

TACC-010/2021

May 13, 2021

Subject: Management Discussion and Analysis for the First Quarter ended March 31, 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 first quarter ended March 31, 2021 as follows:

#### Revenues

#### Sales

In the 1st quarter of 2021, the company achieved a revenue of 325.25 million baht. This had a slightly decrease of 2.91 million baht (0.89%) from the 1st quarter of 2020 (328.16 million baht), due to COVID-19, that impact economics and consumer confidence. However, the company have grown 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

The other income is consist of unrealized gain on exchange rate, interest income and other income. In the 1st quarter of 2021, the company gained other income of 3.37 million baht. This was decreased by 43.83% from the 1st quarter of 2020 (6 million baht), due to unrealized gain on exchange rate of investments



### Cost of Sales

In the 1st quarter of 2021, the company incurred 208.48 million baht in cost of goods sold (64.10% of sales) with 35.90 % gross margin. Comparing to the last year's 1st quarter, the company incurred 217.99 million baht in cost of sales (66.43% of sales) with 33.57% gross margin. The cost of sales decreasing came from managing the cost expenses more efficiency by controlling and developing cost of products. Moreover, the gross margin increase was due to increasing in portion sale of high margin products mix. So the gross margin was more than 1st quarter 2020.

### Selling Expenses

In the 1st quarter of 2021, the company incurred 44.84 million baht in selling expenses. Mainly selling expenses came from sales promotions, and advertising.

### Administrative Expenses

In the 1st quarter of 2021, the company incurred a decreasing in administrative expense by 22.69 %, from 20.83 million Baht for the 1st quarter of 2020 to 16.10 million Baht for the 1st quarter of 2021. This came from prior year had realized loss from fund investment. Then, the company decided swift to another fund.

### Net Profit

In the 1st quarter of 2021, the company's net profit was 46.69 million baht (14.21% of sales), which increased by 4.05 million baht (9.50%) from the previous year (42.64 million baht or 12.76 % of sales). The increase in net profit was driven by the increasing of gross margin in portion sale of products mix from developed the costing and operation efficiency.



**Business Plan 2021**

The company sets the 2021 target to grow around 10 % by creating value of existing portfolio and continue to drive cost and operation efficiency and continue to creating new product in high growth & potential markets and new consume trends and expand the channel of sale.

Sincerely yours,

Mr. Chatchawe Vatanasuk

Chairman of the Executive Committee

T.A.C. Consumer Public Company Limited

