

February 21, 2022

President Bakery Public Company Limited would like to submit the report of Management Discussion and Analysis for the year ended 31 December 2021 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)

	2021		2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Sales	7,159.94	99.34	7,143.48	99.41	16.46	0.23
Total revenues	7,207.61	100	7,185.94	100	21.67	0.30
Cost of Sales	3,773.53	52.70	3,742.85	52.40	30.68	0.82
Gross Profit	3,386.41	47.30	3,400.63	47.60	(14.22)	(0.42)
Selling and Administrative expenses	1,580.98	21.93	1,609.09	22.39	(28.11)	(1.75)
Profit for the period	1,687.67	23.42	1,678.67	23.86	9.00	0.54
Earnings per share (Baht)	3.75		3.73		0.02	0.54

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 7,159.94 million and Baht 7,143.48 million in 2021 and 2020 respectively, increasing by Baht 16.46 million or by 0.23% from the previous year due to sales and marketing management. As a result, sales can be maintained under the COVID-19 situation, which has an impact on the overall economy and affected to the company as well. In addition, some product prices were adjusted according to the cost of raw materials in the Q4/2021.

1.2 Cost of Sales

The cost of sales of the Company in 2021 stood at Baht 3,773.53 million, or increasing by 0.82% from the previous year. The cost of sales to total sales ratio to be at 52.70% increasing from 52.40% in the previous year from raw material prices increased. As a result, the gross profit margin decreased to 47.30% from 47.60% in the previous year.

1.3 Selling and Administrative Expenses

The selling and administrative expenses in 2021 amounted to Baht 1,580.98 million, accounting for 21.93% of total income, decreasing by 28.11% from the previous year, mostly due to cut off the vehicle depreciation and reduced employee expenses because the number of employees decreased from the previous year

1.4 Profit for the year

The Company recorded the net profit of Baht 1,687.67 million, or increasing by 0.54% from the previous year. The Company maintained the net profit ratio at 23.42% of total income. Moreover, the Company has recognized the share of profit from investment in joint venture for the year ended 31 December 2021 in the amount of Baht 3.25 million.

Financial Position of the Company

(Unit: million Baht)

	December 31, 2021		December 31, 2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Total Assets	11,234.20	100	10,298.89	100	935.31	9.08
Total Liabilities	1,093.73	9.74	1,049.02	10.19	44.71	4.26
Shareholders' Equity	10,140.47	90.26	9,249.87	89.81	890.60	9.63
Total Liabilities and Shareholders' Equity	11,234.20	100	10,298.89	100	935.31	9.08

2. Financial Position

2.1 Assets

The total assets of the Company as of December 31, 2021 amounted to Baht 11,234.20 million, increasing by Baht 935.31 million from December 31, 2020. Main asset of the Company comprised of current assets by 50.54% of total assets. The increase in current assets resulted from increased investments in private funds and non-current assets by 49.46% of total assets, due to payment amounted of Baht 165 million for common shares of Saha Capital Tower Co., Ltd.,

The trade and other receivables of the Company accounted to Baht 871.30 million, accounting for 7.76% of total assets, increasing by 16.63% from December 31, 2020. According to the increase in sales at the end of 2021 compared to the previous year.

2.2 Liabilities

The liabilities of the Company as of December 31, 2021 totaled to Baht 1,093.73 million, accounting for 9.74% of total Liabilities and Shareholders' Equity and decreasing by 4.26% from December 31, 2020, due to an increased in trade and other payables was because of rising raw material prices. As a result, the debt to equity ratio of the Company was at 0.11.

2.3 Shareholders' Equity

The shareholders' equity of the Company as of December 31, 2021 stood at Baht 10,140.47 million, accounting for 90.26% of the total of Liabilities and Shareholders' Equity. The shareholders' equity increased by Baht 890.61 million from December 31, 2020, resulting from the operating profits. As a result, the book value of the Company stood at 22.53 Baht per share, increasing from 20.56 Baht per share in 2020.

3. Liquidity Position

The net cash flow from operating activities of the Company in 2021 amounted to Baht 1,959.54 million, decreasing by Baht 230.05 million or by 10.51%, due to increased Trade and other receivables and increased Inventories from the previous year.

The net cash flow used investing activities totaled to Baht 1,126.61 million, decreasing by Baht 116.19 million, due to increasing from Cash received from sales of other current financial assets increase from the previous year and purchased plots of land for the construction 3 distribution center.

The net cash flow used financing activities was a Baht 811.51 million, decreasing by Baht 133.54 million or by 14.13%, due to payment of principal portion of lease liabilities and dividend payment amount of Baht 801 million.

The Company recorded cash and cash equivalents of Baht 389.77 million as of December 31, 2021, increasing by Baht 21.42 million.

As at 31 December 2021, the Company maintained the current ratio at 5.80 and average day sales at 1 day. In addition, the average days of debt collection stood at 40 days, and the average days of debt repayment was at 68 days. As a result, the cash cycle of the Company was at 27 days.

To be informed accordingly,

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(Ms. Petcharat Anantawichai)

Director and Senior Management Accounting Department
and Finance Department Manager

Company Secretary