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CBG 012/2023

12 May 2023

Subject Management discussions and analysis for 3-month period ended 31 March 2023

To Directors and Manager

The Stock Exchange of Thailand

We, Carabao Group Public Company Limited, are pleased to submit management discussions and analysis regarding consolidated financial performance and position of the Company and subsidiaries (the "Company" or "CBG") for 3-month period ended 31 March 2023 in comparison with the corresponding period last year as follows:

Consolidated financial performance

1. Revenue from sales

Total revenue from sales amounted to THB 4,124 million, down by -14% YoY. Of which, revenue from sales of our branded Own products was THB 2,485 million, down by -17% YoY from both domestic and overseas markets. Revenue from 3rd party products for distributions was THB 1,468 million, up by +4% YoY, as a combined result of effective coverage through our cash van operations as well as quality and selection of the products.

Revenue from sales by product group Unit: THB million	1Q2022	% to total	4Q2022	% to total	1Q2023	% to total	%YoY	%QoQ
Branded products by own manufacture 1/	2,988	62%	2,756	61%	2,485	60%	(17%)	(10%)
Branded products by 3rd party's manufacture 2/	121	3%	82	2%	48	1%	(61%)	(42%)
3rd party's products for distribution	1,417	30%	1,478	33%	1,468	36%	+4%	(1%)
Others	257	5%	174	4%	123	3%	(52%)	(29%)
Total	4,783	100%	4,490	100%	4,124	100%	(14%)	(8%)

Note: 1/ Energy Drinks, Zinc-contained Drinks, and Functional Drinks

2/ Drinking Water, 3-in-1 Coffee and RTD Coffee



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Revenue from sales by geography Unit: THB million	1Q2022	% to total	4Q2022	% to total	1Q2023	% to total	%YoY	%QoQ
Domestic	3,067	64%	3,046	68%	2,799	68%	(9%)	(8%)
Overseas	1,716	36%	1,444	32%	1,325	32%	(23%)	(8%)
CLMV	1,513	32%	1,292	29%	1,194	29%	(21%)	(8%)
China	60	1%	22	0%	9	0%	(85%)	(58%)
UK	45	1%	45	1%	39	1%	(12%)	(14%)
Others	98	2%	84	2%	83	2%	(15%)	(2%)
Total	4,783	100%	4,490	100%	4,124	100%	(14%)	(8%)

1.1) Revenue from sales of branded OWN products amounted to THB 2,485 million, down by -17% YoY.

Domestic and overseas portions were at the ratio of 47:53, respectively.

(1.1.1) Domestic sales were THB 1,162 million, down by -9% YoY, mainly due to a decline in sales volume of Carabao Dang energy drinks. However, the Company remains committed to being a leader in the energy drink market in the country with an extensive distribution strategy covering important trading areas throughout the country. Furthermore, the Company also has product differentiation by containing 4X Vitamin B12 of Carabao Dang energy drink, while maintaining the selling price at 10 baht and launching marketing activities under the campaign “Carabao Great Thai Good Career Project” to support job creation for Thai people on Thairath TV channel while the major competitors raised their retail price to 12 baht. resulted in an increase in our market share during March 2023 and expected to gain more share continuously.

(1.1.2) Overseas sales were THB 1,323 million, down by -23% YoY, mainly due to a decrease in CLMV and China sales volume caused by the continuing economic recession after the COVID-19 pandemic. Despite this challenging situation, the company anticipates that will start to improve in the near future. Moreover, the Company recorded an increase in sales volume to Myanmar and Laos with +86% QoQ and +105% QoQ, respectively. These positive trends indicate potential growth opportunities for the Company in these markets.

Our overseas sales in the UK market managed under our subsidiary namely Intercarabao Company Limited ("ICUK") amounted to THB 39 million, down by -12% YoY, from the economic recession. However, the gross profit has improved and thanks in part to partly mitigated by initiatives of new product launched in the form of both flavor and packaging design and new product categories for a larger group of target consumers in the country.

1.2) Revenue from 3rd party products for distribution amounted to THB 1,468 million, up by +4% YoY. Key contributing factors included the variety and quality of products. of which, a continuous increase in the



popularity of the products. The company carried in the portfolio as well as effectiveness in managing our fleet of over 300 cash vans to access over 180,000 retailers countrywide.

1.3) Revenue from sales of branded OEM products amounted to THB 48 million, down by -61% YoY. of which drinking water and 3-in-1 that rose by +21% YoY and +40% YoY, respectively, whereas coffee RTD product had no sales as it was undergoing a product redesign and new formula development, which expected to be launched in the near future.

1.4) Revenue from other sales amounted to THB 123 million, down by -52% YoY. It was mainly caused by manufacture and sales of glass bottles by our subsidiary namely Asia Pacific Glass Company Limited (“APG”) that went into a decline in volume during the period.

2. Gross profits and gross profits margin

Gross profits amounted to THB 1,017 million, down by -31% YoY, which were equivalent to gross profits margin of 25% compared to 31% in the previous year, resulting from prices for major raw materials and packaging materials as well as utility related expenses that went up alongside changes in product mix.

Gross profits by product group	1Q2022	GPM	4Q2022	GPM	1Q2023	GPM	%YoY	%QoQ
Unit: THB million								
Branded products by own manufacture 1/	1,202	40%	943	34%	837	34%	(30%)	(11%)
Branded products by 3rd party's manufacture 2/	14	11%	10	13%	6	13%	(55%)	(40%)
3rd party's products for distribution	142	10%	181	12%	141	10%	(0%)	(22%)
Others	108	42%	56	32%	33	26%	(70%)	(42%)
Total	1,466	31%	1,191	27%	1,017	25%	(31%)	(15%)

Note: 1/ Energy Drinks, Zinc-contained Drinks, and Functional Drinks

2/ Drinking Water, 3-in-1 Coffee and RTD Coffee

3. Selling, general and administrative (SG&A) expenses

SG&A expenses amounted to THB 729 million, up by +0.3% YoY, representing the SG&A to total revenue from sales ratio of 18% versus 15% a year ago.



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Selling and Administrative expenses Unit: THB million	1Q2022	% to sales	4Q2022	% to sales	1Q2023	% to sales	%YoY	%QoQ
Selling expenses	475	10%	553	12%	513	12%	+8%	(7%)
Sponsorship fees	66	1%	65	1%	75	2%	+13%	+15%
Selling without sponsorship fees	409	9%	487	11%	438	11%	+7%	(10%)
Administrative expenses	251	5%	219	5%	215	5%	(14%)	(2%)
Total SG&A	727	15%	772	17%	729	18%	+0.3%	(6%)

Selling expenses amounted to THB 513 million, up by +8% YoY, as the Company spent more on promotions and marketing activities to support the business plans, which included supporting the Hoang Anh Gia Lai football club in Vietnam to further expand the brand globally and ASEAN region, under the vision of “World Class Product, World Class Brand”. Furthermore, the domestic marketing activities under the campaign “Carabao Great Thai Good Career Project Season 2” to support job creation for Thai people for the second consecutive year. In terms of proportion to total revenue from sales, selling expenses represented 12% versus 10% a year ago.

Administrative expenses amounted to THB 215 million, down by -14% YoY, representing, 5% of total revenue from sales which was the same portion as the corresponding period last year.

4. Financial expenses

Financial expenses amounted to THB 36 million, up by +47% YoY, as a result of higher finance costs that went in line with the country’s policy rate. Furthermore, the Company has issued Zero Coupon Bonds, with maturities of 2 and 3 years, totaling THB 1,996 million.

5. Corporate income tax expenses

Corporate income tax expenses amounted to THB 61 million, down by -46% YoY, representing the effective tax rate of 19% versus 15% a year ago.

6. Net profits and net profits margin

Net profits attributed to our shareholders amounted to THB 264 million, down by -60% YoY.

Consolidated financial position as of 31 March 2023 in comparison with the same as of 31 December 2022

Assets

Total assets as of 31 March 2023 and 31 December 2022 were THB 19,116 million and THB 20,039 million, respectively. A decrease of THB 923 million was derived mainly from (1) THB 550 million decrease in account



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receivables and other receivables, (2) THB 172 million decrease in inventories, and (3) THB 99 million decrease in cash and cash equivalents.

Liabilities

Total liabilities as of 31 March 2023 and 31 December 2022 were THB 8,287 million and THB 9,474 million, respectively. A decrease of THB 1,187 million was derived mainly from (1) THB 2,468 million decrease in short-term loans from financial institutions, (2) THB 1,996 million increase in debentures and net of current portion, (3) THB 444 million decrease in account payables and other payables.

Shareholders' equity

Total shareholders' equity as of 31 March 2023 and 31 December 2022 were THB 10,829 million and THB 10,565 million, respectively. An increase of THB 264 million took into account mainly the net profits generated during the period.

Yours sincerely,

Pongsarn Klongwathanakith

(Pongsarn Klongwathanakith)

Chief Financial Officer