



Thai President Foods Public Company Limited
Management Discussion and Analysis
For the first Quarter ended March 31, 2021

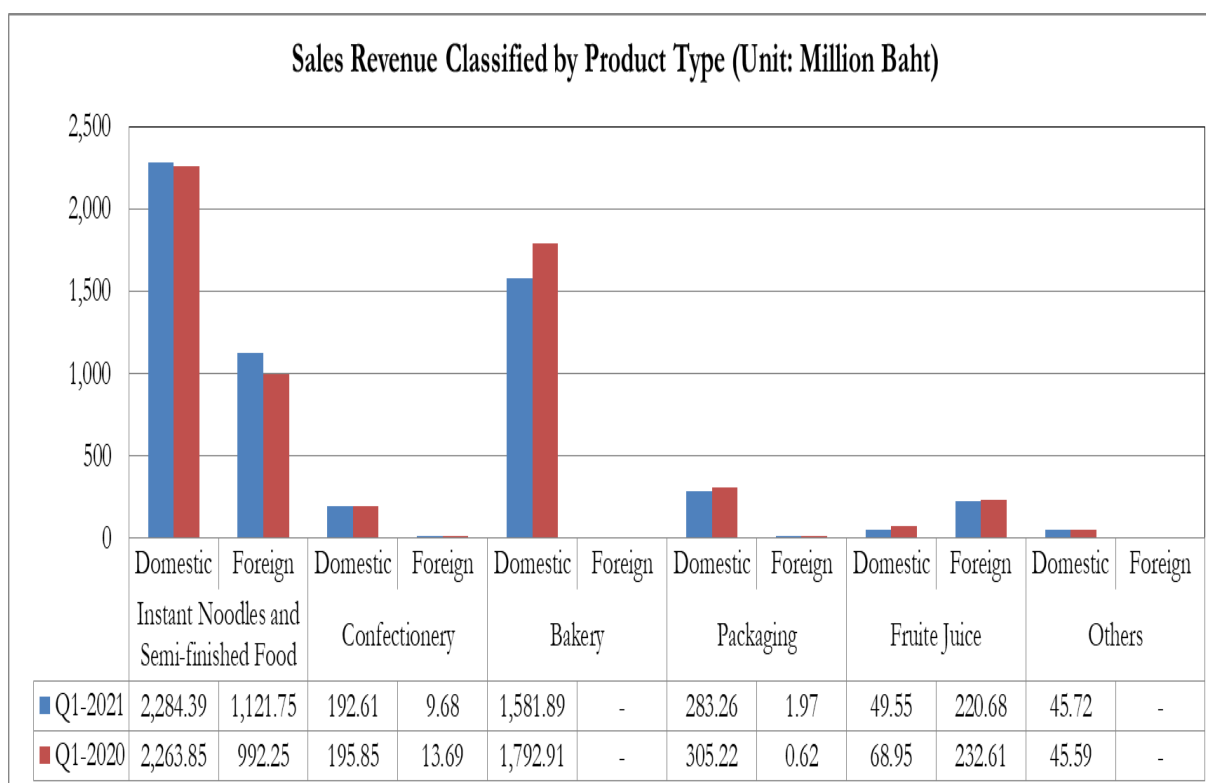
1. Performance Results

For the operating result of first Quarter ended March 31, 2021 compared with the same period of 2020. There is profit on equity holders of the company at the amount of Baht 845.08 million decreased compared to the same period of previous year that the company has profit on equity holders of the company at Baht 1,005.85 million or decreased by 15.98%. The Statement of Comprehensive Income in brief is presented as followed.

	Unit: Million Baht			
	January - March		Change	(%)
	2021	2020		
Sales	5,791.50	5,911.55	(120.05)	(2.03%)
Cost of sales	3,820.85	3,752.62	68.23	1.82%
Gross profit	1,970.65	2,158.93	(188.28)	(8.72%)
Gross profit margin	34.03%	36.52%	(2.49%)	
Dividend income	24.48	20.48	4.00	19.56%
Other income	63.02	67.50	(4.47)	(6.63%)
Selling and administrative expenses	971.09	912.21	58.88	6.45%
Profit from operating activities	1,087.07	1,334.69	(247.62)	(18.55%)
Share of profit from investments in associates and joint venture	85.28	76.54	8.74	11.41%
Finance income	65.44	70.90	(5.46)	(7.71%)
Finance cost	(0.66)	(0.75)	(0.09)	(12.19%)
Income tax expenses	(150.59)	(175.08)	(24.49)	(13.99%)
Non-controlling interests of the subsidiaries	241.46	300.46	(59.00)	(19.64%)
Profit on equity holders of the Company	845.08	1,005.85	(160.77)	(15.98%)

1.1 Sales

The company recorded the total sales of Baht 5,791.50 million and Baht 5,911.55 million in Q1/2021 and Q1/2020 respectively or decreasing by 2.03%.



When classified by products and regions in Q1/2021 compared to Q1/2020, the domestic sales of Instant Noodles and Semi-finished food still have benefit from the Covid-19 pandemic by increase our products demand during the bad economic conditions; the domestic sales increased by 0.91% and foreign sales increased by 13.05%. While the other products categories sales still have the negative impact from the Covid-19 pandemic, especially the bakery and fruit juice sales which dropped by 11.77% and 10.39% respectively.

The other income decreased by Baht 4.47 million which mainly resulted from the adjustment fair value of the financial instruments which comply with Thai Financial Reporting Standards.

1.2 Cost of Sales

The cost of sales of the Company amounted to Baht 3,820.85 million in Q1/2021, increasing by Baht 68.23 million or 1.82% from the previous year, mainly due to higher raw material price especially the palm oil. Thus, the cost of sales to total sales revenues ratio was at 65.97% in Q1/2021, higher than that in the previous year which stood at 63.48%.



1.3 Selling and Administrative Expenses

The selling and administrative expenses in Q1/2021 totaled to Baht 971.09 million, increasing by Baht 58.88 million or 6.45% from a year earlier, resulted from the increasing in exporting expense. which related to the export sales volume together with the freight cost jumped. However the selling and administrative expenses to the total revenues ratio was at 16.77%, 15.43% in Q1/2021, Q1/2020 respectively.

1.4 Net Profit

The Company recorded net profit of Baht 845.08 million in Q1/2021, decreasing by Baht 160.77 million or 15.98% from the previous year, resulted from the decrease in sales volume. However, the profit margin of the company stood at 14.02%, lower than Q1/2020 which stood at 16.36%.

2. Financial Position

For statement of financial as at March 31, 2021, changes as compared to December 31, 2020 are as followed:

2.1 Assets

	Unit: Million Baht			
	31 March 2021	31 December 2020	Change	(%)
Cash and cash equivalents	3,820.26	3,695.42	124.84	3.38%
Trade and other receivables	3,297.84	3,237.73	60.11	1.86%
Inventories	1,657.14	1,420.94	236.20	16.62%
Other current financial assets	8,736.74	7,766.74	969.99	12.49%
Other current assets	102.69	104.36	(1.67)	(1.60%)
Total current assets	17,614.66	16,225.19	1,389.47	8.56%
Loan and Investment in associates, joint venture	3,075.08	3,056.45	18.63	0.61%
Other non-current financial assets	8,339.00	8,460.70	(121.71)	(1.44%)
Investment properties	406.40	406.40	-	-
Property, plant and equipment	8,906.58	9,051.89	(145.31)	(1.61%)
Other non-current assets	167.28	215.94	(48.66)	(22.53%)
Total non-current assets	20,894.34	21,191.38	(297.04)	(1.40%)
Total assets	38,509.00	37,416.57	1,092.43	2.92%

The total assets of the Company as of March 31, 2021 amounted to Baht 38,509 million, increasing by Baht 1,092.43 million or 2.92% from the end of last year. The structure of assets of the Company consisted of the non-current assets of Baht 20,894.34 million, accounting for 54.26% of total assets, and the current assets of Baht 17,614.66 million, accounting for 45.74% of total assets. Our asset mainly increased from Cash and Cash



equivalents and other current financial assets resulted from the company operating profit, and the increasing in inventory was the finish goods on hand to be sent to customers.

2.2 Liabilities

Unit: Million Baht

	Total liabilities and shareholders' equity			
	31 March 2021	31 December 2020	Change	(%)
Trade and other payables	1,913.85	1,781.04	132.81	7.46%
Current portion of long-term lease liabilities	34.63	36.63	(2.00)	(5.46%)
Other current liabilities	1,025.00	1,120.58	(95.58)	(8.53%)
Other non-current liabilities	1,057.46	1,086.87	(29.41)	(2.71%)
Total liabilities	4,030.94	4,025.12	5.82	0.14%
Total shareholders' equity	34,478.06	33,391.45	1,086.61	3.25%

Total liability of the Company stood at Baht 4,030.94 million as of March 31, 2021 increasing by Baht 5.82 million from the end of last year. Our liability increased mainly from the trade payable and income tax payable which were not due to be paid. Most of liability of the company was current liability, while the long-term liability was accounted for 26.23% of total liability. Additionally, debt to equity ratio of the Company was at 0.12 times.

2.3 Shareholders' Equity

The shareholders' equity of the Company as of March 31, 2021 amounted to Baht 34,478.06 million, increasing by Baht 1,086.61 million or 3.25% from the end of 2020, resulting from the company can gain net profit in this quarter.

3. Liquidity Position

Cash flow statement for the period ended March 31, 2021 details as follow:

Unit: Million Baht

	January - March	
	2021	2020
Net cash flows from operating activities	956.55	959.25
Net cash flows used in investing activities	(822.30)	(65.81)
Net cash flows used in financing activities	(9.49)	(15.82)
Increase (decrease) in translation adjustments	0.08	20.61
Net increase (decrease) in cash and cash equivalents	124.84	898.23



The balance of operation activities cash inflow in Q1/2021 totaled to Baht 956.55 million. Meanwhile the cash outflow from investment and financing activities amounted to Baht 822.30 million and Baht 9.49 million respectively. The Company, as of March 31, 2020 recorded cash and cash equivalents item of Baht 3,820.26 million, increasing by Baht 124.84 million which resulted from the company has profit from operation, while the cash outflow was allocated to investment in financial assets and purchasing land and machineries for expanding the production line.

Please kindly be informed accordingly

Your sincerely,

(Mr. Wasan Boonsampankit)

Manager of Finance and Investment Department (CFO)

May 17,2021