increased from 28.3% in the nine-month period of 2023 to 28.7% in the nine-month period of 2024, mainly due to the product of vegetable and fruit can generate more income from both existing and new customer, resulting in a good gross profit margin.

EBITDA Margin decreased from 39.9% in the nine-month period of 2023 to 20.0% in the nine-month period of 2024, mainly due to a decrease in the share of profit from investment in an associated company by Baht 289 million or 59%, as well as a performance of the beverage business that has not recovered compared to the same period last year. Such reasons also implied to net profit margin ratio and return on equity ratio, which were lower compared to the same period last year.

The current ratio decreased to 0.48 at the end of the third quarter of 2024 from 0.81 at the end of 2023, due to a decrease in the inventories of processed pineapple products, while short-term borrowings from financial institutions increased significantly from the classification of additional current portion of long-term loans, under the loan agreement contemplation.

Debt to equity ratio increased from 0.53 at the end of 2023 to 0.63 at the end of the third quarter of 2024, mainly from an increased use of short-term loans for the purchase of raw materials in advance for beverage products, and to enhance the liquidity of the processed pineapple product business. In addition, the shareholders' equity decreased due to the dividend payment.

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