

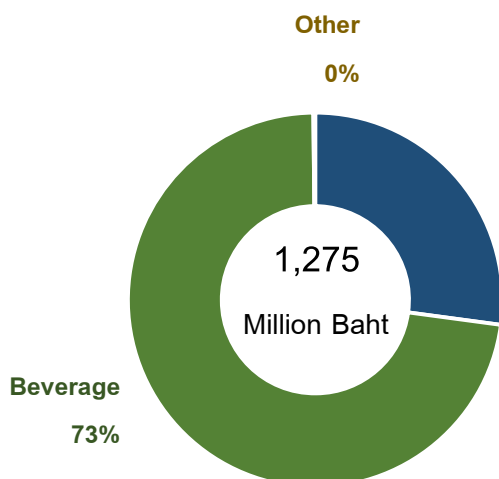


Tipco 014/2024

Management Discussion and Analysis Tipco Foods Public Company Limited**Performance in the 2nd quarter of 2024 and for the six-month period ended 30 June 2024****1. Consolidated statements of comprehensive income****for the three-month and six-month periods ended 30 June 2024 and 2023**

Unit: Thousand Baht

Statement of comprehensive income	Consolidated financial statements		Changes		Consolidated financial statements		Changes	
	Q2 2024	Q2 2023	Increase (Decrease)	%	For the six- month 2024	For the six- month 2023	Increase (Decrease)	%
Sales	651,330	621,814	29,516	5%	1,275,047	1,289,508	(14,461)	(1%)
Other income	26,079	33,855	(7,776)	(23%)	56,689	77,035	(20,346)	(26%)
Total revenues	677,409	655,669	21,740	3%	1,331,736	1,366,543	(34,807)	(3%)
Total expenses	715,171	753,454	(38,283)	(5%)	1,423,429	1,479,615	(56,186)	(4%)
Operating Loss	(37,762)	(97,785)	60,023	61%	(91,693)	(113,072)	21,379	19%
Share of profit from investment in associate	23,202	174,360	(151,158)	(87%)	25,048	438,740	(413,692)	(94%)
Profit (loss) before finance cost and income tax expenses	(14,560)	76,575	(91,135)	(119%)	(66,645)	325,668	(392,313)	(120%)
Finance Income	1	2	1	(50%)	2	4	2	(50%)
Finance cost	(17,550)	(15,222)	2,328	15%	(36,164)	(29,080)	7,084	24%
Profit (loss) before income tax expenses	(32,109)	61,355	(93,464)	(152%)	(102,807)	296,592	(399,399)	(135%)
Income tax benefit (expenses)	(2,157)	6,512	(8,669)	(133%)	1,395	2,773	(1,378)	(50%)
Profit (loss) for the period	(34,266)	67,867	(102,133)	(150%)	(101,412)	299,365	(400,777)	(134%)

Operating Revenues Structure in the six-month period ended 30 June 2024

Product of
vegetable and fruit
27%

Product of vegetable and fruit

Revenue from sales of vegetable and fruit processing products, health products, and agriculture business

Beverage

Revenue from sales of consumer business
Fruit Juice, vegetable Juice and mineral water

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1.1 Sales and gross margin

Unit : Million Baht

Consolidated financial statements	Product of vegetable and fruit		Changes		Beverage		Changes		Other		Changes		Consolidated financial statements		Changes	
	Q2 2024	Q2 2023	Increase (Decrease)	%	Q2 2024	Q2 2023	Increase (Decrease)	%	Q2 2024	Q2 2023	Increase (Decrease)	%	Q2 2024	Q2 2023	Increase (Decrease)	%
	Revenues from sales of goods	182	178	4	2%	468	439	29	7%	1	5	(4)	(80%)	651	622	29
Gross profit (Loss)	(10)	(22)	12	(55%)	140	118	22	19%	1	2	(1)	(50%)	131	98	33	34%
Gross Profit (Loss) Margin	(5%)	(12%)	7%		30%	27%	3%		100%	40%	60%		20%	16%	4%	

Consolidated financial statements	Product of vegetable and fruit		Changes		Beverage		Changes		Other		Changes		Consolidated financial statements		Changes	
	For the six-month 2024	For the six-month 2023	Increase (Decrease)	%	For the six-month 2024	For the six-month 2023	Increase (Decrease)	%	For the six-month 2024	For the six-month 2023	Increase (Decrease)	%	For the six-month 2024	For the six-month 2023	Increase (Decrease)	%
	Revenues from sales of goods	347	375	(28)	(7%)	927	901	26	3%	1	14	(13)	(93%)	1,275	1,290	(15)
Gross profit (Loss)	(36)	(18)	(18)	102%	269	244	25	10%	1	5	(4)	(80%)	234	231	3	1%
Gross Profit (Loss) Margin	(10%)	(5%)	(6%)		29%	27%	2%		100%	36%	64%		18%	18%	0%	

In the 2nd quarter of 2024, the Company and its subsidiaries reported total sales revenues of Baht 651 million, an increase of Baht 29 million or 5% from the same period last year. This comes from 2 major businesses as follows.

(1) Sales revenues from product of vegetables and fruit

Sales revenues increased by Baht 4 million, or 2%, from the 2nd quarter of 2023, this was mainly due to an increase in export sales of plant extract products. However, the product of processed pineapple remains in a situation of insufficient pineapple supply to meet the demand of processing plant and international markets. Also, the shortage of empty containers, leading to impact against processed fruit export volume dropped over the 1st half of 2024. As a result, overall sales revenues for the six-month period of 2024 decreased by Baht 28 million or 7% compared to the total revenues in the same period of the previous year.

(2) Sales revenues from beverages

Sales revenues increased by Baht 29 million, or 7%, from the 2nd quarter of 2023, this was mainly due to an increase in export sales of fruit juice products especially ASEAN countries. Moreover, the domestic market is in high season(summer). As a result, the overall sales volume of fruit juice products increased. Mostly, natural mineral water products continue to grow well across all channels from the good response of marketing communications through the new look of the limited-edition label packaging. Therefore, the overall sales revenues for the six-month period of 2024 increased by Baht 26 million, or 3%, compared to the same period last year.

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1.2 Operating Expenses

Unit : Thousand Baht

Expenses	Consolidated financial statements		Change		Consolidated financial statements		Change	
	Q2 2024	Q2 2023	Increase (Decrease)	%	For the six- month 2024	For the six- month 2023	Increase (Decrease)	%
Cost of sales and services	520,014	523,345	(3,331)	(1%)	1,040,735	1,058,617	(17,882)	(2%)
Selling expenses	106,757	125,487	(18,730)	(15%)	208,266	233,843	(25,577)	(11%)
Administrative expenses	88,400	86,190	2,210	3%	174,428	168,723	5,705	3%
Impairment loss on machinery and equipment	0	18,432	(18,432)	(100%)	0	18,432	(18,432)	100%
Total expenses	715,171	753,454	(38,283)	(5%)	1,423,429	1,479,615	(56,186)	(4%)

In the 2nd quarter of 2024, the Company and its subsidiaries reported total operating expenses of Baht 715 million, a decrease of Baht 38 million or 5% compared to the same period of last year. The main reasons are as follows.

- Selling and distribution expenses decreased by Baht 19 million, mainly due to a decrease in trade agreement costs consisting of display space cost, modern trade media cost, sales force cost, distribution center fee and free of charge product, which mainly came from the beverage products business.
- In the 2nd quarter of 2023, an impairment loss on machinery and equipment while no such item in the current year.

Overall, for the six-month period, the Company and its subsidiaries reported operating expenses of Baht 1,423 million, a decrease of Baht 56 million or 4% from the same period of the previous year. The main reasons are as follows.

- Costs of sales decreased by Baht 18 million in line with a decrease in sales revenue, mainly from the vegetable and fruit products business.
- Selling and distribution expenses decreased. The main reason comes from the lower marketing activity, media and sales team expenses.

1.3 Share of profit from investment in associate

In the 2nd quarter of 2024, the Company recognized a share of profit from investment in associate of Baht 23 million, which decreased by 87% compared to the same period of last year. Overall, the Company recognized a share of profit from investment in associate of Baht 25 million in the six-month period of 2024, a decrease of 94% from the same period last year.

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2. Consolidated statements of financial position as at 30 June 2024

Unit: Thousand Baht

Statement of financial position	Consolidated financial statements		Changes	
	30-Jun-24	31-Dec-23	Increase (Decrease)	%
Assets				
Current assets	1,053,022	1,120,889	(67,867)	(6%)
Non-current assets	4,954,786	5,249,135	(294,349)	(6%)
Total assets	6,007,808	6,370,024	(362,216)	(6%)
Liabilities and shareholders' equity				
Liabilities				
Current liabilities	1,422,259	1,384,730	37,529	3%
Non-current liabilities	742,321	819,670	(77,349)	(9%)
Total liabilities	2,164,580	2,204,400	(39,820)	(2%)
Shareholders' equity				
Total shareholders' equity	3,843,228	4,165,624	(322,396)	(8%)
Total liabilities and shareholders' equity	6,007,808	6,370,024	(362,216)	(6%)

2.1 Assets

As of 30 June 2024, the Company and its subsidiaries reported total assets of Baht 6,008 million. A decrease of Baht 362 million from total assets of Baht 6,370 million at the end of 2023 with the main reasons as follows.

1. A decrease in trade accounts receivable of Baht 29 million, which mainly came from the vegetable and fruit products business. In addition, a decrease in other receivable of Baht 27 million, which mainly came from the beverage business.
2. A decrease in investment in an associate of Baht 262 million.
3. Property, plant, and equipment decreased by Baht from 37 million from normal depreciation for the period of Baht 99 million, In addition, to an increase from the acquisition by Baht 61 million.

2.2 Liabilities

As of 30 June 2024, the Company and its subsidiaries reported total liabilities of Baht 2,165 million. A decrease of Baht 40 million from total liabilities of Baht 2,204 million at the end of 2023 with the main reasons as follows.

1. A decrease in trade and other payables of Baht 34 million, which change mainly in accounts payable from sale promotions.
2. Long-term loans from financial institutions decreased by Baht 74 million from normal repayment as scheduled.

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2.3 Shareholders' equity

The Company and its subsidiaries' equity decreased by Baht 322 million from Baht 4,166 million at the end of 2023 to Baht 3,843 million at the end of the 2nd quarter of 2024, mainly a result of

1. Net loss for the six-month period of 2024 amounts to Baht 101 million.
2. The Company paid dividends to shareholders of Baht 304 million in the 2nd quarter of 2024.
3. Incremental on other components of shareholders' equity about share of profit from investment in associate of Baht 83 million.

3. Consolidated cash flow statement for the six-month period ended June 30, 2024

Unit : Thousand Baht

Cash flow statement	Consolidated For the six-month period end 30 June 2024
Cash flows from operating activities	
Net cash flows from operating activities	41,917
Cash flows from investing activities	
Net cash flows from investing activities	306,258
Cash flows from financing activities	
Net cash flows used in financing activities	(375,971)
Net decrease in cash and cash equivalents	(27,796)
Cash and cash equivalents at beginning of period	86,570
Cash and cash equivalents at end of period	58,774

For the first six-month of 2024, the Company and its subsidiaries reported a net decrease in cash and cash equivalents of Baht 28 million from 3 main activities:

- 1) Net cash flows from operating activities of Baht 42 million.
- 2) Net cash flows from investing activities amounted to Baht 306 million. The main cash flow came from dividend received from associate of Baht 370 million.
- 3) Net cash flows used in financing activities of Baht 376 million, consisting of an increase in bank overdrafts and short-term loans of Baht 11 million, paid for lease liabilities of Baht 10 million, dividends paid to shareholders of Baht 304 million, and repayment of long-term loans from financial institutions of Baht 74 million.

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4. Financial Ratio from consolidated financial statements for the six-month period ended 30 June 2024

Profitability ratios	Consolidated financial statements		Changes
	For the six-month	For the six-month	
	30 June 2024	30 June 2023	
Gross Profit Margin	18.4%	17.9%	0.5%
EBITDA Margin	2.4%	32.3%	(29.9%)
Net Profit Margin	(7.6%)	21.9%	(29.5%)
Return on Equity	(2.6%)	6.9%	(9.5%)
Liquidity and The Capacity to pay ratios	30-Jun-24	31-Dec-23	Changes
Liquidity ratio (Times)	0.74	0.81	(0.07)
Debt to equity ratio (Times)	0.56	0.53	0.03

The Company and its subsidiaries' gross profit margin increased from 17.9% in the six-month period of 2023 to 18.4% in the six-month period of 2024. The main reason is the management of the sales mix of products with good gross profit margins.

EBITDA Margin decreased from 32.3% in the six-month period of 2023 to 2.4% in the six-month period of 2024, mainly due to a decrease in the share of profit from investment in an associated company by Baht 414 million or 94% compared to the same period last year. This is the same reason that both net profit margin and return on equity were higher compared to the same period last year.

Debt to equity ratio slightly increased from 0.53 times at the end of 2023 to 0.56 times at the end of the 2nd quarter of 2024, which is caused by a decrease in shareholders' equity due to dividend paid.

The liquidity ratio slightly decreased to 0.74 times at the end of the 2nd quarter of 2024 from 0.81 times at the end of 2023, due to a decrease in trade and other receivables, also with increasing of accounts payable from sale promotions compared to the same period of the previous year.