

TACC-011/2021

August 13, 2021

Subject: Management Discussion and Analysis for the Second Quarter ended June 30, 2021

To: Managing Director
The Stock Exchange of Thailand

T.A.C. Consumer Public Company Limited ("the company") would like to clarify the operating results for the second quarter ended June 30, 2021 as follows:

Revenues

Sales and service income

In the 2nd quarter of 2021, the company achieved a sales and service income of 351.89 million Baht. This had an increase of 30.45 million Baht (9.47%) from the 2nd quarter of 2020 (321.44 million Baht).

For sales in the six-month period ended June 2021, the company achieved a sales and service income of 677.15 million Baht. This had an increase of 27.54 million Baht (4.24%) from the same period of previous year (649.60 million Baht), even though The COVID-19, that impact economics and consumer's purchasing power. However the company have growth revenue from (A) increasing number of outlets of All Café (a fresh coffee corner within the 7-Eleven store) where the non – coffee products and new product of upsize sold and, (B) increasing in Co-develop new B2B products (7-11 and non 7-11).

Other income

Other income were consist of Gain on exchange rate and other income and finance income. In the 2nd quarter of 2021, the company had other income of 3.57 million Baht. This was increased by 207.76% from the 2nd quarter of 2020 (1.16 million Baht).

For sales in the six-month period ended June 2021, the company achieved other income of 6.95 million Baht. This had an increase of 3.28 million Baht (89.89%) from the same period of previous year (3.66 million Baht). (Other income came from unrealized gain on exchange rate of investments and gain on Investments in mutual fund).

Cost of Sales and services

In the 2nd quarter of 2021, the company incurred expense of 215.07 million Baht in cost of goods sold and services (61.12% of sales) deriving 38.88% gross margin. For the 2nd quarter of last year, the company incurred expense of 211.44 million Baht in cost of sales and services (65.78% of sales) or 34.22% gross margin.

The cost of sales and services for the six-month period ended June 2021 were 423.55 million Baht (62.55% of sale) or 37.45% gross margin. While the same period of previous year were 429.43 million Baht (66.11% of sale) or 33.89% gross margin. The gross margin increase was due to increasing in portion sale of products mix from the company have developed cost of products.

Selling and distribution expenses

In the 2nd quarter of 2021, the company incurred an increase in selling and distribution expenses by 50.84%, from 31.19 million baht for the 2nd quarter of 2020 to 47.06 million baht for the 2nd quarter of 2021. However, if it was compared with total revenues, the company would incur an increase the proportion by 3.55%, from 9.69% of total revenues in 2nd quarter of 2020 to 13.24% of total revenues in the same period this year.

For the six-month period ended June 2021, the company incurred an increase in selling and distribution expenses by 25.97%, from 72.95 million Baht for the six-month period of 2020 to 91.89 million Baht for the six-month period of 2021. However, if it was compared with total revenues, the company would incur an increase the proportion by 2.25%, from 11.19% of total revenues in 2nd quarter of 2020 to 13.44% of total revenues in the same period this year. The majority of selling and distribution expenses came from social media, sale promotion and advertising. Moreover, the company have research and develop new projects, so the consulting fee and personnel expense have increased.

Administrative Expenses

The Administrative Expenses were consist of Administrative expense, loss on exchange and share of loss from investment in associate.

In the 2nd quarter of 2021, the company incurred an increase in administrative expense by 10.58%, from 20.79 million Baht for the 2nd quarter of 2020 to 22.99 million Baht for the 2nd quarter of 2021.

For the six-month period ended June 2021, the company incurred an increase in administrative expense by 2.56%, from 38.12 million Baht for the six-month period of 2020 to 39.09 million Baht for the six-month period of 2021.

Loss on exchange in the 2nd quarter of 2020 from unrealized loss on exchange of investment, and Share of loss from investment in associate from take equity in TCI, that invested at 1 April 2021.

Finance Costs

In the 2nd quarter of 2021, the company derived a decrease in finance cost of 13.16%, from 0.31 million Baht in the 2nd quarter of 2020 to 0.27 million Baht this year.

For the six-month period ended June 2021, the company derived a decrease in finance cost of 12.09%, from 0.61 million Baht in the six-month of 2020 to 0.54 million Baht this year, as a result of a deferred interest for a financial lease.

Net Profit

For financial statements in which the equity method, in the 2nd quarter of 2021 and for the six-month period ended June 2021, the company achieved 53.89 million Baht (15.17% of revenue) and 100.58 million Baht (14.71% of sale) respectively.

For Separate financial statements, in the 2nd quarter of 2021 and 2020, the company achieved 54.59 million Baht (15.36% of revenue) and 47.77 million Baht (14.83% of revenue) respectively.

T.A.C. Consumer PCL.

บริษัท ที.เอ.ซี. คอนซูเมอร์ จำกัด (มหาชน)

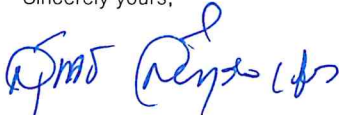
T.A.C. Consumer PCL. 23rd Floor, UM Tower, 9/231-233 Ramkhamhaeng Road, Suanluang, Bangkok 10250
บริษัท ที.เอ.ซี. คอนซูเมอร์ จำกัด (มหาชน) ชั้น 23 อาคารยูเอ็มทาวเวอร์ 9/231-233 ถนนรามคำแหง แขวงสวนหลวง เขตสวนหลวง กรุงเทพฯ 10250
www.tacconsumer.com

For the six-month period ended June 2021 and 2020, the company achieved 101.28 million Baht (14.81% of revenue) and 90.41 million Baht (13.87% of revenue) respectively. The increase in net profit was driven by the increase of gross margin in portion sale of products mix, and developed costing and operation efficiency.

Business Plan 2021

The company sets the 2021 target to grow around 5-10%, in The COVID-19 pandemic situation, that impact economics and consumer, the company have continue to creating new product in high growth & potential markets and new consume trends and cost and operation efficiency.

Sincerely yours,



Mr. Chatchawe Vatanasuk

Chairman of the Executive Committee

T.A.C. Consumer Public Company Limited

