



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)

	<u>For the year</u>		<u>Movement</u>	
	<u>2021</u>	<u>2020</u>	<u>Increase (decrease)</u>	<u>%</u>
Producer and distributor of ready-to-drink milk, drinks	2,210.32	1,989.20	221.12	11.11
Immovable property business	18.54	12.73	5.81	45.64
Agriculture and dairy farm	60.17	59.91	0.26	0.43
Total	2,289.03	2,061.84	227.19	70.96

- Contract manufacturing business of ready-to-drink milk and pasteurized fruit juices saw its income increase by Baht 221.12 million, or 11.11%, in 2021, 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 increase by Baht 5.81 million or 32.29%, near that of last year.
- Farm business saw its income increase both in by Baht 0.26 million or 0.43%.

1.2 Cost of sales and service, Administrative expenses

Unit: Million Baht)

	<u>For the year</u>		<u>Movement</u>	
	<u>2021</u>	<u>2020</u>	<u>Increase (decrease)</u>	<u>%</u>
Cost of sales and service	2,115.54	1,835.84	279.70	15.23
Administrative expenses	93.43	73.90	16.21	20.99
Total	2,208.97	1,909.74	295.93	15.46

In the year 2021, the Company's cost of sales and administrative expenses are Baht 2,115.54 million and Baht 93.43 million respectively.

- The cost of sales and service increased by Baht 279.70 million, or 15.23%. 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 16.21 million, or 20.99%, due to expense in the salary and welfare of employees which increased by Baht 8.31 million while other expenses increased by Baht 7.90 million.

1.3 Others income

- Total other income amounted to Baht 22.98 million, which decreased by Baht 8.34 million, or 26.62%, in the year 2021 cause was more commission income in of 2021, which decreased by Baht 12.76 million and gain from changes in fair value of biological assets - dairy cow to Baht 3.47 million.

1.4 Operational profit and net profit

(Unit: Million Baht)

	For the year		Movement	
	2021	2020	Increase (decrease)	%
Profit (loss) before tax expenses	85.98	159.79	(73.81)	12.57
Loss Tax expenses	8.85	24.29	(15.44)	(63.56)
Operational Profit	77.13	135.50	(58.37)	(43.07)
Share of profit (loss) of associate	(31.02)	(54.67)	(23.65)	(43.25)
Net profit	46.11	80.83	(34.72)	(40.31)

- Operational profit amounted to Baht 77.13 million, which decreased by Baht 58.37 million, or 43.07%, from last year and net profit Baht 46.11 million, which decreased by Baht 34.72 million, or 40.31%.

2. Analysis of financial status as at 31 December 2021

(Unit: Million Baht)

Assets	31 Dec. 2021	%	31 Dec. 2020	%
Trade and other receivables	478.68	24%	471.67	23%
Inventories	152.25	8%	125.97	7%
Lease receivable	75.88	4%	83.74	4%
Investment in associated company	210.48	11%	235.09	12%
Property, plant and equipment	757.69	39%	803.45	40%
Right-of-used	179.08	9%	214.69	11%
Biological assets – dairy cow	49.94	2%	46.25	2%
Others	69.30	3%	37.48	1%
Total assets	1,973.30	100%	2,018.34	100%

Total assets were Baht 1,973.30 million, which increased by Baht 45.04 million from 2020.

- Trade and other receivables increased by Baht 7.01 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 26.28 million, because the Company had to reserve packages and raw materials for customers and new customers in manufacturing.
- Lease receivables were decreased by Baht 7.86 million because caused by the receipt for the rent under the finance lease.
- Investment in the associated companies decreased by Baht 24.61 million, due to the recognized share of loss in the associate companies.
- Land, buildings, and equipment were decreased by Baht 45.76 million because the Company also invested Baht 19.56 million on equipment in 2021 and there were the depreciation of Baht 60.24 million between the periods.
- Biological assets increased by Baht 3.69 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>	31 Dec. 2021	%	31 Dec. 2020	%
Bank overdrafts and short-term loan	220.00	22%	143.00	13%
Trade and other payables	339.99	34%	325.10	30%
Liabilities under financial lease agreement	201.69	21%	253.11	23%
Long – term loan	103.33	11%	236.95	22%
Others	116.94	12%	120.32	12%
Total liabilities	981.95	100%	1,078.48	100%

Total liabilities were Baht 981.95 million, which increased by Baht 96.53 million from 2020.

- Bank overdrafts and short-term loan increased by Baht 77 million, because the subsidiaries withdrew more short-term loan from financial institutions for operations.
- Trade and other payables increased by Baht 14.89 million, because the Company order packages and raw materials for manufacturing to customer.
- Liabilities under financial lease agreements decreased by Baht 51.42 million. for the liabilities under financial lease agreements.
- Long-term loan decreased Baht 133.62 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.