



บริษัท เอบีโก้ 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, 2019

1. STATEMENTS OF COMPREHENSIVE INCOME

1.1 Revenues from sales and services

(Unit: Million Baht)

	For the ended March		Movement	
	2019	2018	Increase (decrease)	%
Producer and distributor of ready-to-drink milk, drinks	200.54	167.60	32.94	19.65
Immovable property business	4.72	4.66	0.06	1.28
Agriculture and dairy farm	17.28	17.38	(0.10)	(0.57)
Total	222.54	189.64	32.90	17.34

- Contract manufacturing business of ready-to-drink milk and pasteurized fruit juices saw its income increase by Baht 32.94 million, or 19.65%, due to more production orders from the customers, the Company had more manufacturing and delivery of products in Q1'61, increases were 20%.
- Immovable property business saw its income increased Baht 0.06 million, near that of last year.
- Farm business saw its income decreased Baht 0.10 million, near that of last year.

1.2 Cost of sales and service, Administrative expenses

(Unit: Million

Baht)

	For the ended March		Movement	
	2019	2018	Increase (decrease)	%
Cost of sales and service	182.85	156.67	26.18	16.71
Administrative expenses	16.94	14.22	2.72	19.12
Total	199.79	170.89	28.90	16.91

Q1'62, the Company's cost of sales and administrative expenses are Baht 182.85 million and Baht 16.94 million respectively.

- The cost of sales and service increased by Baht 26.18 million, or 16%. 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.
- Administrative expenses in the Q1'62 increased by Baht 2.72 million, or 19%, from the last year.

1.3 Others income

Total other income amounted to Baht 11.09 million, which increased by Baht 3.70 million, or 50%. The main cause was more commission income in of Q1'62, which increased by Baht 1.74 million and Gain from change in fair value of dairy cow by Baht 1.60 million.

1.4 Operational profit and net profit

(Unit: Million)

Baht)

	For the ended March		Movement	
	2019	2018	Increase (decrease)	%
Profit (loss) before tax expenses	29.49	21.93	7.56	34.47
Loss Tax expenses	(5.31)	(4.08)	1.23	30.14
Operational Profit	24.18	17.85	6.33	35.46
Share of profit (loss) of associate	(14.03)	2.52	(16.55)	(656.74)
Net profit	10.15	20.37	(10.22)	(50.17)

- Operational profit amounted to Baht 24.18 million, which increased by Baht 6.33 million, or 35.46%, in last Q1'61. The increases were due to more production orders from the customers, as well as more effective ways to manage expenses and costs.
- In the Q1'62, have Net profit Baht 10.15 million according to the financial statement. This resulted from the recognized share of loss from the investment in the associate companies that by Baht 14.03 million.

2. Analysis of financial status as at 31 March 2019

(Unit: Million Baht)

<u>Assets</u>	31 Mar. 2019	%	31 Dec. 2018	%
Trade and other receivables	186.19	9%	120.51	9%
Inventories	156.42	8%	119.88	8%
Investment in associated company	342.85	25%	352.51	25%
Property, plant and equipment	809.04	51%	712.57	51%
Biological assets – dairy cow	48.07	3%	46.27	3%
Others	52.23	4%	55.54	4%
Total assets	1,594.80	100%	1,407.27	100%

Total assets were Baht 1,594.80 million, which increased by Baht 187.53 million from 2018.

- Trade and other receivables increased by Baht 65.68 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 36.54 million, because the Company had to reserve packages and raw materials for customers in manufacturing.
- Investment in the associated companies decreased by Baht 9.66 million, due to the recognized share of profit in the associate companies.
- Land, buildings, and equipment increased by Baht 96.47 million, because of the investment of Baht 113.47 million in equipment and the depreciation during the year.
- Biological assets increased by Baht 1.80 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.

<u>Liabilities</u>	(Unit: Million Baht)			
	31 Mar. 2019	%	31 Dec. 2018	%
Bank overdrafts and short-term loan	35.00	4%	10.00	2%
Trade and other payables	196.47	26%	112.49	16%
Liabilities under financial lease agreement	106.95	14%	119.75	13%
Long – term loan	336.23	44%	265.55	53%
Others	95.57	12%	91.77	16%
Total liabilities	770.22	100%	599.56	100%

Total liabilities were Baht 770.22 million, which increased by Baht 170.66 million from 2018.

- Bank overdrafts and short-term loan increased Baht 25 because its subsidiary already issued promissory note from the year 2018.
- Trade and other payables increased by Baht 83.98 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 decreased by Baht 12.80 million, the Company paid for the liabilities under financial lease agreements.
- Long-term loan increased Baht 70.68 million, because the Company have paid Baht 17.38 million for the loan and received more loan of Baht 88.06 million.
- Other liabilities consisted of bank overdrafts, deferred tax liabilities, employee benefit obligation.