

GLOCON-SET.019/2021

August 10<sup>th</sup>, 2021

Subject Management's discussion and analysis for 2<sup>nd</sup> quarter of 2021

Attn. The President

The Stock Exchange of Thailand

**Management's analysis**

**Consolidated Financial Results for 2<sup>nd</sup> quarter of 2021**

For 3 months period ended of June 30<sup>th</sup>, 2021

Consolidated Profit & Loss of Global Consumer Public Company Limited

Unit: Million Baht

	Q2/2021	Q2/2020	YoY	%YoY
Revenue from sales and services	172.32	143.14	29.18	20%
Revenue from sales of food and beverages	324.79	248.67	76.12	31%
Total	497.11	391.81	105.30	27%
Gross profit	90.80	70.00	20.80	30%
Profit (loss) from operations	13.64	(8.52)	22.16	260%
Profit (loss) for the period	13.64	(8.52)	22.16	260%
Profit (loss) for the period attributed to equity holders of the company	8.32	(9.69)	18.01	186%

**Revenue and profit**

For 3 months period ended June 30<sup>th</sup>, 2021; sales revenue of 497.11 million Baht, an increase of 105.30 million Baht or 27% and net profit of 13.64 million Baht, an increase of 22.16 million Baht or 260% compared to the same period of last year. Domestic and international sales growth along with effective cost management has led this turnaround.

For 6 months period ended of June 30<sup>th</sup>, 2021

Consolidated Profit & Loss of Global Consumer Public Company Limited

Unit: Million Baht

	Q2/2021	Q2/2020	YoY	%YoY
Revenue from sales and services	325.20	285.98	39.22	14%
Revenue from sales of food and beverages	581.49	492.24	89.25	18%
Total	906.69	778.22	128.47	17%
Gross profit	164.73	150.18	14.55	10%
Profit (loss) from operations	14.04	(12.31)	26.35	214%
Gain (loss) from temporary investments	-	(0.22)	0.22	100%
Gain on disposal of investment in subsidiary	17.32	-	17.32	100%
Loss on civil penalty from the SEC	(23.30)	-	(23.30)	(100%)
Profit (loss) for the period	8.06	(12.53)	20.59	164%
Profit (loss) for the period attributed to equity holders of the company	1.20	(17.68)	18.88	107%

### Revenue and profit

Sales revenue from quarter 2/2021 of 906.69 million Baht, an increase of 128.47 million Baht or 17% compared to quarter 2/2020. The Company has a profit in quarter 2/2021 of 8.06 million Baht, an increase of 20.59 million Baht or 164%. Sales growth along with effective cost management has led this turnaround. During the period, the Company has recognized gain on disposal of investments in a subsidiary of 17.32 million Baht and loss on civil penalty from the SEC of 23.30 million baht.

At the present, the revenue from packaging business and others of totally 325.20 million Baht or 35.87% of total revenue and the revenue from food business of totally 581.49 million Baht or 64.13% of total revenue, summarized by business unit as below.

### Packaging Business Group

Unit: Million Baht

3 months	Q2/2021(3M)	Q2/2020(3M)	YoY	%YoY
Revenue from sales and services of packaging	164.09	133.99	30.10	22%
EBITDA	18.74	14.74	4.00	27%
EBITDA Margin	11.42%	11.00%	0.42%	4%

**Packaging business** 3 months sales revenue of 164.09 million Baht, an increase of 30.10 million Baht or 22% compared to quarter 2/2020. Due to the increasing demand for existing customers in the snack and food segment since March 2021. Also, the Company has still expanded the new customer in cosmetic, complementary and others segments. EBITDA in quarter 2/2021 of 18.74 million Baht, an increase of 27%. This is mainly due to effective cost management.

Unit: Million Baht

6 months	Q2/2021(6M)	Q2/2020(6M)	YoY	%YoY
Revenue from sales and services of packaging	313.66	278.19	35.47	13%
EBITDA	39.14	31.94	7.20	23%
EBITDA Margin	12.48%	11.48%	1.00%	9%

**Packaging business** 6 months sales revenue of 313.66 million Baht, an increase of 35.47 million Baht or 13% compared to the same period of last year with EBITDA in the first 6 months of 39.14 million Baht, an increase of 23% compared to the same period of last year with gain on food packaging income and efficient cost management as main factors

## Food Business Group

### Processed foods and dried fruits business

Unit: million Baht

3 months	Q2/2021(3M)	Q2/2020(3M)	YoY	%YoY
Revenue from sales of processed food	148.29	102.34	45.95	45%
Revenue from sales of dried fruits	153.41	120.60	32.81	27%
<b>Total revenue</b>	<b>301.70</b>	<b>222.94</b>	<b>78.76</b>	<b>35%</b>
EBITDA	28.15	13.29	14.86	112%
EBITDA Margin	9.33%	5.96%	3.37%	57%

**Processed food business** 3 month sales revenue of 148.29 million Baht, an increase of 45.95 million Baht or 45% compared to quarter 2/2020, due to the growth in sales of ready-to-eat frozen food of existing and new products delivered to major convenience stores and the increase demand of shrimp frozen.

**Dried fruit business** 3-month sales revenue of 153.41 million Baht, an increase of 32.81 million Baht or 27% compared to quarter 2/2020 due to the international sales growth and effective cost management.

EBITDA 3 months in quarter 2/2021 stood at 28.15 million Baht, an increase 112% compared to quarter 2/2020, mainly due to overall sales growth and effective cost management.

Unit: million Baht

6 months	Q2/2021(6M)	Q2/2020(6M)	YoY	%YoY
Revenue from sales of processed food	266.74	208.57	58.17	28%
Revenue from sales of dried fruits	269.91	227.94	41.97	18%
<b>Total revenue</b>	<b>536.65</b>	<b>436.51</b>	<b>100.14</b>	<b>23%</b>
EBITDA	43.57	30.48	13.09	43%
EBITDA Margin	8.12%	6.98%	1.14%	16%

**Processed food business** 6 months sales revenue of 266.74 million Baht, an increase of 58.17 million Baht or 28% compared to the same period of last year due to sales growth of ready meal and higher demand on frozen prawn.

**Dried fruit business** 6 months sales revenue of 269.91 million Baht, an increase of 41.97% compared to the same period of last year due to the international sales growth and effective cost management.

With EBITDA in the first 6 months of 43.57 million Baht, an increase of 43% compared to the same period of last year due to overall sales growth and effective cost management.

#### Restaurant business

Unit: Million Baht

3 months	Q2/2021(3M)	Q2/2020(3M)	YoY	%YoY
Revenue from sales of food and beverages	23.09	23.65	(0.56)	(2%)
EBITDA	(8.23)	(8.34)	0.11	1%
EBITDA Margin	(35.64%)	(35.26%)	(0.38%)	(1%)

6 months	Q2/2021(6M)	Q2/2020(6M)	YoY	%YoY
Revenue from sales of food and beverages	44.84	57.07	(12.23)	(21%)
EBITDA	(16.63)	(16.29)	(0.34)	(2%)
EBITDA Margin	(37.09%)	(28.54%)	(8.55%)	(30%)

**Restaurant business** both 3-months and 6-months sales revenue declined compared to the respective period of last year. As the sector was badly affected by COVID-19 in January and February this year. Moreover, closure of 6 underperformed Kitchen Plus outlets in February led to the decline in revenue.

3-months EBITDA of (8.23) Million Baht, an increase of 1% compared to quarter 2/2020 due to the continuation of COVID-19 and ongoing expenses such as salary, rental etc. However, the company pivot to Delivery.

6-months EBITDA of (16.63) Million Baht, a decline of 2% compared to quarter 2/2020 due to higher marketing expense as the company pivot to Delivery.

### Other business units

Unit: Million Baht

3 months	Q2/2021(3M)	Q2/2020(3M)	YoY	%YoY
Revenue from other businesses	8.22	5.65	(2.57)	(45%)
EBITDA	0.48	(0.22)	(0.23)	(318%)
EBITDA %	5.84%	(3.89%)	(9.73%)	(250%)

6 months	Q2/2021(6M)	Q2/2020(6M)	YoY	%YoY
Revenue from other businesses	11.54	7.79	3.75	48%
EBITDA	0.16	(3.51)	3.67	105%
EBITDA %	1.39%	(45.06%)	46.45%	103%

**Other businesses**, 3 months sales revenue of 8.22 million Baht, an increase of 2.57 million Baht or 45% compared to the quarter 2/2020 and 6 months sales revenue of 11.54 million Baht, an increase of 3.75 million Baht or 48% compared to the same period of last year with an expansion of our consumer goods in big convenience store chain.

## Financial information

	June 30 <sup>th</sup> , 2021	December 31 <sup>st</sup> , 2020	Change	Unit: Million Baht Percentage
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	168.64	99.83	68.81	69%
Trade and other receivable	303.72	223.91	79.81	36%
Inventories	263.73	245.41	18.32	7%
Other current assets <sup>1</sup>	76.32	71.88	4.44	6%
<b>Non-current assets</b>				
Property, plant and equipment	528.38	435.19	93.19	21%
Right-of-use asset	72.40	128.24	(56.84)	(44%)
Intangible assets	113.76	118.35	(4.59)	(4%)
Goodwill	103.49	103.49	-	0%
Other non-current assets <sup>2</sup>	26.26	69.28	(43.02)	(62%)
<b>Current liabilities</b>				
Bank overdrafts and short-term loans from banks	117.65	108.46	9.19	8%
Trade and other payable	281.29	177.83	103.46	58%
Current portion of loan-term loan	18.95	11.91	7.04	59%
Current liabilities under lease agreements	20.96	20.72	0.24	1%
Other current liabilities <sup>3</sup>	51.51	57.19	(5.68)	(10%)
<b>Non- current liabilities</b>				
Long-term loan	83.09	8.82	74.27	842%
Liabilities under lease agreements	36.62	52.90	(16.28)	(31%)
Other non-current liabilities <sup>4</sup>	39.88	54.00	(14.12)	(26%)

<sup>1</sup> Consists of deposits at banks with collateral obligations, refundable VAT, other current assets and assets held for discontinued operations

<sup>2</sup> consisting of investment properties, deposit for purchase of assets, deferred income tax and other non-current assets

<sup>3</sup> Consists of current portion of long-term loans and employee benefit obligation, dividend payable, income tax payable, other current liabilities and liabilities held for discontinued operations

<sup>4</sup> Consists of long-term loans, employee benefit obligation, deferred income tax liabilities and other non-current liabilities

## Statement of Financial Position

### Disposal of investment in a subsidiary

On March 24, 2021, the Board of Directors approved the sale of all ordinary shares in a subsidiary - Thai Flexible Pack Company Limited (“TFP”). The transaction resulted in all assets and liabilities in the Company's consolidated financial statements. Such subsidiary has to be removed from the consolidated financial statements of the Company. In particular, the right to use assets will decrease from the aforementioned transactions by Baht 65.82 million (as per Notes to the financial statements no.11).

### Property, plant and equipment and Long-term loan

On 11 May 2021, Board of Director approved NPP Food Service Company Limited, which is the Company's subsidiary to enter in an agreement to purchase land with structure, machine and equipment. In this transaction, its subsidiary will own rights these assets for operating frozen food and ready meal business. Also, this effect will affect to increase in Property, Plant and Equipment and Long-term loan as compared with 31 December 2020.

### Exercise of the warrants (GLOCON-W4)

During the period 23 – 29 June 2021, the warrant holders exercised GLOCON-W4 with 139,216,888 shares and results the Company's cash increase 69.61 Million Baht.

For your information

Yours Faithfully

(Ms. Louise Taechaubon)

Executive Chairman