



TACC-006/2025

May 9, 2025

Subject: Management Discussion and Analysis for the first quarter ended March 31, 2025

To: President

The Stock Exchange of Thailand

T.A.C. Consumer Public Company Limited ("the Company") and its subsidiary ("the Group") would like to clarify the operating results for the first quarter ended March 31, 2025 as follows:

Overall

In the first quarter of 2025, the Group recorded consolidated revenue of Baht 529.98 million, an increase of 15.73% from the previous year, and consolidated net profit of Baht 73.10 million, an increase of 21.08% from the previous year. The main contributing factor was the increase in revenue from products sold in 7-Eleven stores and the trend of Thai milk tea and matcha green tea in the consumers. Additionally, the Group introduced new products to the market in collaboration with 7-Eleven, including other customers. Meanwhile, consolidated cost of sales increased from last year affected by an increase in coffee bean price, which continuously increased since last year. However, the Group effectively managed expenses and the subsidiary's expenses significantly decreased from last year because of the ceasing operation. This made the portion of the cost of goods sold and expenses to revenue are at the same level as the previous year. Revenue from the Company continue accounted for 99.7% of the Group's total revenue.

Sales and service income

The Group recorded consolidated revenue of Baht 529.98 million, an increase of Baht 72.04 million (15.73%) from the previous year. The increase in revenue was from (a) continuous promotional campaigns to boost sales of 7-Eleven customers, (b) the trend of Thai milk tea and matcha green tea in the consumers, and (c) increased domestic customer sales due to launched new product with key customers and the expansion of key customers' store networks.





Cost of Sales and services

The Group recorded consolidated cost of sales and services of Baht 357.71 million, an increase of Baht 54.88 million (18.12%) from the previous year, which is in line with the growth in revenue and increasing of main raw material price i.e., coffee, which continuously increased since last year.

Gross profit

The Group achieved consolidated gross profit of Baht 172.27 million, or equivalent to the profit margin of 32.51%, a decrease of 1.36% from the previous year of 33.87%. This is because the increase in cost of sales has a higher portion than the increase in revenue.

Selling and distribution expenses

The consolidated selling and distribution expenses for the period amounted to Baht 41.88 million, decrease Baht 2.09 million (4.76%) from the previous year, representing 7.90% of consolidated revenue (a decrease of 1.70% from the previous year). This is because there are no expenses from the subsidiary this year.

Administrative Expenses

The consolidated administrative expenses for the period amounted to Baht 42.31 million, increasing Baht 3.70 million (9.59%) from the previous year, or equivalent to 7.98% of the Group's revenue (decrease 0.45% from the previous year). The increase of Baht 6.3 million is from the amortization and subscription fee of software SAP, and depreciation of building improvement and right of uses of new office rental area, which begin used in second quarter last year. Meanwhile, the subsidiary's expenses decrease Baht 2.6 million.

Net Profit

The Group recorded consolidated net profit of Baht 73.10 million, an increase of Baht 12.73 million (21.08%) from the previous year, or equivalent to a net profit margin of 13.79%, an increase of 0.61% from the previous year at 13.18%. An increase in net profit was driven by the Group's revenue growth, effective operation expense management throughout the year, and a decrease of the subsidiary's operating expenses from the ceasing operation.

Business Plan 2025

The Group expects revenue for 2025 to grow at least 10% from the previous year by strengthening its core business through innovations that enhance the experience of the new generation of customers, focusing on





expanding its business through products under our own brand for both domestically and internationally, and emphasize efficient and sustainable cost management for both direct and indirect expenses.

Sustainability Management

The Company driving the business towards sustainable growth as Business Purpose that "We commit to build compounding well being quality value for sustainability across all". The Company has currently established a Sustainability Committee and a Sustainability Working Group, which are responsible for defining the corporate sustainability framework and strategy, encompassing Environmental, Social, and Governance dimensions. The Company has carried out sustainability activities as follows;

Sustainability Management in the Environmental Dimension

The Company has used innovative packaging "Green Carton" By SCG Packaging, which is an environmentally friendly packaging made from used paper waste through the storage process and recycled starting from used the packaging including Cold Beverages Dispenser such as Iced Coffee and Milk Tea, and Non-Coffee Menu at All Café corner such as Green Tea, Milk Tea, Lemon Tea, and Taiwan Milk Tea. To show that the Company considers the importance of environmental protection to all the stakeholders. Moreover, The Company realizes the importance to Greenhouse gas management covering the value chain which as been certificate Standard TGO Guidance of the Carbon Footprint for Organization as continuously.

Sustainability Management in the Social Dimension

The Company operates its business by adhering to and emphasizing on duties and responsibilities to society and stakeholders, including, Shareholders, Customers, Business Partners, Employees, Communities and Surrounding Society. This is to create business sustainability, to be able to manage the business to stably grow and to be accepted in the society, as well as to plant these ideas among employees at all levels. There are guidelines for implementation such as:

- The Company values and respects human rights as it equitably, equally, and fairly treats employees regardless of differences in race, religion, gender, or physical condition. The Company establishes a connection with employees through the use of an application, enabling direct understanding and resolution of employee issues. The objective is to ensure that all employees work happily.
- The Company's factory has been certified with the Food Safety System Certification (FSSC 22000), which is a standard for food safety management systems in the food and beverage manufacturing industry. This certification ensures that the production processes meet high-quality, health, and safety standards for consumers. Which is an international standard.





Sustainability Management in the Governance Dimension

The Company has been assessed in the Corporate Governance Report of Thai Listed Companies for the year 2024 at the level of 4 stars or a very good CG Scoring, reflecting the continuous good corporate governance, and transparent information disclosure. Additionally, consider the impact on environment, society, and all stakeholders including the importance to operate sustainable business.

Sincerely yours,

Chatchawe Vatanasuk

Mr. Chatchawe Vatanasuk

Chairman of the Executive Committee

T.A.C. Consumer Public Company Limited

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