

TACC-09/2022

May 12, 2022

Subject: Management Discussion and Analysis for the First Quarter ended March 31, 2022

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, 2022 as follows:

Revenues

Sales

In the 1st quarter of 2022, the company achieved a revenue of 337.33 million baht. This had a slightly increase of 12.09 million baht (3.72%) from the 1st quarter of 2021 (325.25 million baht). 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. Moreover, the company have launch new flavors in this quarter and, (B) increasing in Co-develop new B2B products (7-11 and non 7-11) and expanded of modern trade customers and Food service.

Gain on exchange and Other income

The other income is consist of unrealized gain on exchange rate and other income. In the 1st quarter of 2022, the gain on exchange and other income were 1.45 million baht, decreased by 56.45% from the 1st quarter of 2021 (being reported at 3.33 million baht). This was due to decrease of unrealized gain on exchange rate of investments in private fund and increase of return on investments in mutual fund.



Cost of Sales and services

In the 1st quarter of 2022, the company had the cost of sales and services valued 205.91 million baht (61.04% of sales and services) with 38.96 % gross margin. Comparing to the last year's 1st quarter, the company incurred 208.48 million baht in cost of sales and services (64.10% of sales and services) with 35.90% gross margin. The gross margin increasing came from managing the cost expenses more efficiency by controlling and managing cost of products. So the gross margin was more than 1st quarter 2021.

Selling and Distribution Expenses

In the 1st quarter of 2022, the company incurred a decreasing in selling and distribution expenses by 15.20 %, from 44.84 million Baht for the 1st quarter of 2021 to 38.02 million Baht for the 1st quarter of 2022. Mainly selling and distribution expenses came from sales promotions, advertising, research and develop expenses. However, selling and distribution expenses decrease from depreciation of vending machine, selling equipment that fully amortized.

Administrative Expenses

In the 1st quarter of 2022, the company incurred an increasing in administrative expense by 15.51 %, from 16.10 million Baht for the 1st quarter of 2021 to 18.60 million Baht for the 1st quarter of 2022. This came from personnel expense.

Share of loss from investment in joint venture

For Financial statements in which the equity method, the company have realized the share of loss from investment in joint venture from take equity in TCI, that invested at 1 April 2021.

Finance income

In 2022, the other income were 0.20 million baht, increased by 353.33% from the previous year (being reported at 0.05 million baht). This was due to interest income increased.

Finance Costs

In 2022, the company had finance cost valued 0.30 million baht compared to 0.27 million baht of the last year (increase by 14.29%). This finance costs were from the deferred interest of a financial lease.



Net Profit

In the 1st quarter of 2022, the company's net profit was 60.48 million baht (17.85% of sales), which increased by 13.79 million baht (29.53%) from the previous year (46.69 million baht or 14.21 % of sales). The increase in net profit was driven by the increasing of gross margin in managing the cost expenses more efficiency by controlling and managing cost of products.

Business Plan 2022

The company sets the 2022 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,

Chatchawe Vatanasuk

Mr. Chatchawe Vatanasuk

Chairman of the Executive Committee

T.A.C. Consumer Public Company Limited

