



TACC-008/2024

May 9, 2024

Subject: Management Discussion and Analysis for the First Quarter ended March 31, 2024

To: Managing Director
The Stock Exchange of Thailand

T.A.C. Consumer Public Company Limited (“the Company”) and its subsidiary would like to clarify the operating results for the first quarter ended March 31, 2024 as follows:

Sales and service income

Separate financial statements

In the 1st quarter of 2024, the company achieved a sales and service income of Baht 452.65 million. This had an increase of Baht 75.04 million or equivalent to 19.87% from the same period of the previous year (Baht 377.61 million). The revenue has grown from (A) revenue from cold dispenser and All Café in 7-11 store increase because of high temperature, increasing of tourists and E-Receipt project, (B) increasing of domestic customers’ sales from increase of the customer’s stores and new customers, (C) increasing of sales in Cambodia in conjunction with expansion of branches of 7-11 from last year.

Consolidated financial statements

In the 1st quarter of 2024, the Group achieved a sales and service income of Baht 457.95 million. This had an increase of Baht 78.05 million or equivalent to 20.54% from the same period of the previous year (Baht 379.90 million). The revenue has grown from the increase in the revenue of the Company Baht 75.04 million and the subsidiary Baht 3.01 million.

Other income

Separate and Consolidated financial statements

In the 1st quarter of 2024, the Group achieved other income as presented in consolidated and separate financial statements at Baht 2.58 and 2.51 million, which increase by Baht 0.86 and 0.79 million, respectively, from the same period of previous year (Baht 1.71 and 1.70 million, respectively), because of gain from selling of mutual funds.





Cost of Sales and services

Separate financial statements

In the 1st quarter of 2024, the Company had the cost of sales and services amounting to Baht 299.59 million, which increased Baht 40.82 million or equivalent to 15.78% from the same period of previous year (Baht 258.76 million). The portion of cost of sales and services to sales and services income decrease by 2.34% from the same period of previous year (2024: 66.19%, 2023: 68.53%), resulting in increasing of gross profit margin by 2.34% from the same period of previous year (2024: 33.81%, 2023: 31.47%). The gross margins increased because the Company has remaining raw material from 4th quarter 2023 to produce the product in this quarter, which made there is no impact from raw material price increase in this quarter.

Consolidated financial statements

In the 1st quarter of 2024, the Group had consolidated cost of sales and services amounting to Baht 302.82 million, which increased Baht 43.02 million or equivalent to 16.56% from the same period of previous year (Baht 259.80 million). The portion of consolidated cost of sales and services to consolidated sales and services income decrease by 2.26 % from the same period of previous year (2024: 66.13%, 2023: 68.39%), resulting in increasing of consolidated gross profit margin by 2.26% from the same period of previous year (2024: 33.87%, 2023: 31.61%). The consolidated gross margins increased because of the increasing of gross margin of the Company and the subsidiary.

Selling and distribution expenses

Separate financial statements

In the 1st quarter of 2024, the Company has selling and distribution expenses increase amounting to Baht 11.24 million or equivalent to 40.84% from the same period of the previous year (2024: Baht 38.78 million, 2023: Baht 27.53 million), and the portion of selling and distribution expenses to sales and services income is increase by 1.28% from same period of the previous year (2024: 8.57%, 2023: 7.29%). The increase in the expenses amount is because of the increase in promotional expenses, which in line with sales amount, and advertising expenses to stimulate the Company's product awareness.

Consolidated financial statements

In the 1st quarter of 2024, the Group has consolidated selling and distribution expenses increase amounting to Baht 15.32 million or equivalent to 53.45% from the same period of the previous year (2024: Baht 43.98 million, 2023: Baht 28.66 million), and the portion of consolidated selling and distribution expenses to consolidated sales and services income is increase by 2.06% from the same period of the previous year (2024: 9.60%, 2023: 7.54%). The increase in the expenses amount is because of the increasing of selling expenses of the Company and the subsidiary.





Administrative Expenses

Separate financial statements

In the 1st quarter of 2024, the Company has administrative expenses amounting to Baht 35.16 million, which increase Baht 0.70 million or equivalent to 2.02% from the same period of previous year (Baht 34.47 million), or equivalent to 7.77% and 9.13% of sales and services income of 1st quarter of 2024 and 2023, respectively. (Decrease 1.36% from year 2023). The expenses have increased slightly due to the Company's control over appropriate and efficient spending.

Consolidated financial statements

In the 1st quarter of 2024, the Group has consolidated administrative expenses amounting to Baht 38.61 million, which increase Baht 2.35 million or equivalent to 6.47% from the same period of previous year (Baht 36.26 million), or equivalent to 8.43% and 9.54% of consolidated sales and services income of 1st quarter of 2024 and 2023, respectively. (Decrease 1.11% from year 2023). The reason for the increase in consolidated administrative expenses is from the subsidiary company expenses because in the first quarter of 2023, the subsidiary had only started operations for one month.

Share of loss from investment in associate

The Group does not recognize the share of loss from investment in associate in this period because the Group had already recorded the provision for impairment in associate company in full amount in year 2023.

Net Profit

Separate financial statements

In the 1st quarter of 2024, the Company has net profit amounting to Baht 65.64 million, which increases Baht 19.20 million or equivalent to 41.36% from the same period of previous year at Baht 46.43 million. The Company achieved a net profit margin of 14.50%, which increased 2.20% from 12.30% of the same period of previous year. The reasons for the increase in net profit are the increase in sales and services in this period and the efficiency in cost and expenses management.

Consolidated financial statements

In the 1st quarter of 2024, the Group has consolidated net profit amounting to Baht 60.38 million, which increases Baht 18.06 million or equivalent to 42.67% from the same period of previous year at Baht 42.32 million. The Group achieved a consolidated net profit margin of 13.18%, which increased 2.04% from 11.14% of the same period of previous year. The reasons for the increase in consolidated net profit are (a) the net profit of the Company increase Baht 19.20 million from the same period of previous year, (b) the Group does not need to record share of loss from investment in associate, and (c) the subsidiary has net loss more than the same period of previous year amounting to Baht 1.15 million.





Business Plan 2024

The Group sets the 2024 target to grow around 10% from last year through strategies such as adding value to core products, expanding the customer base, introducing new products aligned with health-conscious consumer trends, and developing new product categories to enhance sales opportunities. Additionally, there will be efforts to improve cost management efficiency.

Sustainability Management

The Company recognizes the importance of sustainability supervision to be in accordance its vision, which is “We will be one of the leading lifestyle products and beverage and companies in SEA which promptly deliver customer satisfaction and establish mutually beneficial and long-lasting relationship with all key stakeholders”. The Company has carried out sustainability activities as follows;

Sustainability Management in the Environmental Dimension

The Company has used innovative packaging "Green Carton" By SCG Packaging, which is an environmentally friendly packaging made from used paper waste through the storage process and recycled starting from used the packaging including Cold Beverages Dispenser such as Iced Coffee and Milk Tea, and Non-Coffee Menu at All Café corner such as Green Tea, Milk Tea, Lemon Tea, and Taiwan Milk Tea. To show that the Company considers the importance of environmental protection to all the stakeholders. Moreover, The Company has organized the "Together to Reduce Energy Consumption by 4 actions" project (Close, Adjust, Release, Change) towards sustainable goals" in order to raise awareness of energy consumption with value as well as encourage employees to participate and understand the situation and energy impacts in order to change energy behavior efficiently. The company has a plan to install solar panels on some parts of the roof of its factory located in Ban Beung District, Chonburi Province. This initiative aims to utilize clean energy for the company's factory, and there are plans to expand the installation area in the future. Additionally, the Company's partners also install solar panels at their factories.

Sustainability Management in the Social Dimension

The Company operates its business by adhering to and emphasizing on duties and responsibilities to society and stakeholders, including, Shareholders, Customers, Business Partners, Employees, Communities and Surrounding Society. This is to create business sustainability, to be able to manage the business to stably grow and to be accepted in the society, as well as to plant these ideas among employees at all levels. There are guidelines for implementation in 2023 such as:

- The Company values and respects human rights as it equitably, equally, and fairly treats employees regardless of differences in race, religion, gender, or physical condition. The company establishes a connection with employees through the use of an application, enabling direct understanding and resolution of employee issues. The objective is to ensure that all employees work happily.
- The Company's factory has been certified with the Food Safety System Certification (FSSC 22000), which is a standard for food safety management systems in the food and beverage manufacturing industry. This certification ensures that the production processes meet high-quality, health, and safety standards for consumers.





Sustainability Management in the Governance Dimension

The Company has been assessed in the Corporate Governance Report of Thai Listed Companies for the year 2023 at the level of 5 stars or Excellent CG Scoring, reflecting the continuous good corporate governance, and transparent information disclosure. Additionally, consider the impact on environment, society, and all stakeholders including the importance to operate sustainable business.

Sincerely yours,

Chatchawe Vatanasuk

Mr. Chatchawe Vatanasuk

Chairman of the Executive Committee

T.A.C. Consumer Public Company Limited

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