



บริษัท เอบีโก้ โฮลดิ้งส์ จำกัด (มหาชน)

401/1 หมู่ 8 อาคารเอบีโก้ ชั้น 5 ถนนพหลโยธิน ต.จตุรพักตรพิมาน อ.เมือง จ.ขอนแก่น 40130

โทร 02-080-7899 โทรสาร 02-080-7805

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

FOR THE THIRD QUARTER 2021 THREE MONTHES AND NINE MONTHS

1. STATEMENTS OF COMPREHENSIVE INCOME

1.1 Revenues from sales and services

(Unit: Million Baht)

	For the third quarter		For the period of nine months		Movement for the third quarter		Movement for the period of nine months	
	2021	2020	2021	2020	Increase (decrease)	%	Increase (decrease)	%
Producer and distributor of ready-to-drink milk, drinks	599.30	498.91	1,670.36	1,474.70	100.39	20.12	195.66	13.27
Immovable property business	2.96	3.15	9.06	9.57	(0.19)	(6.03)	(0.51)	(5.33)
Agriculture and dairy farm	12.44	13.73	41.82	46.15	(1.29)	(9.40)	(4.33)	(9.38)
Total	614.70	515.79	1,721.24	1,530.42	98.91	19.18	190.82	12.47

- Contract manufacturing business of ready-to-drink milk and pasteurized fruit juices saw its income increase by Baht 100.39 million, or 20.21%, in Q3'21, and by Baht 195.66 million, or 13.27%, There was more contract manufacturing in full-service format compared to the previous year and in the third quarter of 2021, the company has produced products for new customer
- Immovable property business saw its income decrease both in the three-month period and the nine-month period by Baht 0.19 million and Baht 0.51 million respectively, near that of last year.
- Farm business saw its income decrease both in the three-month period and the nine-month period by Baht 1.29 million and Baht 4.33 million respectively, due to more delivery of raw milk to the customers compared to those of the same periods last year both in the three-month period and the nine-month period. The decrease were 9.40% and 9.38% respectively.

1.2 Cost of sales and service, Administrative expenses

(Unit: Million Baht)

	For the third quarter		For the period of nine months		Movement for the third quarter		Movement for the period of nine months	
	2021	2020	2021	2020	Increase (decrease)	%	Increase (decrease)	%
Cost of sales and service	558.58	462.83	1,572.13	1,347.77	95.75	21.12	224.36	16.65
Administrative expenses	28.35	19.48	72.02	57.55	8.87	45.53	14.47	25.14
Total	586.93	482.31	1,644.15	1,405.32	104.62	21.69	238.83	16.99

In Q3'21, the Company's cost of sales and administrative expenses in the three-month period and the nine-month period are Baht 586.93 million and Baht 1,644.15 million respectively.

- The cost of sales and service increased by Baht 95.75 million, or 21.12%, in Q3'21; and increased by Baht 224.36 million, or 16.65%, in the nine-month period. due to the Company's more contract manufacturing in full-service format, resulting in the recognition of cost of raw materials and packaging materials included in the cost of sales and services. Therefore, the cost of sales of the Q3'21 increased from the Q3'20.
- Administrative expenses increased by Baht 8.87 million, or 45.53%, in Q3'21; and increased by Baht 14.47 million, or 25.14%, in the nine-month period.

1.3 Others income

- Total other income amounted to Baht 4.13 million, which decreased by Baht 3.36 million, or 44.86%, in Q3'21; and amounted to Baht 14.78 million, which decreased by Baht 10.44 million, or 41.40%, in the nine-month period cause was more commission income in of Q3'21, which decreased by Baht 3.89 million and Baht 12.27 million respectively.

1.4 Operational profit and net profit

(Unit: Million Baht)

	For the third quarter		For the period of nine months		Movement for the third quarter		Movement for the period of nine months	
	2021	2020	2021	2020	Increase (decrease)	%	Increase (decrease)	%
Profit (loss) before tax expenses	28.56	35.85	78.58	135.02	(7.29)	(20.33)	(56.44)	(41.80)
Loss Tax expenses	3.60	6.47	10.01	24.75	(2.87)	(44.36)	(14.74)	(59.58)
Operational Profit	24.96	29.38	68.57	110.27	(4.42)	(15.04)	(41.70)	(37.82)
Share of profit (loss) of associate	(8.09)	(9.68)	(19.74)	(20.51)	1.59	16.43	0.94	4.58
Net profit	16.87	19.70	48.83	89.76	(2.83)	(14.37)	(40.93)	(45.60)

- Operational profit amounted to Baht 24.96 million, which increased by Baht 4.42 million, or 15.04%, in Q3'21; and amounted to Baht 68.57 million, which decreased by Baht 41.70 million, or 37.82%, in the nine-month period. due to some reduction of orders from clients and the Company's process of changing its customer base while also preparing to accommodate new clients this year. Moreover, there was an additional depreciation calculated by the investment in assets used in production to boost efficiency and reduce production costs in the long run.
- Net profit according to the financial statement decreased by Baht 2.83 million, or 14.37%, in Q3'21; and decreased by Baht 40.93 million, or 45.60%, in the nine-month period.

2. Analysis of financial status as at 30 September 2021

(Unit: Million Baht)

<u>Assets</u>	30 Sep. 2021	%	31 Dec. 2020	%
Trade and other receivables	533.62	26%	468.82	23%
Inventories	141.87	7%	125.97	6%
Lease receivable	80.25	4%	83.74	4%
Investment in associated company	223.35	11%	235.09	12%
Property, plant and equipment	765.92	38%	803.45	39%
Right-of-used	193.53	10%	214.69	11%
Biological assets – dairy cow	48.91	2%	46.25	2%
Others	46.76	2%	40.33	1%
Total assets	2,034.21	100%	2,018.34	100%

Total assets were Baht 2,034.21 million, which increased by Baht 15.87 million from 2020.

- Trade and other receivables increased by Baht 64.80 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 15.90 million, because the Company had to reserve packages and raw materials for customers and new customers in manufacturing.
- Lease receivables were decreased by Baht 3.49 million because caused by the receipt for the rent under the finance lease.
- Investment in the associated companies decreased by Baht 11.74 million, due to the recognized share of loss in the associate companies.
- Land, buildings, and equipment were decreased by Baht 37.53 million because the Company also invested Baht 12.50 million on equipment in Q3'21 and there were the depreciation of Baht 50.03 million between the periods.

- Biological assets increased by Baht 2.66 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

(Unit: Million Baht)

<u>Liabilities</u>	30 Sep. 2021	%	31 Dec. 2020	%
Bank overdrafts and short-term loan	200.73	19%	143.00	13%
Trade and other payables	345.42	33%	320.84	30%
Liabilities under financial lease agreement	225.38	22%	253.11	23%
Long – term loan	143.60	14%	236.95	22%
Others	123.43	12%	124.58	12%
Total liabilities	1,038.56	100%	1,078.48	100%

Total liabilities were Baht 1,038.56 million, which increased by Baht 39.92 million from 2020.

- Bank overdrafts and short-term loan increased by Baht 57.73 million, because the subsidiaries withdrew more short-term loan from financial institutions for operations.
- Trade and other payables increased by Baht 24.58 million, because the Company order packages and raw materials for manufacturing to customer.
- Liabilities under financial lease agreements decreased by Baht 27.73 million. for the liabilities under financial lease agreements.
- Long-term loan decreased Baht 93.35 million, because the Company have paid for the loan.
- Other liabilities consisted of bank overdrafts, deferred tax liabilities, employee benefit obligation, current liabilities and other non-current liabilities.