



บริษัท เอบิโก้ โฮลดิ้งส์ จำกัด (มหาชน)

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

FOR THE SECOND QUARTER 2022 THREE MONTHS AND SIX MONTHS

1. STATEMENTS OF COMPREHENSIVE INCOME

1.1 Revenues from sales and services

(Unit: Million Baht)

	For the second quarter		For the period of six months		Movement for the second quarter		Movement for the period of six months	
	2022	2021	2022	2021	Increase (decrease)	%	Increase (decrease)	%
Producer and distributor of ready-to-drink milk, drinks	602.33	564.30	1,230.38	1,071.07	38.03	6.74	159.32	14.87
Immovable property business	1.23	0.47	0.95	0.87	0.76	161.83	0.08	9.67
Agriculture and dairy farm	13.72	13.66	32.69	29.38	0.06	0.42	3.32	11.28
Total	617.27	578.43	1,264.03	1,101.31	38.84	6.72	162.71	14.77

- Contract manufacturing business of ready-to-drink milk and pasteurized fruit juices saw its income increase by Baht 38.03 million, or 6.74%, in Q2'22, and by Baht 159.32 million, or 14.87%, in the six-month period. There was more contract manufacturing in full-service format compared to the previous year.
- Immovable property business saw its income increase both in the three-month period and the six-month period by Baht 0.76 million and Baht 0.08 million the same as period last year.
- Farm business saw its income increase both in the three-month period and the six-month period by Baht 0.06 million and Baht 3.32 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 six-month period. The increases were 0.42% and 11.28% respectively.

1.2 Cost of sales and service, Administrative expenses

(Unit: Million Baht)

	For the second quarter		For the period of six months		Movement for the second quarter		Movement for the period of six months	
	2022	2021	2022	2021	Increase (decrease)	%	Increase (decrease)	%
Cost of sales and service	578.41	530.13	1,168.37	1,013.55	48.28	9.11	154.82	15.27
Administrative expenses	29.75	21.37	57.74	43.67	8.39	39.25	14.07	32.22
Total	608.16	551.50	1,226.10	1,057.21	56.66	10.27	168.89	15.97

In Q2'22, the Company's cost of sales and administrative expenses in the three-month period and the six-month period are Baht 608.16 million and Baht 551.50 million respectively.

- The cost of sales and service increased by Baht 48.28 million, or 9.11%, in Q2'22; and increased by Baht 154.82 million, or 15.27%, in the six-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 Q2'22 increased from the Q2'21.
- Administrative expenses increased by Baht 8.39 million, or 39.25%, in Q2'22; and increased by Baht 14.07 million, or 32.22%, in the six-month period.

1.3 Others income

Total other income amounted to Baht 1.67 million, which increased by Baht 0.85 million, in Q2'22; and amounted to Baht 5.10 million, which increased by Baht 2.40 million in the six-month period.

1.4 Operational profit and net profit

(Unit: Million Baht)

	For the second quarter		For the period of six months		Movement for the second quarter		Movement for the period of six months	
	2022	2021	2022	2021	Increase (decrease)	%	Increase (decrease)	%
Profit (loss) before tax expenses	15.46	28.07	52.04	50.01	(12.60)	(44.91)	2.03	4.05
Loss Tax expenses	2.52	4.17	8.98	6.42	(1.65)	(39.57)	2.56	39.86
Operational Profit	12.95	23.90	43.06	43.59	(10.95)	(45.84)	(0.53)	(1.22)
Share of profit (loss) of associate	(5.44)	0.06	(9.38)	(11.64)	(5.50)	(9313.56)	2.26	19.41
Net profit	7.51	23.96	33.68	31.95	(16.45)	(68.66)	1.73	5.41

- Operational profit amounted to Baht 12.95 million, which decreased by Baht 10.95 million, in Q2'22; and amounted to Baht 43.06 million, which decreased by Baht 0.53 million, in the six-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. 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 16.45 million, in Q2'22; and increased by Baht 1.73 million, in the six-month period.

2. Analysis of financial status as at 30 June 2022

(Unit: Million Baht)

<u>Assets</u>	30 Jun. 2022	%	31 Dec. 2021	%
Trade and other receivables	546.57	27%	476.68	24%
Inventories	171.36	9%	152.25	8%
Lease receivable	76.30	4%	75.88	4%
Investment in associated company	203.78	10%	210.47	11%
Property, plant and equipment	743.60	37%	757.69	39%
Right-of-used	164.29	8%	179.07	9%
Biological assets – dairy cow	54.81	3%	49.94	3%
Others	39.82	2%	63.72	3%
Total assets	2,000.52	100%	1,967.72	100%

Total assets were Baht 2,000.52 million, which increased by Baht 32.81 million from 2021.

- Trade and other receivables increased by Baht 67.88 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 19.10 million, because the Company had to reserve packages and raw materials for customers and new customers in manufacturing.
- Investment in the associated companies decreased by Baht 6.69 million, due to the recognized share of loss in the associate companies.
- Land, buildings, and equipment were decreased by Baht 14.09 million from amortization depreciation.
- Biological assets increased by Baht 4.87 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 Jun. 2022	%	31 Dec. 2021	%
Bank overdrafts and short-term loan	246.00	25%	220.00	23%
Trade and other payables	400.06	41%	339.99	35%
Liabilities under financial lease agreement	182.86	19%	201.69	21%
Long – term loan	36.22	4%	103.33	11%
Others	118.72	12%	111.36	11%
Total liabilities	983.86	100%	976.37	100%

Total liabilities were Baht 983.86 million, which increased by Baht 7.48 million from 2021.

- Bank overdrafts and short-term loan increased by Baht 26 million, because the subsidiaries withdrew more short-term loan from financial institutions for operations.
- Trade and other payables increased by Baht 60.07 million, because the Company order packages and raw materials for manufacturing to customer.
- Liabilities under financial lease agreements decreased by Baht 18.83 million for the liabilities under financial lease agreements.
- Long-term loan decreased Baht 67.12 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.