Tipco 027/2025

Management Discussion and Analysis of Tipco Foods Public Company Limited

Performance for the third quarter of 2025 and the nine-month period ended September 30, 2025

Comprehensive income statement for the third quarter of 2025 ended September 30, 2025 and 2024 – Continuing operations

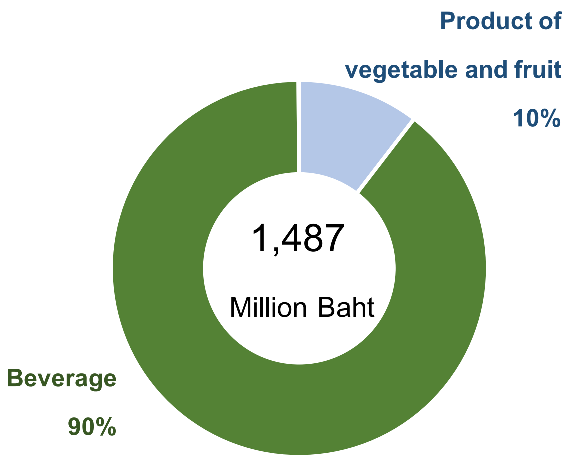
Unit: Million Baht

Statement of comprehensive income	Consolidated financial statements		Changes		Consolidated financial statements		Changes	
	Q3 2025	Q3 2024	Increase (Decrease)	%	For the nine-month 2025	For the nine-month 2024	Increase (Decrease)	%
Profit or loss: Continuing operations								
Sales	488	457	31	7%	1,487	1,460	27	2%
Gain on exchange	1	0	1	0%	3	0	2	0%
Other income	12	25	(14)	(53%)	39	70	(31)	(44%)
Total revenues	**501**	**481**	**20**	**4%**	**1,528**	**1,530**	**(1)**	**(0%)**
Operating expenses	487	535	(48)	(9%)	1,450	1,569	(119)	(8%)
Operating profit	**14**	**(54)**	**68**	**(126%)**	**79**	**(39)**	**118**	**(303%)**
Share of profit from investment in associate	41	172	(131)	(76%)	236	197	39	20%
Profit before finance cost and income tax expenses	**55**	**118**	**(62)**	**(53%)**	**315**	**159**	**156**	**99%**
Finance cost	(17)	(19)	(2)	(11%)	(53)	(54)	(1)	(1%)
Profit before income tax expenses	**39**	**99**	**(61)**	**(61%)**	**262**	**105**	**157**	**150%**
Income tax benefit (expenses)	(9)	(1)	(8)	625%	(24)	0	(24)	(22,821%)
Profit from continuing operations	**29**	**98**	**(68)**	**(70%)**	**238**	**105**	**133**	**126%**
Discontinued operations								
Loss for the period from discontinuing operations - net of income tax	(6)	(127)	121	(95%)	(17)	(235)	218	(93%)
Profit (loss) for the period	**23**	**(29)**	**52**	**(179%)**	**220**	**(130)**	**350**	**(269%)**

For the third quarter of 2025, Tipco Foods Public Company Limited (“the Company”) and its subsidiaries reported a profit of 23 million baht, consisting of Profit from continuing operations of 29 million baht and Loss from discontinued operations of 6 million baht.

On September 24, 2024, the Company ceased operations of its canned pineapple production and distribution business under Tipco Pineapple Co., Ltd. As a result, the Company has classified the performance of Tipco Pineapple Co., Ltd. as discontinued operations, separate from normal operating results, and presented as loss from discontinued operations – net of income tax in the comprehensive income.

Structure of sales revenue for the nine-month period ended September 30, 2025



Beverages (Continuing operations)

Includes the ready-to-drink fruit and vegetable juice business and the bottled natural mineral water business.

Plant, vegetable, and fruit products (Continuing operations)

Includes plant, vegetable, and fruit products, health products, and agricultural products.

Revenue from discontinued Operations (Not included in this chart)

Generated from the processed pineapple business at 5 million baht.

Continuing operations

1. Sales revenue and gross profit

Unit : Million Baht

Continuing operations	Beverage		Changes		Product of vegetable and fruit		Changes		Other		Changes		Consolidated financial		Changes	
	Q3 2025	Q3 2024	Increase (Decrease)	%	Q3 2025	Q3 2024	Increase (Decrease)	%	Q3 2025	Q3 2024	Increase (Decrease)	%	Q3 2025	Q3 2024	Increase (Decrease)	%
Revenues from sales of goods	407	408	(1)	(0%)	81	48	33	69%	0	1	(1)	(100%)	488	457	31	7%
Gross profit (Loss)	132	74	58	78%	40	32	8	25%	0	0	0		172	106	66	62%
Gross Profit (Loss) Margin	32%	18%	14%		49%	67%	(17%)		0%	0%	0%		35%	23%	12%	

Continuing operations	Beverage		Changes		Product of vegetable and fruit		Changes		Other		Changes		Consolidated financial		Changes	
	For the nine-month 2025	For the nine-month 2024	Increase (Decrease)	%	For the nine-month 2025	For the nine-month 2024	Increase (Decrease)	%	For the nine-month 2025	For the nine-month 2024	Increase (Decrease)	%	For the nine-month 2025	For the nine-month 2024	Increase (Decrease)	%
Revenues from sales of goods	1,331	1,335	(4)	(0%)	155	123	32	26%	1	2	(1)	(50%)	1,487	1,460	27	2%
Gross profit (Loss)	460	345	115	33%	71	74	(3)	(4%)	0	0	0		531	419	112	27%
Gross Profit (Loss) Margin	35%	26%	9%		46%	60%	(14%)		0%	0%	0%		36%	29%	7%	

In the third quarter of 2025, the Company and its subsidiaries recorded sales revenue from continuing operations totaling 488 million baht, an increase of 31 million baht or 7% compared to the same period last year. This growth was driven by two main business segments:

1.1. Beverage Business

Sales revenue for the third quarter of 2025 decreased by 1 million baht or 0.2% compared to the same period last year. The main reason was the beverage segment, as follows:

Fruit juice revenue declined due to weak economic conditions and slow tourism recovery. Domestic revenue was affected by border conflicts, while export revenue slowed due to regional disruptions, natural disasters, and the stronger Thai baht.

Despite challenges, the company remains focused on developing health-oriented products with partners, aiming to boost transactions and expand visibility across marketing and online channels.

Mineral water revenue grew through new products targeting active consumers, launched via modern trade channels and promoted by health-focused presenters to boost market awareness.

The gross profit margin for the beverage business in the third quarter of 2025 was 32%, an increase from 18% last year, driven by efficient product mix, increased mineral water production from new product size, and contract manufacturing that leveraged economies of scale.

1.2. Plant, vegetable, and fruit products business

Sales revenue from fresh Homsuwan pineapple products increased due to harvest volumes meeting targets. Similarly, revenue from extraction services, both domestic and international, grew because of higher delivery volumes. This led to an overall increase in sales revenue for the third quarter of 2025 of 33 million baht, or 69%, compared to the same period last year.

The gross profit margin for plant and fruit products in the third quarter of 2025 dropped to 49% from 67% last year, mainly due to changes in the product mix of extracts. However, extract products still maintained solid margins through standardized production, while the new Homsuwan pineapple cycle benefited from efficient cultivation costs.

2. Operating Expenses

Unit : Million Baht

Expenses	Consolidated financial statements		Change		Consolidated financial statements		Change	
	Q3 2025	Q3 2024	Increase (Decrease)	%	For the nine-month 2025	For the nine-month 2024	Increase (Decrease)	%
Cost of sales and services	316	351	(35)	(10%)	956	1,041	(85)	(8%)
Selling expenses	88	109	(20)	(19%)	262	306	(43)	(14%)
Administrative expenses	83	73	10	14%	232	220	12	5%
Total expenses	**487**	**535**	**(48)**	**(9%)**	**1,450**	**1,569**	**(119)**	**(8%)**

In the third quarter of 2025, the Company and its subsidiaries had total operating expenses of 487 million baht, a decrease of 48 million baht or 9% compared to the same period last year. The main reasons are as follows:

- Cost of goods sold decreased, reflecting lower fruit juice revenue and a reduction in workforce due to ongoing business downsizing.

- The company managed advertising, promotions, and selling expenses efficiently across channels, maintaining a balanced expense-to-revenue ratio by cutting costs or boosting revenue for optimal returns.
- Administrative expenses rose mainly to support the upcoming rollout of a new supply chain and financial planning system. Office costs will also be reviewed to align with organizational restructuring.

3. Share of Profit from Investment in Associate

In the third quarter of 2025, the Company recorded a 41 million baht profit from associates, down 76% year-over-year. However, for the nine-month period, profit rose 20% to 236 million baht.

Consolidated statement of financial position as of September 30, 2025

Unit: Million Baht

Statement of financial position	Consolidated financial statements		Changes	
	30-Sep-25	31-Dec-24	Increase (Decrease)	%
Assets				
Current assets	1,034	944	90	10%
Non-current assets	4,714	4,959	(246)	(5%)
Total assets	**5,748**	**5,904**	**(156)**	**(3%)**
Liabilities and shareholders' equity				
Liabilities				
Current liabilities	1,459	1,547	(88)	(6%)
Non-current liabilities	552	651	(99)	(15%)
Total liabilities	**2,011**	**2,198**	**(187)**	**(9%)**
Shareholders' equity				
Total shareholders' equity	3,737	3,706	31	1%
Total liabilities and shareholders' equity	**5,748**	**5,904**	**(156)**	**(3%)**

1. Assets

As of September 30, 2025, the Company and its subsidiaries had total assets of 5,748 million baht, a decrease of 156 million baht from total assets of 5,904 million baht at the end of 2024. This was mainly due to a reduction in investments in associates, in proportion to the dividends received in the second quarter of 2025, and a normal decline from accumulated depreciation. In terms of asset investment, the Company invested in new operating software and made capital expenditures to fully upgrade bottling machinery, aiming to improve production efficiency, enhance manufacturing capabilities, and support customers in the contract beverage manufacturing business. Inventory decreased due to management aligned with sales volume, while trade receivables increased in line with higher revenue from extract products.

2. Liabilities

As of September 30, 2025, the Company and its subsidiaries had total liabilities of 2,011 million baht, a decrease of 187 million baht from 2,198 million baht at the end of 2024. This was primarily due to the repayment of short-term and long-term loans from financial institutions. Additionally, accrued expenses declined due to effective management of trade spending, and advance payments were used to purchase fresh herbal raw materials for the extract product manufacturing process.

3. Shareholders' Equity

The Company and its subsidiaries recorded an increase in shareholders' equity of 31 million baht, from 3,706 million baht at the end of 2024 to 3,737 million baht at the end of the third quarter of 2025. This was driven by a net profit of 220 million baht for the nine-month period of 2025, a dividend payment of 87 million baht, and a decrease of 102 million baht in other components of shareholders' equity.

Consolidated cash flow statement for the nine-month period ended September 30, 2025

Unit : Million Baht

Cash flow statement	For the nine-month 30 September 2025
Cash flows from operating activities	
Net cash flows from operating activities	14
Cash flows from investing activities	
Net cash flows from investing activities	254
Cash flows from financing activities	
Net cash flows used in financing activities	(198)
Net increase in cash and cash equivalents	**70**
Cash and cash equivalents at beginning of period	138
Cash and cash equivalents at end of period	**208**

For the nine-month period ended September 30, 2025, the Company and its subsidiaries had a net increase in cash and cash equivalents of 70 million baht, driven by three main activities:

1. Net cash from operating activities of 14 million baht.
2. Net cash from investing activities of 254 million baht, mainly from dividends received from associate.
3. Net cash used in financing activities of 198 million baht, primarily from loan repayments to financial institutions and dividend payments to shareholders.

Key financial ratios from the consolidated financial statements for the nine-month ended September 30, 2025 – Continuing operations

Profitability ratios	Consolidated financial statements		Changes
	30-Sep-25	30-Sep-24	
Gross Profit Margin	36%	29%	7%
EBITDA Margin	29%	20%	9%
Net Profit Margin	16%	7%	8%
Return on Equity	6%	3%	4%
Liquidity and The Capacity to pay ratios	**30-Sep-25**	**31-Dec-24**	**Changes**
Current ratio (Times)	0.71	0.61	0.10
Debt to equity ratio (Times)	0.54	0.59	(0.05)

The Company and its subsidiaries recorded a gross profit margin of 36%, an increase compared to the same period last year. This improvement was driven by a better product mix with higher-margin items, growth in production utilization and effective management of fixed costs aligned with production scale. Additionally, fruit juice products underwent price adjustments in response to the volatile market prices of fruit raw materials.

EBITDA margin (earnings before interest, tax, depreciation, and amortization) increased from 20% last year to 29% this year, driven by reduced losses from beverage products, and higher profit share from investments in associates. These same factors also contributed to an increase in both net profit margin and return on equity, compared to the same period last year.

Total liabilities decreased due to the repayment of loans from financial institutions, as well as improved management of trade payables and other current payables. This resulted in the current ratio increasing to 0.71 times, compared to 0.61 times last year, and the total debt-to-equity ratio slightly decreased from 0.59 times to 0.54 times.