



บริษัท เอบิโก้ โฮลดิ้งส์ จำกัด (มหาชน)

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**Management Discussion and Analysis (MD&A) ABICO HOLDINGS ABICO HOLDINGS PUBLIC COMPANY LIMITED**

**FOR THE YEAR 2020**

1. STATEMENTS OF COMPREHENSIVE INCOME

1.1 Revenues from sales and services

(Unit: Million Baht)

	For the year		Movement	
	2020	2019	Increase (decrease)	%
Producer and distributor of ready-to-drink milk, drinks	1,989.20	1,129.80	859.40	76.05
Immovable property business	12.73	18.80	(6.07)	(32.29)
Agriculture and dairy farm	59.91	57.42	2.49	4.34
<b>Total</b>	<b>2,061.84</b>	<b>1,206.02</b>	<b>855.82</b>	<b>70.96</b>

- Contract manufacturing business of ready-to-drink milk and pasteurized fruit juices saw its income increase by Baht 859.40 million, or 76.05%, due to more production orders from the customers, the Company had more manufacturing and delivery of products in year 2020, increases were 13.50%.
- Immovable property business saw its income decrease Baht 6.07 million, because in transaction records in accordance with TFRS16.
- Farm business saw its income increase Baht 2.49 million, due to less delivery of raw milk to the customers compared to those of the same periods last year. The decreases were 4%.

1.2 Cost of sales and service, Administrative expenses

Unit: Million Baht)

	For the year		Movement	
	2020	2019	Increase (decrease)	%
Cost of sales and service	1,835.84	1,010.75	825.09	81.63
Administrative expenses	73.90	67.94	8.96	13.19
<b>Total</b>	<b>1,909.74</b>	<b>1,078.69</b>	<b>831.05</b>	<b>77.04</b>

In the year 2020, the Company's cost of sales and administrative expenses are Baht 1,835.84 million and Baht 73.94 million respectively.

- The cost of sales and service increased by Baht 825.09million, or 81.63%. The increases of the cost of sales and service were due to more sales volume; as well as more depreciation caused by the investment in machinery to improve production efficiency, reduce cost of production in the future, and support more sales volume in the future also.
- Administrative expenses in the year 2020 increased by Baht 8.96 million, or 13.19%, from the last year.

### 1.3 Others income

- Total other income amounted to Baht 31.32 million, which decreased by Baht 8.66 million, or 21.67%, in the year 2020 cause was more commission income in of 2020, which decreased by Baht 11.60 million and other income increased Baht 2.82 million from the last year.

### 1.4 Operational profit and net profit

(Unit: Million Baht)

	For the year		Movement	
	2020	2019	Increase (decrease)	%
Profit (loss) before tax expenses	159.79	141.95	17.84	12.57
Loss Tax expenses	24.29	27.30	(3.01)	(11.03)
<b>Operational Profit</b>	<b>135.50</b>	<b>114.65</b>	<b>20.85</b>	<b>18.19</b>
Share of profit (loss) of associate	(54.67)	(57.04)	(2.37)	(4.15)
<b>Net profit</b>	<b>80.83</b>	<b>57.61</b>	<b>23.22</b>	<b>40.31</b>

- Operational profit amounted to Baht 135.50 million, which increased by Baht 20.85 million, or 18.19%, from last year;. The increases were due to more production orders from the customers, as well as more effective ways to manage expenses and costs.
- In the year 2020, have net profit Baht 80.83 million according to the financial statement, increased by Baht 23.22 million, or 40.31%. from last year.

## 2. Analysis of financial status as at 31 December 2019

(Unit: Million Baht)

<u>Assets</u>	31 Dec. 2020		31 Dec. 2019	
		%		%
Trade and other receivables	471.67	23%	315.22	19%
Inventories	125.97	7%	116.98	7%
Lease receivable	83.74	4%	-	-
Investment in associated company	235.09	12%	286.20	17%
Property, plant and equipment	803.45	40%	871.72	52%
Right-of-used	214.69	11%	-	-
Biological assets – dairy cow	46.25	2%	45.97	2%
Others	37.48	1%	48.46	3%
Total assets	2,018.34	100%	1,684.55	100%

Total assets were Baht 2,018.34 million, which increased by Baht 333.79 million from 2019.

- Trade and other receivables increased by Baht 156.45 million, because the Company delivery more product to customers. This was consistent with the increased revenue in the contract manufacturing business of milk, drinks, and fruit juices.
- Inventories increased by Baht 8.99 million, because the Company had to reserve packages and raw materials for customers and new customers in manufacturing.
- Lease receivables were increased by Baht 83.74 million because of the realization pf lease receivables in accordance with TFRS16.
- Investment in the associated companies decreased by Baht 51.11 million, due to the recognized share of loss in the associate companies.

- Land, buildings, and equipment were decreased by Baht 68.27 million because some were transferred to right-of-use assets by Baht 199.76 million in 2020. The Company also invested Baht 120.32 million on equipment in Q3'20 and there were the depreciation of Baht 60.24 million between the periods.
- Biological assets increased by Baht 0.28 million, due to the adjustment of fair value of the dairy cattle in the subsidiaries.
- Other assets were mostly cash and equivalent transactions to cash, deferred income tax assets, intangible assets and Other non-current assets

<u>Liabilities</u>	(Unit: Million Baht)			
	31 Dec. 2020	%	31 Dec. 2019	%
Bank overdrafts and short-term loan	143.00	13%	83.00	10%
Trade and other payables	325.10	30%	210.54	25%
Liabilities under financial lease agreement	253.11	23%	113.87	14%
Long – term loan	236.95	22%	310.80	38%
Others	120.32	12%	107.93	13%
<b>Total liabilities</b>	<b>1,078.48</b>	<b>100%</b>	<b>826.14</b>	<b>100%</b>

Total liabilities were Baht 1,078.48 million, which increased by Baht 252.34 million from 2019.

- Bank overdrafts and short-term loan Baht 143 million, increased by Baht 60 million, from last year, because the subsidiaries withdrew more short-term loan from financial institutions for operations.
- Trade and other payables increased by Baht 114.56 million, the company's purchase of raw materials and packing materials for production to customers relative to the increase in revenues.
- Liabilities under financial lease agreements decreased by Baht 139.24 million. The Company saw an increase in year-by-year liabilities under financial lease agreements in transaction records in accordance with TFRS16.
- Long-term loan decreased Baht 73.85 million, because the Company have paid the loan.
- Other liabilities composed of deferred tax liabilities, employee benefit obligation.