



บริษัท เอบิโก้ โฮลดิ้งส์ จำกัด (มหาชน)

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

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

1. STATEMENTS OF COMPREHENSIVE INCOME

1.1 Revenues from sales and services

(Unit: Million Baht)

	For the ended March		Movement	
	2022	2021	Increase (decrease)	%
Producer and distributor of ready-to-drink milk, drinks	628.05	506.76	121.29	23.93
Immovable property business	3.87	3.04	0.83	27.30
Agriculture and dairy farm	18.98	15.72	3.26	20.74
<b>Total</b>	<b>650.90</b>	<b>525.52</b>	<b>125.38</b>	<b>23.86</b>

- Contract Manufacturing Business for ready-to-drink milk and pasteurized fruit juice increased by Baht 121.29 million, or 23.93%, in Q1'22. There was the company has delivered more products than the same quarter of the previous year. accounted for 20.95% and at the end of the year 2021 the company gained new customers.
- The Property Business saw an income increase of Baht 0.83 million, near that of last year.
- Farm business saw is income decreased Baht 3.26 million, due to less delivery of raw milk to the customers compared to those of the same periods last year. The decreases were 20.74 %.

1.2 Cost of sales and service, Administrative expenses

(Unit: Million Baht)

	For the ended March		Movement	
	2022	2021	Increase (decrease)	%
Cost of sales and service	589.96	483.41	106.55	22.04
Administrative expenses	27.98	22.30	5.68	25.47
<b>Total</b>	<b>617.94</b>	<b>505.71</b>	<b>112.23</b>	<b>22.19</b>

In Q1'22, the Company's cost of sales and administrative expenses are Baht 589.96 million and Baht 27.98 million respectively.

- Cost of sales and services increased by Baht 106.55 million, or 22.04%, in the first quarter of 2022 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 service and the increase in new customers increased the cost of sales compared to Q1'21.
- Administrative expenses in the Q1'22 increased by Baht 5.68 million, or 25.47% because the company has paid legal advisor and independent financial advisor about in the restructuring of the company.

### 1.3 Others income

- Total other income amounted to Baht 7.26 million, which increased by Baht 0.66 million, near that of Q1'21.

### 1.4 Operational profit and net profit

(Unit: Million Baht)

	<u>For the ended March</u>		<u>Movement</u>	
	<u>2022</u>	<u>2021</u>	<u>Increase (decrease)</u>	<u>%</u>
Profit (loss) before tax expenses	36.58	21.95	14.63	66.65
Loss Tax expenses	(6.46)	(2.25)	4.21	187.11
<b>Operational Profit</b>	<b>30.12</b>	<b>19.70</b>	<b>10.42</b>	<b>52.89</b>
Share of profit (loss) of associate	(3.95)	(11.70)	(7.75)	(66.24)
<b>Net profit</b>	<b>26.17</b>	<b>8.00</b>	<b>18.17</b>	<b>227.13</b>

- Operating profit increased by Baht 10.42 million, or 52.89% in the first quarter of 2022 due to increased volume of orders from customers. In addition, the company received new customers in late 2021.
- In the consolidated financial statements for the first quarter of 2022, the Company had a net profit of Baht 26.17 million, a increase of 18.17 Baht million baht or 227.13% compared to the first quarter of 2021. This was due to the recognition of loss of Baht 3.95 million from the associates in this quarter.

## 2. Analysis of financial status as at 31 March 2022

(Unit: Million Baht)

<u>Assets</u>	<u>31 Mar. 2022</u>		<u>31 Dec. 2021</u>	
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
Trade and other receivables	595.79	29%	478.68	24%
Inventories	154.23	7%	152.25	8%
Lease receivable	76.09	4%	75.88	4%
Investment in associated company	206.69	11%	210.47	11%
Property, plant and equipment	747.76	36%	757.69	38%
Right-of-used	171.68	8%	179.07	9%
Biological assets – dairy cow	51.25	2%	49.94	3%
Others	51.53	3%	63.73	3%
Total assets	2,055.02	100%	1,967.71	100%

Total assets were Baht 2,055.02 million, which decreased by Baht 87.31 million from 2021.

- Trade and other receivables increased by Baht 117.11 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 1.98 million, because the Company had to reserve packages and raw materials for customers in manufacturing.
- Investment in the associated companies decreased by Baht 3.78 million, due to the recognized share of loss in the associate companies.
- Land, buildings, and equipment were decreased by Baht 9.93 million because the Company also invested Baht 7.05 million on equipment in Q1'22 and there were the depreciation of Baht 16.98 million between the periods.
- Biological assets increased by Baht 1.31 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 and Other non-current assets.

(Unit: Million Baht)

<u>Liabilities</u>	31 Mar. 2022	%	31 Dec.2021	%
Bank overdrafts and short-term loan	253.00	24%	220.00	23%
Trade and other payables	408.08	39%	339.99	35%
Liabilities under financial lease agreement	192.23	19%	201.69	21%
Long – term loan	66.80	7%	103.33	10%
Others	117.25	11%	111.36	11%
Total liabilities	1,037.36	100%	976.37	100%

Total liabilities were Baht 1,037.36 million, which increased by Baht 60.63 million from 2021.

- Bank overdrafts and short-term loan increased Baht 33 because its subsidiary already issued promissory note from the year 2021.
- Trade and other payables increased by Baht 68.09 million, the company's purchase of raw materials and packing materials for production to customers relative to the increase in inventories.
- Liabilities under financial lease agreements were decreased by Baht 9.46 million. The Company have paid for the liabilities under financial lease agreements.
- Long-term loan decreased Baht 36.53 million, because the Company have paid for the loan.
- Other liabilities consisted of bank overdrafts, deferred tax liabilities, employee benefit obligation.