



TACC-002/2025

February 28, 2025

Subject: Management Discussion and Analysis for the year ended December 31, 2024

To: President

The Stock Exchange of Thailand

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

Overall

In 2024, the Group recorded consolidated revenue of Baht 1,953.84 million, an increase of 14.02% from the previous year, and consolidated net profit of Baht 243.58 million, an increase of 19.03% from the previous year. The main contributing factor was the increase in revenue from products sold in 7-Eleven stores, driven by higher domestic consumption, particularly due to the rise in tourist numbers throughout the year. Additionally, the Group introduced new products to the market in collaboration with 7-Eleven, including other customers. Meanwhile, the Group effectively managed costs and expenses at the same level as the previous year. Revenue from the Company continue accounted for 99.8% of the Group's total revenue.

Sales and service income

The Group recorded consolidated revenue of Baht 1,953.84 million, an increase of Baht 240.19 million (14.02%) from the previous year. The increase of revenue was from (a) an increase in sales of products in 7-Eleven stores, driven by higher consumption among students, office staffs, and tourists compared to the previous year, as well as the E-Receipt project launched earlier in the year, (b) continuous promotional campaigns to boost sales of 7-Eleven customer, and (c) increased domestic customer sales due to the expansion of key customers' store networks.

Cost of Sales and services

The consolidated cost of sales and services for the year amounted to Baht 1,304.69 million, increase Baht 151.63 million (13.15%) from the previous year, which in line with the growth of revenue and increasing of raw material costs. However, the percentage of consolidated cost of sales to consolidated revenue for the current year was

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66.78%, a decrease of 0.51% from the previous year. This is because the Group has effective cost saving, especially in logistics costs.

Gross profit

The Group achieved consolidated gross profit of Baht 649.15 million, or equivalent to the profit margin of 33.22%, an increase of 0.51% from the previous year of 32.71%. This improvement was driven by the Group's revenue growth and effective cost management throughout the year.

Selling and distribution expenses

The consolidated selling and distribution expenses for the year amounted to Baht 169.46 million, increase Baht 7.41 million (7.02%) from the previous year, representing 8.67% of consolidated revenue (a decrease of 0.79% from the previous year). The increase in expenses was in line with the Group's revenue growth, and a communication expense to enhance product awareness of the Group throughout the year.

Administrative Expenses

Separate financial statements

The administrative expenses for the year amounted to Baht 203.42 million, increasing Baht 56.58 million (38.53%) from the previous year, or equivalent to 10.50% of the Company's revenue (increase 1.88% from the previous year). The increase was due to recorded of provision for impairment of investments in a subsidiary amounting to Baht 50 million. This is because the Group considered revising its business strategy to improve the efficiency of revenue and profit of the products under the Bloss trademark and cease operations of the subsidiary. The Company, therefore, recorded the provision for impairment in the investment. Additionally, the expenses of 2023 also included special expenses i.e., a provision for impairment of investments in an associate amounting to Baht 30 million. Therefore, when excluding these two special items from the administrative expenses of each year, the adjusted administrative expenses are as follows.

(unit: Baht Million)

	2024	2023	Change	%
Administrative expenses	153.42	116.84	36.58	31.31
Portion of revenue	7.92%	6.82%	1.10%	

From the table above, the administrative expenses increased from last year due to (a) the annual salary increase for employees and the increase in the number of executives, and (b) the Company temporarily shut down the





factory for expansion between August and October, resulting in the allocation of production-related expenses as administrative expenses.

Consolidated financial statements

The consolidated administrative expenses for the year amounted to Baht 176.68 million, increasing Baht 31.16 million (21.41%) from the previous year, or equivalent to 9.04% of the Group's revenue (increase 0.55% from the previous year).

However, the consolidated administrative expenses for 2024 and 2023 included special items i.e., (1) the disposal of the subsidiary's goodwill amounting to Baht 7.8 million because of the change in the Group's business strategy in 2024, and (2) the provision for impairment of investments in an associate amounting to Baht 17.44 million. Therefore, when excluding these two special items from the consolidated expenses of each year, the adjusted consolidated administrative expenses are as follows.

(unit: Baht Million)

	2024	2023	Change	%
Administrative expenses	168.88	128.08	40.80	31.86
Portion of revenue	8.64%	7.47%	1.17%	

Based on the above table, the consolidated administrative expenses increase was due to (a) the increase in the Company's administrative expenses as previously mentioned, (b) the annual salary increases of the subsidiary, and (c) severance payments for the subsidiary's employees.

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 2023.

Net Profit

The Group recorded consolidated net profit of Baht 243.58 million, increase Baht 38.93 million, or equivalent to a net profit margin of 12.47%, an increase of 0.53% from the previous year at 11.94%. An increase in net profit was driven by the Group's revenue growth, and effective raw material cost and operation expense management throughout the year.





Business Plan 2025

The Group expects revenue for 2025 to grow at least 10% from the previous year by strengthening its core business through innovations that enhance the experience of the new generation of customers, focusing on expanding its business through products under our own brand for both domestically and internationally, and emphasize efficient and sustainable cost management for both direct and indirect expenses.

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, 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 realizes the importance to Greenhouse gas management covering the value chain which has been certificate Standard TGO Guidance of the Carbon Footprint for Organization. The Company installed solar panels on some parts of the factory's roof 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 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 society, as well as to plant these ideas among employees at all levels. There are guidelines for implementation 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 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 2024 at the level of 4 stars - a very good CG Scoring, reflecting the continuous good corporate governance, and transparent information disclosure. Additionally, consider the impact on the environment, society, and all stakeholders, including the importance of operating sustainable business.

Sincerely yours,

Chatchawe Vatanasuk

Mr. Chatchawe Vatanasuk

Chairman of the Executive Committee

T.A.C. Consumer Public Company Limited

The logo consists of the text 'T.A.C. Consumer PCL.' in green, with a green cup and flame icon integrated into the word 'Consumer'.

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