



**S. Khonkaen Foods PCL. and its subsidiaries ("Group")**  
**Management Discussion and Analysis**  
**For period ended 31 March 2025**

**Business Overview**

Statements of Income (Consolidated) January – March	Quarter 1/2025		Quarter 1/2024		Change (% YOY)
	(THB Mn.)	(%)	(THB Mn.)	(%)	
Revenue from Sales	881.4	100.0%	734.7	100.0%	20.0%
Cost of Sales	(652.4)	-74.0%	(543.0)	-73.9%	20.2%
<b>Gross Margin</b>	<b>228.9</b>	<b>26.0%</b>	<b>191.8</b>	<b>26.1%</b>	<b>19.4%</b>
Selling and Distribution Expenses	(99.8)	-11.3%	(88.9)	-12.1%	12.2%
Administrative Expenses	(89.2)	-10.1%	(70.7)	-9.6%	26.1%
Loss from rental and service	(1.4)	-0.2%	(1.8)	-0.3%	-24.4%
Gain (Loss) on changes in fair value less cost to sale of biological assets	22.8	2.6%	(4.4)	-0.6%	-618.1%
Other income	11.6	1.3%	1.1	0.2%	912.5%
Other expense	-	0.0%	(0.2)	0.0%	-100.0%
<b>EBIT</b>	<b>73.0</b>	<b>8.3%</b>	<b>26.8</b>	<b>3.7%</b>	<b>172.0%</b>
Financial Cost	(9.5)	-1.1%	(9.9)	-1.4%	-3.9%
Tax Expenses	(9.0)	-1.0%	(5.2)	-0.7%	73.1%
<b>Profit</b>	<b>54.5</b>	<b>6.2%</b>	<b>11.7</b>	<b>1.6%</b>	<b>364.3%</b>
<b>Equity holders of the Company</b>	<b>57.5</b>	<b>6.5%</b>	<b>15.5</b>	<b>2.1%</b>	<b>271.9%</b>
<b>Earnings per Share (THB/Share)</b>	<b>0.18</b>		<b>0.05</b>		

**Revenue :**

The Group has revenue from sales THB 881.4 million in Q1/2025, an increase of 20.0 percent compared to the same quarter of previous year (a decrease of 2.6 percent compared to Q4/2024). The majority of revenue from sales in Q1/2025 continued to come from processed food from meat business, which has been consistently growing. This growth was driven by the popularity of fermented sausages among consumers and new products were launched into the market to increase sales. Additionally, the Group also has increased revenue from swine farming business driven by both higher price of swine and also higher number of swine sold in this period.

**Gross profit :**

The Group has gross profit of THB 228.9 million in Q1/2025, which accounted for 26.0% of revenue from sales. The gross profit increased by 19.4 percent compared to the same quarter of previous year (decreased by 0.9 percent compared to Q4/2024).

The main reason for the increase in gross profit in Q1/2025 was the performance of swine business, driven by price and quantity of swine sold as mentioned above.

**Others :**

The Group recognized a gain of THB 22.8 million from change in fair value of biological assets net cost of sales in Q1/2025, which accounted for 2.6 percent of revenue from sales. The change in fair value increased by 6.2 times compared to the same period of previous year. (an increase of 9.4 times compared to Q4/2024).

The increase in gains from change in fair value of biological assets was driven by the continuous upward market prices of swine, whereas during the same period last year, swine prices were trending downward.

**Net profit attributable to the Company :** The Group has net profit attributable to the Company of THB 57.5 million in Q1/2025, which accounted for 6.5 percent of revenue from sales. The net profit increased by 2.7 times compared to the same quarter of the previous year (an increase of 83.6 percent compared to Q4/2024).

The increase in net profit attributable to the Company in Q1/2025 was a result of higher gross profit, along with gains from the fair value change of biological assets, which led to an overall increase in the Group's net profit.

### Core Business

Revenue from sales	Quarter 1/2025		
	(3 months : Jan - Mar)		
Segment information	(THB Mil.)	(%YOY)	(%QOQ)
Revenue from Sales	881.4	20.0%	-2.5%
Processed food from meat	457.1	10.3%	-9.6%
Processed seafood	291.0	19.0%	4.3%
Restaurants	23.4	25.0%	11.6%
Swine farm	109.9	92.7%	10.9%

#### *Revenue from sales*

##### *1. Processed Food from Meat*

The Group has revenue from processed food from meat of THB 457.1 million in Q1/2025, which accounted for 51.9 percent of total revenue from sales. This represents a growth rate of 10.3 percent compared to the same quarter of previous year (a decreased of 9.6 percent compared to Q4/2024). The gross profit from this business segment was THB 114.1 million, which accounted for 25.0 percent of revenue from processed food from meat. This showed a slight dropped of 1.2 percent compared to the same quarter of previous year (a decreased of 2.2 percent compared to Q4/2024).

The Group has continuous growth in sales from the processed food from meat business as a result of the sales promotion strategies that have enhanced the popularity of the company's products. In additionally, the company has launched new products into the market to meet consumer demands. It resulted to increase in sales.

##### *2. Processed Seafood*

The Group has revenue from processed seafood THB 291.0 million in Q1/2025, which accounted for 33.0 percent of total revenue from sales. This represents an increase of 19.0 percent compared to the same quarter of previous year (an increase of 4.3 percent compare to Q4/2024). The gross profit from this business segment was THB 77.5 million, which accounted for 26.6 percent of revenue from processed seafood business. This showed an increased of growth 11.4 percent compared to the same quarter of previous year (an increase of 4.4 percent compared to Q4/2024).

The Group has increased in revenue from processed seafood segment which was driven by the continued expansion into export markets. These export markets yield higher profit margins compared to the existing domestic markets. As a result, the gross profit margin from this business segment has increased.

### **3. Quick Service Restaurants (QSR)**

The Group has revenue from quick service restaurants of 23.4 million in Q1/2025, which accounted for 2.6 percent of total revenue from sales. This represents a growth of 25.0 percent compared to the same quarter of previous year (an increase of 11.6 percent from Q4/2024). The gross profit from this business segment was THB 9.4 million, which accounted for 40.3 percent of revenue from quick service restaurants. This showed an increase of 33.0 percent compared to the same quarter of previous year (a decrease of 1.4 percent compared to Q4/2024).

The increase in revenue from quick service restaurants was due to the opening of new branches in high-potential locations, as well as the closure of unprofitable branches since the previous year and the company has launched the addition of buffet-style menu. These actions contributed to the overall revenue growth. However, the Group has also continued to carry out promotional activities, which has resulted in a decrease in the gross profit margin of this business segment.

### **4. Swine Farming**

The Group has revenue from swine farming of THB 109.9 million in Q1/2025, which accounted for 12.5 percent of total sales. This represents a significant growth of 92.7 percent as compared to the same quarter of previous year (an increase of 10.9 percent compared to Q4/2024). The gross profit from this business segment was THB 27.9 million, which accounted for 25.4% of revenue from swine farming. This showed a nearly 77.7 times increase compared to the same quarter of previous year (an increase by 17.6% compared to Q4/2024).

The farm business has generated higher revenue due to the continuous increase in the volume of swine and a continuous upward adjustment in the average selling price per unit and the Group has implemented more effective cost control measures, which have improved overall performance in the swine farming segment.

#### ***Revenue from rental and services***

The Group has revenue from rental and service of THB 4.5 million in Q1/2025, representing a growth of 8.7 percent compared to the same period of previous year (an increase of 11.0 percent compared to Q4/2024).

The increase in rental and service income was due to the Group's success in acquiring new tenants, as well as improved management of fixed costs, which helped reduce losses.

#### ***Selling and distribution expenses***

The Group has selling and distribution expenses of THB 99.8 million in Q1/2025, which accounted for 11.3 percent of revenue from sales. This represents an increase of 12.2 percent compared to the same quarter of previous year (an increase of 11.0 percent compared to Q4/2024).

The increase in selling and distribution expenses was in line with revenue growth, driven by higher promotional costs and increased marketing expenses.

#### ***Administrative expenses***

The Group has administrative expenses of THB 89.2 million in Q1/2025, which accounted for 10.1 percent of revenue from sales. This represents an increase of 26.1 percent compared to the same quarter of previous year (a decrease of 12.9 percent compared to Q4/2024).

The Group's administrative expenses increased, primarily due to restructuring and adjustments in employee compensation to support the Company's strategic growth plans.

**Financial Highlights as of March 31, 2025**

Statement of Financial Position (Consolidated)	March 31, 2025		December 31, 2024		Change
	(THB Mil.)	(%)	(THB Mil.)	(%)	(% YOY)
<b>Total Assets</b>	<b>3,253.8</b>	<b>100.0%</b>	<b>3,261.6</b>	<b>100.0%</b>	-0.2%
<b>Current Assets</b>					
- Cash and cash equivalents	155.2	4.8%	209.3	6.4%	-25.9%
- Trade and other receivables	557.1	17.1%	608.5	18.7%	-8.4%
- Inventories	313.5	9.6%	272.4	8.4%	15.1%
- Biological assets	126.8	3.9%	106.7	3.3%	18.9%
- Other current assets	30.6	0.9%	34.8	1.1%	-12.0%
<b>Non-Current Assets</b>	<b>2,070.1</b>	<b>63.6%</b>	<b>2,028.7</b>	<b>62.2%</b>	2.0%
- Investment Properties	606.5	18.6%	608.2	18.6%	-0.3%
- Property, Plant, and Equipment	1,277.8	39.3%	1,255.2	38.5%	1.8%
- Right-of-use Assets	89.1	2.7%	83.2	2.6%	7.0%
- Biological asset (non-current)	22.0	0.7%	14.3	0.4%	53.6%
- Other non-current assets	74.8	2.3%	67.8	2.1%	10.4%
<b>Total Liabilities</b>	<b>1,802.2</b>	<b>55.4%</b>	<b>1,859.2</b>	<b>57.0%</b>	-3.1%
<b>Current Liabilities</b>					
- Bank overdraft	708.0	21.8%	764.0	23.4%	-7.3%
- Trade and other payable	438.6	13.5%	435.3	13.3%	0.8%
- Current portion of long-term loan	73.4	2.3%	84.7	2.6%	-13.3%
- Other current liabilities	64.0	2.0%	66.3	2.0%	-3.4%
<b>Non-Current Liabilities</b>	<b>518.2</b>	<b>15.9%</b>	<b>508.9</b>	<b>15.6%</b>	1.8%
- Lease liabilities – exceed 1 year	81.6	2.5%	80.3	2.5%	1.6%
- Long term loan – exceed 1 year	314.6	9.7%	313.3	9.6%	0.4%
- Provision for retirement benefit	87.1	2.7%	84.7	2.6%	2.9%
- Other non-current liabilities	35.0	1.1%	30.7	0.9%	14.0%
<b>Total Shareholders' Equity</b>	<b>1,451.5</b>	<b>44.6%</b>	<b>1,402.4</b>	<b>43.0%</b>	3.5%
- Equity holders of the Group	1,411.5	43.4%	1,359.2	41.7%	3.8%
- Non-controlling interests	40.1	1.2%	43.2	1.3%	-7.2%

**Assets**

The Group has total assets amounted to THB 3,253.8 million, a decrease of 0.2 percent compared to the end of previous year. This decrease was mainly due to cash flow management and the adjustment of liquidity strategies to align with economic conditions and market interest rate trends.

**Liabilities**

The Group has total liabilities amounted to THB 1,802.2 million, a decrease of 3.1 percent compared to the end of the previous year. This was driven by a 4.9% decrease in current liabilities, primarily due to the Group's loan repayments to manage cash flow and reduce financial costs from interest rates. As of March 31, 2025, the Group's debt-to-equity ratio stood at 1.2 times.

**Shareholders' Equity**

The Group has total shareholders' equity amounted to THB 1,451.5 million, representing a 3.5% increase compared to the end of the previous year.