

February 15, 2021

President Bakery Public Company Limited would like to submit the report of Management Discussion and Analysis for the year ended 31 December 2020 which has been audited by the auditor. The financial statement of the Company, as shown by equity method, records changes in the operating results from the previous year. The Company would like to clarify such significant changes as below,

### Performance of the Company

(Unit: Million Baht)

	2020		2019		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Sales	7,143.48	99.41	7,743.97	99.48	(600.49)	(7.75)
Total revenues	7,185.94	100	7,784.28	100	(598.34)	(7.69)
Cost of Sales	3,742.85	52.40	4,143.42	53.51	(400.57)	(9.67)
Gross Profit	3,400.63	47.60	3,600.55	46.49	(199.92)	(5.55)
Selling and Administrative expenses	1,609.09	22.39	1,794.41	23.05	(185.32)	(10.33)
Profit for the period	1,678.67	23.86	1,700.74	21.85	(22.07)	(1.30)
Earnings per share (Baht)	3.73		3.78		(0.05)	(1.32)

Remark: Percentage in Statement of comprehensive income derived from total revenues, while percentage of cost of sales and gross profit from sales

### 1. Operating Results

#### 1.1 Sale Revenue

The Company recorded total sales revenue of Baht 7,143.48 million and Baht 7,743.97 million in 2020 and 2019 respectively, decreasing by Baht 600.49 million or by 7.75% from the previous year, due to the situation of the Covid-19 virus that affects the overall economy and sales of the company as well.

#### 1.2 Cost of Sales

The cost of sales of the Company in 2020 stood at Baht 3,742.85 million, or decreasing by 9.67% from the previous year, due to lower price of major raw materials and the Company has managed cost control efficiently, including depreciation of production machinery and equipment that was eliminated in 2019. The cost of sales to total sales ratio to be at 52.40% decreasing from 53.51% in the previous year. As a result, the gross profit margin increased to 47.60% from 46.49% in the previous year.

### 1.3 Selling and Administrative Expenses

The selling and administrative expenses in 2020 amounted to Baht 1,609.09 million, accounting for 22.39% of total income, decreasing by 10.33% from the previous year. The selling and administrative expense was decreasing due to lower fuel cost for and sales promotion expense which decreased from the previous year.

### 1.4 Profit for the year

The Company recorded the net profit of Baht 1,678.67 million, or decreasing by 1.30% from the previous year. The Company maintained the net profit ratio at 23.36% of total income. Moreover, the Company has recognized the share of profit from investment in joint venture for the year ended 31 December 2020 in the amount of Baht 3.44 million.

## Financial Position of the Company

(Unit: million Baht)

	December 31, 2020		December 31, 2019		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Total Assets	10,298.89	100	9,480.09	100	818.80	8.64
Total Liabilities	1,049.02	10.19	1,110.72	11.72	(61.70)	(5.55)
Shareholders' Equity	9,249.87	89.81	8,369.37	88.28	880.50	10.52
Total Liabilities and Shareholders' Equity	10,298.89	100	9,480.09	100	818.80	8.64

## 2. Financial Position

### 2.1 Assets

The total assets of the Company as of December 31, 2020 amounted to Baht 10,298.89 million, increasing by Baht 818.90 million from December 31, 2019. Main asset of the Company comprised of current assets by Baht 5,123.68 million or by 49.75% of total assets and non-current assets by 50.25% of total assets. The increase in current assets resulted from increasing other current financial assets and by Baht 1,332.58 million, increasing other non-current financial assets and by Baht 92.59 million, as resulting from additional investment and fair value measurement of financial assets in accordance with TFRS 9.

The trade and other receivables of the Company accounted to Baht 747.08 million, accounting for 7.25% of total assets, decreasing by 20.92% from December 31, 2019, because the most of account receivables were paid on due and lower sales.

## 2.2 Liabilities

The liabilities of the Company as of December 31, 2020 totaled to Baht 1,049.02 million, accounting for 10.19% of total Liabilities and Shareholders' Equity and decreasing by 5.55% from December 31, 2019, due to a decrease in trade and other payables. As a result, the debt to equity ratio of the Company was at 0.11 lower from 0.13 as of December 31, 2019.

From the implementation of TFRS 16, the Company has categorized and recognized the liability from increased in lease liabilities and increased in deferred income tax liabilities, due to fair value measurement of financial assets in accordance with TFRS 9.

## 2.3 Shareholders' Equity

The shareholders' equity of the Company as of December 31, 2020 stood at Baht 9,249.87 million, accounting for 89.81% of the total of Liabilities and Shareholders' Equity. The shareholders' equity increased by Baht 880.50 million from December 31, 2019 as a result of net profit of Baht 1,678.67 million. Other components of shareholders' equity increasing by Baht 129.50 million, due to the implementation of TFRS 9. As a result, the book value of the Company stood at 20.56 Baht per share, increasing from 18.60 Baht per share in 2019.

## 3. Liquidity Position

The net cash flow from operating activities of the Company in 2020 amounted to Baht 2,189.59 million, increasing by Baht 31.09 million or by 1.44% from the previous year.

The net cash flow used investing activities totaled to Baht 1,242.81 million, increasing by Baht 201.04 million. Resulted from the investment include other financial assets.

The net cash flow used financing activities was a Baht 945.05 million, increasing by Baht 41.74 million or by 4.62%, mostly due to dividend payment amount of Baht 922.50 million.

The Company recorded cash and cash equivalents of Baht 368.35 million as of December 31, 2020, increasing by Baht 1.73 million.

As at 31 December 2020, the Company maintained the current ratio at 5.57 and average day sales at 1 day. In addition, the average days of debt collection stood at 43 days, and the average days of debt repayment was at 70 days. As a result, the cash cycle of the Company was at 26 days.

To be informed accordingly,

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(Ms. Petcharat Anantawichai)

Director and Senior Management Accounting Department  
and Finance Department Manager

Company Secretary