

November 11, 2021

President Bakery Public Company Limited would like to submit the report of Management Discussion and Analysis (MD&A) for Performance Result in Q3/2021 ended on September 30, 2021 which has been reviewed by the auditor. The financial statement of the Company, in which the equity method is applied, shows considerable change in the operating results from the same period last year. The Company would like to clarify such significant changes as below,

### Performance of the Company

(Unit: million Baht)

	Q3/2021	%	Q3/2020	%	Increase (Decrease)	
					Amount	%
Sales	2,019.26	99.44	1,803.24	99.56	216.02	11.98
Total revenues	2,030.68	100	1,811.25	100	219.43	12.11
Cost of Sales	1,034.32	51.22	941.75	52.23	92.57	9.83
Gross Profit	984.94	48.78	861.49	47.77	123.45	14.33
Selling and Administrative expenses	407.20	20.05	396.20	21.87	11.00	2.78
Profit for the period	531.53	26.17	430.81	23.79	100.72	23.38
Profit for the period (Baht)	1.18		0.96		0.22	22.92
	For the 9 month period ended 30 September 2021	%	For the 9 month period ended 30 September 2020	%	Increase (Decrease)	
					Amount	%
Sales	5,310.34	99.37	5,387.85	99.41	(77.51)	(1.44)
Total revenues	5,344.00	100	5,419.99	100	(75.99)	(1.40)
Cost of Sales	2,762.53	52.02	2,804.90	52.06	(42.37)	(1.51)
Gross Profit	2,547.81	47.98	2,582.95	47.94	(35.14)	(1.36)
Selling and Administrative expenses	1,182.06	22.12	1,224.07	22.58	(42.01)	(3.43)
Profit for the period	1,275.91	23.88	1,283.34	23.68	(7.43)	(0.58)
Profit for the period (Baht)	2.84		2.85		(0.01)	(0.35)

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 Sales Revenue**

The Company recorded total sales revenue of Baht 2,019.26 million and Baht 1,803.24 million in Q3/2021 and Q3/2020 respectively, or increasing by 11.98%.

For the nine-month period ended September 30 2021, total sale revenue stood at Baht 5,310.34 million, or decreasing by 1.44% from the same period last year.

### **1.2 Cost of Sales**

The cost of sales of the Company in Q3/2021 stood at Baht 1,034.32 million, increasing by 9.83% from the same quarter last year. The cost of sales to total sales ratio to be at 51.22% in Q3/2021, lower from 52.23% in the same quarter last year. As a result, the gross profit margin of the Company stood at 48.78% increasing from 47.77% in the same quarter last year.

For the nine-month period ended September 30 2021, the cost of sales stood at Baht 2,762.53 million, decreasing by Baht 42.37 million or 1.51% from the same period last year. As a result, the gross profit margin increased to 47.98% from 47.94% in the same period last year. The depreciation of machines some production lines cut off.

### **1.3 Selling and Administrative Expenses**

The selling and administrative expenses in Q3/2021 amounted to Baht 407.20 million, accounting for 20.05% of total income, increasing by 2.78% from the same quarter last year. As a result of the rising oil prices for transportation when compared to selling and administrative expenses for nine-month period of year 2021 and 2020 the selling and administrative expenses were accounted for 22.12% and 22.58%, decreasing by 3.43% from the same period last year.

### **1.4 Profit for the period**

The Company had profit for the three-month period ended 30 September 2021 of Baht 531.53 million, or increasing by 23.38% from the same quarter last year, and recorded profit for the period of Baht 1,275.91 million in nine month of 2021, or decreasing by 0.58% from the same period last year. Moreover, the Company has recognized the share of loss from investment in joint venture. For the nine month period ended 30 September 2021 in the amount of Baht 0.97 million.

## Financial Position of the Company

(Unit: million Baht)

	September 30, 2021	%	December 31, 2020	%	Increase (Decrease)	
					Amount	%
Total Assets	10,875.97	100	10,298.89	100	577.08	5.60
Total Liabilities	1,129.51	10.39	1,049.02	10.19	80.49	7.67
Shareholders' Equity	9,746.46	89.61	9,249.87	89.81	496.59	5.37
Total Liabilities and Shareholders' Equity	10,875.97	100	10,298.89	100	577.08	5.60

## 2. Financial Position

### 2.1 Assets

The total assets of the Company as of September 30, 2021 amounted to Baht 10,875.97 million, increasing by Baht 577.08 million from December 31, 2020. Main asset of the Company comprised of current assets by 49.94% of total assets and non-current assets by 50.06% of total assets. The increase in current assets resulted from increasing cash and cash equivalents by Baht 405.50 million and increased investments in private funds of Baht 500 million, resulting in an increase in other non-current financial assets. The Company has purchased land for the construction of 3 additional distribution centers, namely Khon Kaen, Phuket and Nakhon Si Thammarat.

The trade and other receivables of the Company accounted for 6.06% of total assets, decreasing by Baht 88.02 million from December 31, 2020, because the most of account receivables were paid on due and has adjusted the repayment period for customers to be faster.

### 2.2 Liabilities

The liabilities of the Company as of September 30, 2021 totaled to Baht 1,129.51 million, accounting for 10.39% of total Liabilities and Shareholders' Equity and increasing by 7.67% from December 31, 2020, due to increase in trade and other payables was because the purchase of raw materials and packaging increased in line with the increase in sales during the third quarter. As a result, the debt to equity ratio of the Company was at 0.12 higher from 0.11 as of December 31, 2020.

### **2.3 Shareholders' Equity**

The Shareholders' Equity of the Company as of September 30, 2021 amounted to Baht 9,746.46 million, accounting for 89.61% of Liabilities and Shareholders' Equity and increasing by Baht 496.59 million from December 31, 2020, resulting from the operating profits. As a result, the book value of the Company stood at 21.66 Baht per share, increasing from 20.56 Baht per share in 2020.

### **3. Liquidity Position**

The net cash from operating activities of the Company in nine-month period ended on September 30, 2021 amounted to Baht 1,704.21 million, increasing by Baht 89.36 million or by 5.53% from the previous year.

The net cash used for investing activities totaled to Baht 489.63 million, decreasing by Baht 175.16 million, due to the Cash received from sales of other current financial assets increase from the same period last year and purchased plots of land for the construction 3 distribution center.

The cash used in financing activities was at Baht 809.08 million, decreasing by Baht 132.76 million, due to due to the decrease in payment of liabilities under lease agreements and dividend payment amount of Baht 801 million.

As a result, the Company recorded cash and cash equivalents of Baht 773.85 million as of September 30, 2021, increasing by Baht 405.50 million from the same period last year.

As of September 30, 2021, the Company maintained the current ratio at 5.40, and the average days sales at 1 day. Meanwhile, the average days of debt collection of the Company stood at 35 days, and the average days of debt repayment was at 73 days. As a result, the cash cycle of the Company was at 37 days.

This is to be informed for your acknowledgement

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(Ms. Petcharat Anantawichai)

Director and Senior Management Accounting Department  
and Finance Department Manager  
Company Secretary