

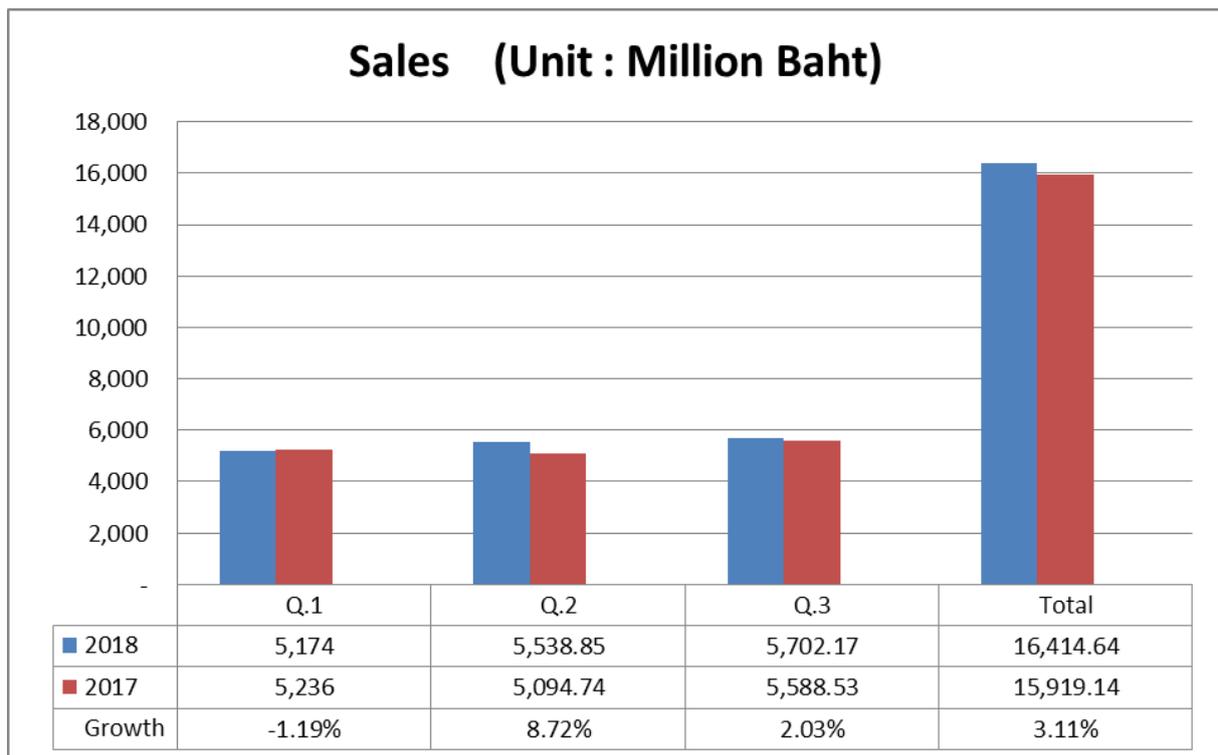


**Management Discussion and Analysis**  
**For the three-month periods ended 30 September 2018**

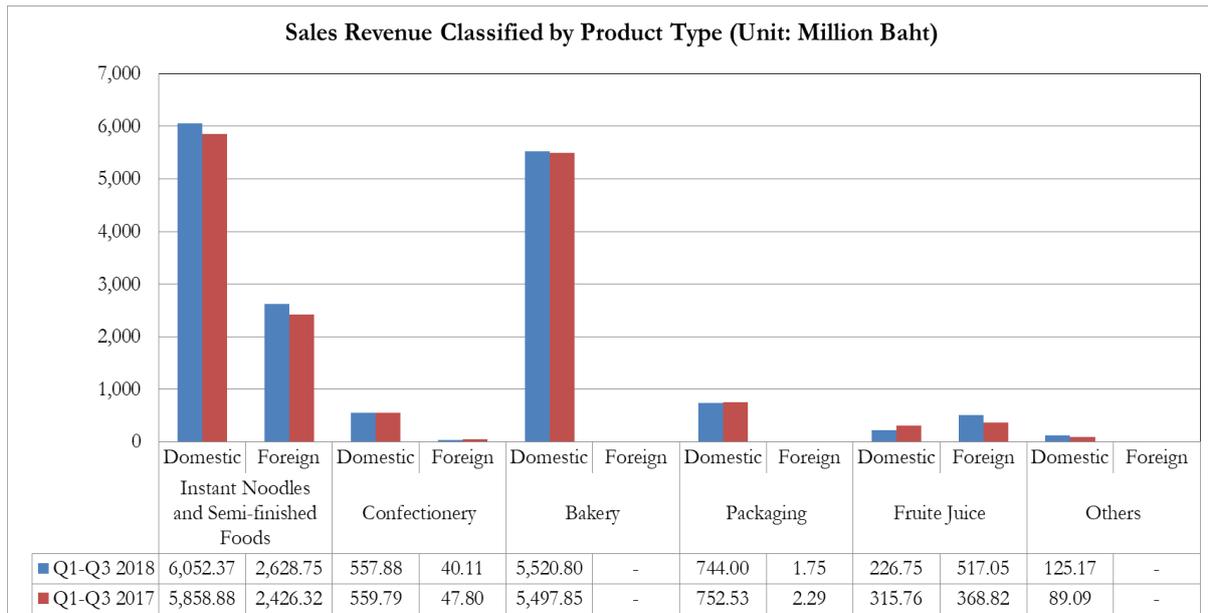
Thai President Foods Public Company Limited or TFMAMA was founded from the amalgamation of TF and PR on 16th October, 2017. As a result of the amalgamation, the Company received the assets, liabilities, rights and obligations of both companies. This amalgamation was thus considered to be a business combination under common control, and the Company presented information in the consolidated financial statements for the three-month period ended 30 September 2017 to reflect the financial position, operating results, and cash flows of the group of companies under common control on the basis of economic substance, even though the legal form of the Company was established subsequent to 30 September 2017.

**1. Performance Results**

**1.1 Sales**

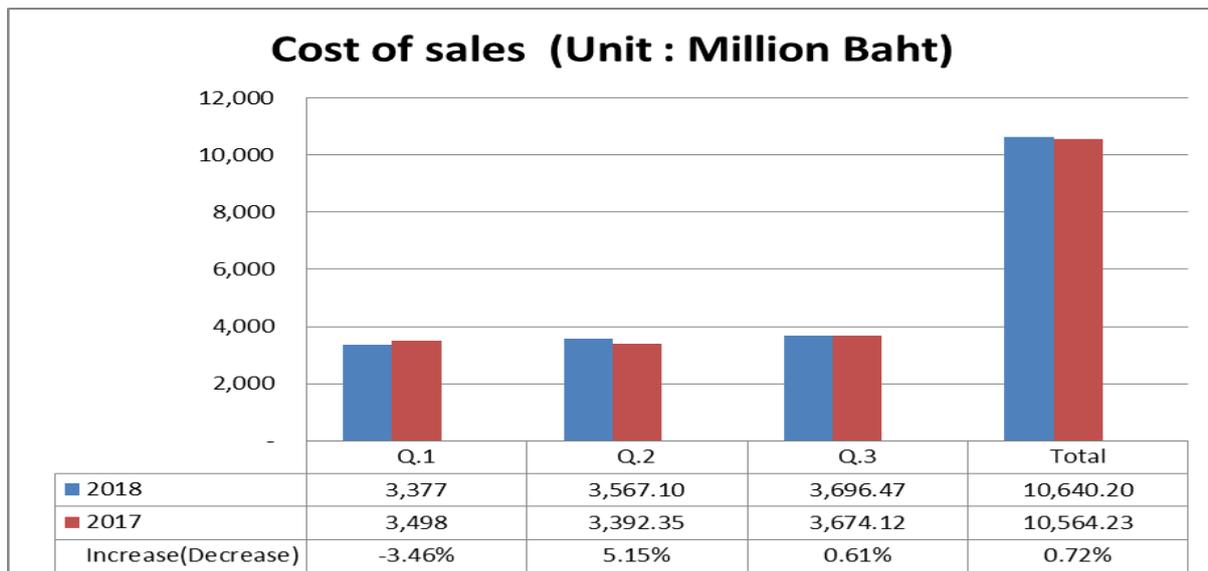


The Company recorded the total sales of Baht 5,702.17 million and Baht 5,588.53 million in Q3/2018 and Q3/2017 respectively, or increasing by 2.03%. The total nine-month sales of 2018 stood at Baht 16,414.64 million, increasing by Baht 495.50 million or 3.11 % from last year.



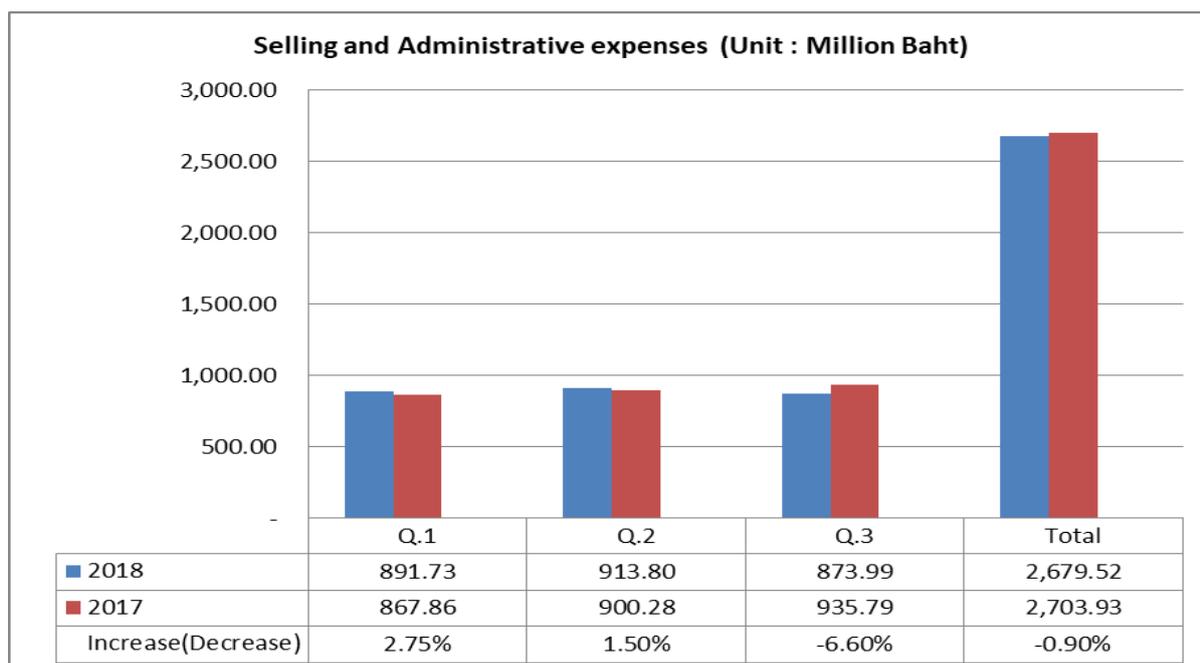
When classified by products and regions (for nine-month period), the domestic sales increased by 1.17%, while the exporting sales rose by 12.04%. It was resulted from our marketing activities to boost sales during the economic slowdown. In the meantime the export markets were picking up from the previous year. In term of market distribution, the composition of each exporting market was close to the past year. In particular, Asian market was the biggest exporting region of the company, whereas Europe market showed the fastest growth.

## 1.2 Cost of Sales



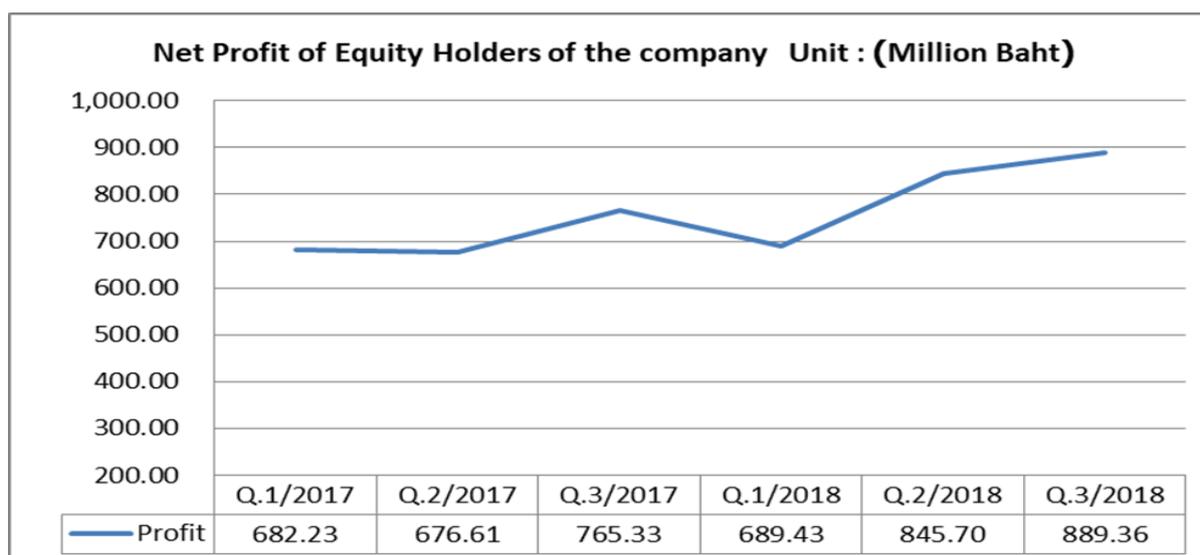
The cost of sales of the Company amounted to Baht 3,696.47 million in Q3/2018, increasing by Baht 22.35 million or 0.61% from the previous year, mainly due to the increasing raw material and packaging cost in accordance with higher sales volume. Thus, the cost of sales to total revenues ratio was at 64.83% (for the nine-month period), slightly below that in the previous year by 0.91%

### 1.3 Selling and Administrative Expenses



The selling and administrative expenses in Q3/2018 totaled to Baht 873.99 million, decreasing by Baht 61.80 million or 6.60 % from a year earlier. The decreasing was mainly resulted from the slowdown in marketing and promotion spending. Thus, the selling and administrative expenses to the total revenues ratio was at 15.33%, slightly decreased compared with the ratio of last year which stood at 16.74%.

### 1.4 Net Profit



The Company recorded net profit of Baht 889.36 million in Q3/2018, increasing by Baht 124.03 million or 16.21% from the previous year. The profit margin of the company stood at 15.32% of total sales mainly because of our sales volume jumped while we could maintain gross profit margin.



## 2. Financial Position

### 2.1 Assets

The total assets of the Company as of September 30, 2018 amounted to Baht 31,870.53 million, increasing by Baht 2,507.36 million or 8.54% from the end of last year. The structure of assets of the Company consisted of the fixed assets of Baht 16,529.53 million, accounting for 51.86% of total assets, and the current assets of Baht 15,340.99 million, accounting for 48.14% of total assets. Our asset mainly increased from increasing amount of cash and cash equivalent which was prepared for paying for Tender offer President Bakery Plc. Stocks and the increasing in short term loan and investment in associated company was the property related investment.

### 2.2 Liabilities

Total liability if the Company stood at Baht 4,772.40 million as of September 30, 2018, increasing by Baht 1,066.44 million from the end of last year. Our liability was increasing from higher outstanding of the accrued expenses, which was the undue payment. Most of liability of the company was current liability, while the long-term liability was accounted for 22.16% of total liability. Additionally, debt to equity ratio of the Company was at 0.18

### 2.3 Shareholders' Equity

The shareholders' equity of the Company as of September 30, 2018 amounted to Baht 27,098.13 million, increasing by Baht 1,440.92 million or 5.62% from the end of 2017, resulting from the higher net profit.

## 3. Liquidity Position

The balance of operation activities cash inflow in 2018 totaled to Baht 4,023.88 million. Meanwhile the cash outflow form investment activities and financing amounted to Baht 1,386.94 million and Baht 628.66 million respectively. The Company, as of September 30, 2018, recorded cash and cash equivalent item of Baht 4,772.22 million, increasing by Baht 1,994.85 million from 2017. Such increase mainly resulted from higher net income while the net outflow was paid for investment in property business and dividend paid.