

Subject Management's explanation and analysis For the three-month period Ends on March 31, 2024 (Revised1)

To Director and Manager  
Stock Exchange of Thailand

## Management Discussion and Analysis

### Total operating results for the three-month period Ends on March 31, 2024

Consolidated income statement of Global Consumer Public Company Limited

	Quarter		Change	%	Unit: Baht million		
	1/2024	4/2023			Quarter	Change	%
Revenue from sale	510.87	551.02	(40.15)	(7.86)	568.53	(57.66)	(10.14)
Gross profit	93.26	78.09	15.17	16.27	87.51	5.75	6.57
Loss for the period	(10.57)	(290.49)	279.92	96.4	(26.45)	15.88	150.2
Loss attributable to shareholders of the company for the period	(9.60)	(287.94)	278.34	96.7	(23.90)	14.30	149.0

For the three-month period Ending March 31, 2024, the company had significant operating results as follows:

**Net loss for the period - amounted to Baht 10.57 million, loss decreased by Baht 279.92 million or 96.40 percent** compared to the Q4 2023 and loss decreased by 15.88 or 150.2 percent compared to the same period last year. The loss amounted to Baht 10.57 million, including professional fee<sup>1</sup>, which is a one-time expense Baht 4.74 million. **Therefore, the normal operating loss of Baht 5.83 million** after net professional fees. **This is clearly reflects the strategy of the group's management to turnaround to profit by year 2024.** The key strategy of Group Management are change the business model to be consistent with the current economic conditions and maximize benefit of current resources. During the period, the management has reduced unnecessary expenses and adjust the distribution channel model to make it more stable. However, in some businesses There may be a problem with raw material allocation to deferred shipment in the distribution period because it is currently under development products with customers and extend the period for distribution in the next quarter. As a result, sales income decreased from the previous year. Therefore, an overview of the financial statements for the period Ending March 31, 2024 will be a period in which management will focus on changing the business structure. Allocate resources and create strategies for greater stability.

Revenue from sale - The company has sales income of the group for the Q1 2024 amounted of Baht 510.87 million. Revenue from sale decreased by Baht 57.66 million or 10.14 percent compared to the same period in the year. before and had sales income decrease by 40.15 million baht, or 7.86 percent, compared to the Q4 2023. The decreasing in revenue in the current period is due to adjustments in distribution channels and reduce sales of products sold at loss in margin which resulting in higher gross margin and net profit. In addition, the

management has a policy to monitor the reduction of raw material costs, and labor costs in the production process seriously and increase production efficiency in every business, making products produced with highest quality which qualified customers requirement.

### Packaging Business Group

(under Global Consumer Public Company Limited and Promtpac Company Limited)

Unit: million baht

	Quarter	Quarter	Change	%	Quarter	Change	%
	1/2024	4/2023			1/2023		
Revenue from sale	226.46	216.83	9.62	4.44	202.86	23.60	11.63
Gross profit	39.50	26.12	13.38	51.25	22.54	16.96	75.27
Net profit for the period	25.06	8.08	16.98	210.26	9.73	15.33	157.61
Depreciation	8.21	8.26	(0.04)	(0.52)	8.00	0.21	2.68
Financial costs	1.60	1.56	0.04	2.88	1.70	(0.10)	(5.75)
Profit before taxes, interest and depreciation (EBITDA)	34.87	17.89	16.98	94.94	19.42	15.45	79.53
Gross profit ratio (%GP)	17.44	12.05	5.40		11.11	6.33	
Net profit ratio (%NP)	11.07	3.73	7.34		4.80	6.27	

**Packaging business** Revenue from sale for the three-month period, ended March 31, 2024 and 2023, the amounts were Baht 226.83 million and Baht 202.86 million respectively, an increase of Baht 23.60 million or 11.63 percent compared to the same period last year. Because currently, the packaging business group is able to manage costs and expenses have improved in terms of increasing sales The main strategy is to focus on increasing sales from existing main customers. All of whom are good customers which has the potential to grow along with expanding access to new customer groups with additional potential in this existing market. The secondary strategy is Along with developing new markets by expanding the customer base into more diverse industries. The additional strategy is Developing new products with customers It is to respond to customer needs and continue to build good long term relationships. The executives viewed that the overall picture was satisfactory and in line with the targeted strategy.

#### *financial ratios analysis*

Gross profit margin increased by 6.33 from the same period last year. The essence of the increase is because the factory executives have focused on managing raw material costs by recruiting new suppliers. Bargain purchase The purchase quantity is negotiated, and have better management of loss rates

Net profit to income ratio An increase of 6.27 percent is a significant increase. The increase shows better cost management. Income has increased but expenses have not changed with the amount of income, showing the potential to grow the business in the future.

## Food Business Group

### 1. Processed food and frozen ready-to-eat food business

(under NPP Food Service Company Limited)

Unit: million baht

	Quarter 1/2024	Quarter 4/2023	Change	%	Quarter 1/2023	Change	%
Revenue from sale	105.49	109.32	(3.83)	(3.50)	126.20	(20.71)	(16.41)
Gross profit	8.96	(1.19)	10.16	851.07	1.21	7.75	639.22
Net profit for the period	(11.90)	(56.98)	45.08	79.11	(20.95)	9.05	43.19
Depreciation	3.97	4.03	(0.06)	(1.50)	4.84	(0.87)	(18.06)
Financial costs	8.69	8.22	0.47	5.73	7.22	1.47	20.30
Profit before taxes, interest and depreciation (EBITDA)	0.75	(44.74)	45.49	101.68	(8.89)	9.64	108.43
Gross profit ratio (%GP)	8.49	(1.09)	9.58		0.96	7.53	
Net profit ratio (%NP)	(11.28)	(52.12)	40.84		(16.60)	5.32	

Revenue for the three-month period Ending March 31, 2024, the amount was Baht 105.49 million, a decrease of Baht 20.71 million or 19.6 percent compared to the same period last year and a decrease of Baht 3.83 million or 3.50 percent compared to the Q4 2023 due to the Management has reduced sales of products at a loss in margin. To set strategies for managing the business to return to profit.

#### Financial ratios

From the resulting ratio shows The factory was able to manage costs better compared to the same period last year. by current period The gross profit margin was 8.49 percent, which increased from the previous year by approximately 7.53 percent. During the period, the factory management managed significant costs, including:

- Raw material costs* There is a selection of raw materials at a cheaper price. More and more suppliers are being used to reduce the risk of allocating enough raw materials to meet sales volumes. There is also development and improve the production process and follow-up results to reduce production loss rates.
- Labor costs* The factory management has restructured human resources management in the production process to be more efficient, resulting in significant reductions in direct labor expenses.
- Production costs* Unnecessary production costs have been cut. And adjustments have been made to the freezer room to save on factory electricity costs. Makes it possible to reduce production costs.
- Sales and administrative expenses* Because fewer products are exported abroad, sales expenses related to export freight costs are reduced. and adjusting human resources such as the sales department To have the right amount and have more performance measurement.

## 2. Dried fruit business

(under Fruity Dry Company Limited)

Unit: million baht

	Quarter	Quarter	Change	%		Quarter	Change	%
	1/2024	4/2023				1/2023		
Revenue from sale	77.43	108.49	(31.06)	(28.63)		128.50	(51.07)	(39.74)
Gross profit	0.20	2.19	(1.99)	(90.76)		9.24	(9.03)	(97.80)
Net profit for the period	(7.63)	(21.81)	14.18	65.02		(1.57)	(6.06)	(385.05)
Depreciation	3.58	4.40	(0.82)	(18.70)		2.32	1.26	54.21
Financial costs	3.03	2.06	0.97	47.12		2.58	0.45	17.37
Profit before taxes, interest and depreciation (EBITDA)	(1.02)	(15.35)	14.33	93.34		3.33	(4.35)	(130.70)
Gross profit ratio (%GP)	0.26	2.02	(1.76)			7.19	(6.93)	
Net profit ratio (%NP)	(9.85)	(20.10)	10.25			(1.22)	(8.63)	

**Dried fruit business** Revenue for the three-month period Ending March 31, 2024, the amount was Baht 77.43 million, a decrease of Baht 51.07 million, or 39.74 percent, compared to the same period last year, and a decrease of Baht 31.06 million, or -28.63 percent, compared to the Q4 2023. This is because the company is experiencing problems with a shortage of raw materials. Causing some products to be postponed to be sold in the Q2 2024, making the overall picture in the 1st quarter compared to the same period last year increase from the burden of fixed costs, especially labor costs, rent, electricity and steam costs. Overall, the company still needs to improve production cost management. and reduce expenses in every aspect so that the operating results return to profit in 2024

### *Financial ratios*

Gross profit margin and net profit ratio The main cause of the decrease came from decreased sales and did not cover the factory's fixed expenses, including labor costs, rent, electricity, steam, and others, resulting in a significant decrease in gross profit. Compared to the same period last year and the Q4 2023

### 3. Meatball and sausage business

(under Pong-Sara Manufacturing Co., Ltd. and Pong-Sara Distribution Co., Ltd.)

Unit: million baht

	Quarter	Quarter	Change	%		Quarter	Change	%
	1/2024	4/2023				1/2023		
Revenue from sale	106.09	120.25	(14.16)	(11.78)		116.26	(10.17)	(8.75)
Gross profit	43.31	50.96	(7.65)	(15.01)		47.54	(4.23)	(8.90)
Net profit for the period	(0.68)	(4.12)	3.43	83.36		(4.15)	3.47	83.51
Depreciation	2.98	3.50	(0.51)	(14.68)		4.12	(1.13)	(27.54)
Financial costs	0.08	0.07	0.01	13.89		0.07	0.01	12.42
Profit before taxes, interest and depreciation (EBITDA)	2.37	0.16	2.22	1,405.86		1.17	1.21	103.09
Gross profit ratio (%GP)	40.82	42.38	(1.55)			40.89	(0.07)	
Net profit ratio (%NP)	(0.64)	(3.43)	2.79			(3.57)	2.93	

**Meatball and sausage business** Income for the three-month period Ending March 31, 2024, the amount was Baht 106 million, a decrease of Baht 10.08 million, accounting for 9.5 percent, which decreased only slightly compared to the previous year. This is because executives have changed approaches to business operations. By reducing loss-making distribution channels. Including retail sales (Retailers) because sales are lower than average. Located in an area with low traffic and high fixed costs. Therefore, branches that do not generate income are closed. and the management has adjusted the proportion of product sales channels by expanding into more modern trade and wholesale channels. This will reduce selling expenses. However, a significant reduction in the cost of key raw materials will have a positive effect on cost efficiency.

#### *Financial ratios*

The gross profit ratio is not only important in the previous period. However, the net profit to revenue ratio increased by 2.93 percent compared to the same period last year. This is because the factory management has managed distribution expenses, especially store rent. and transportation costs make the net profit to total sales ratio better compared to the same period last year and the Q4 2024.

## Statement of financial position

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	March 31, 2024	December 31, 2023	change	percentage
<b>Asset</b>				
<b>Current assets</b>				
Cash and cash equivalents	16.24	34.34	(18.10)	-52.70%
Trade and other receivables	283.80	296.50	(12.70)	-4.28%
Inventories	229.46	237.64	(8.18)	-3.44%
Other current assets <sup>1</sup>	66.84	66.22	0.62	0.94%
<b>Non-current assets</b>				
Land, buildings and equipment	712.30	727.45	(15.15)	-2.08%
Right of use assets	211.63	215.85	(4.22)	-1.96%
Intangible assets	66.57	67.83	(1.26)	-1.86%
Goodwill	241.08	241.08	-	0.00%
Other non-current assets <sup>2</sup>	150.94	151.65	(0.72)	-0.47%
<b>Current liabilities</b>				
Overdrafts and short-term loans from banks	159.43	161.75	(2.32)	-1.44%
Trade and other payables	345.69	338.35	7.34	2.17%
The portion of long-term debt that is due within one year.				
Liabilities under lease agreements	16.50	18.67	(2.17)	-11.64%
Long term loan	61.89	62.25	(0.36)	-0.58%
Debenture	271.86	301.26	(29.40)	-9.76%
Other current liabilities <sup>3</sup>	50.92	53.38	(2.46)	-4.61%
<b>Non-current liabilities</b>				
Liabilities under lease agreements	169.42	172.92	(3.50)	-2.02%
Long term loan	87.38	102.81	(15.43)	-15.01%
Other non-current liabilities <sup>4</sup>	49.05	49.88	(0.82)	-1.65%

<sup>1</sup> Consisting of bank deposits that are collateralized. VAT waiting to be refunded Other current assets and assets held for sale for discontinued operations.

<sup>2</sup> Consisting of investment properties Deposit for purchase of assets Deferred tax assets and other non-current assets

<sup>3</sup> Consists of employee benefit obligations payable in one year. Accrued dividends Accrued income tax Other current liabilities and liabilities held for discontinued operations.

<sup>4</sup> Consisting of employee benefit obligations Deferred tax liabilities and other non-current liabilities

## Comparative analysis in the statement of financial position

The main factors that result in changes in the Group's assets and liabilities are as a result of:

### 1. Working capital for business operations

Cash and cash equivalents that decreased in the amount of Baht 18.10 million were used for the operations of the group of companies. And in the related working capital section, there will be more changes, such as trade accounts receivable, and trade creditors As shown in the statement of financial position

### 2. Cash paid for financing activities

Cash paid from financing activities During the period, the Company repaid the principal amount of Baht 30 million of bonds with extended redemption periods and paid interest on the bonds. During the period, the interest rate was changed from 7.25 percent to 7.50 percent per year. In addition, the company had cash outflows. Creditors to financial institutions decreased from the end of the year by approximately Baht 15.43 million.

## Litigation

On 25 September 2023, a subsidiary filed a lawsuit to the Labor Court Region 7 against 4 former employees of the subsidiary in order to claim for damages from breach of employment contract amounting to Baht 72.57 million. The court set a date for mediation, testimony, and witness examination on 7 November 2023. On that day, all four former employees have filed statements to defend the lawsuit, and three out of four former employees filed a counterclaim against the subsidiary in order to demand legal compensation and damages amounting to Baht 5 million. The court set that the subsidiary can submit an answer to the counterclaim within 15 days and also set an appointment date to determine the dispute issues on 13 December 2023.

- On 13 December 2023, the former employees withdrew the lawsuit against the subsidiary amounting to Baht 5 million. Also, the court set a date to discuss the point of dispute and take evidence from the former employees on 16 February 2024.
- On 16 February 2024, the court completed the examination process of the plaintiff and the defendant. Judgment scheduled on 26 March 2024 for result of the judgment.
- On 26 March 2024, the court ruled to dismiss the plaintiff's case. Currently, the period for filing an appeal is being extended. The court allowed to extend the period for filing a second appeal until 24 May 2024. The company is in the process of studying the facts to challenge the judgment of the Court of First Instance.

Please be informed accordingly

Best regards

(Mr. Chirdsak kukiattinun)  
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