



No. FI202002-01

February 26th, 2020

Subject: Report on operating results for the year ended December 31st, 2019
and changes in the operating results from the same period of the previous year

To: President of the Stock Exchange of Thailand

Regarding a regulation of the Stock Exchange of Thailand stating that in case of the listed company's operating results are different from the same period of the previous year by more than 20%, the listed company shall submit a report, along with financial statements, to notify the reasons for such changes.

Table 1: P&L Statement as at 2019

(Unit: Thousand Baht)

Profit & Loss statement	2019	%	2018	%	YoY%
Total Revenue	3,386,856	100.0%	2,885,884	100.0%	17.4%
Revenue from selling goods	3,299,478	97.4%	2,826,862	97.9%	16.7%
Net gain from foreign exchange	7,378	0.2%	7,481	0.3%	-1.4%
Gain from changes in interest in associate	10,081	0.3%	-	0.0%	100.0%
Others income	69,919	2.1%	51,541	1.8%	35.7%
Cost of goods sold	2,083,847	61.5%	1,799,820	62.4%	15.8%
Gross profit	1,303,008	38.5%	1,086,064	37.6%	20.0%
SG&A	780,809	23.1%	648,968	22.5%	20.3%
Selling expenses	490,110	14.5%	383,488	13.3%	27.8%
Administrative expenses	290,699	8.6%	265,480	9.2%	9.5%
EBIT	522,199	15.4%	437,095	15.1%	19.5%
Share of profit(loss) from investment in association	(18,346)	-0.6%	82	0.0%	-22420.4%
Finance costs	1,116	0.0%	184	0.0%	507.3%
EBT	502,737	14.8%	436,994	15.1%	15.0%
Income tax expense	100,011	2.9%	85,627	2.9%	16.8%
Net profit(loss)	402,726	11.9%	351,367	12.2%	14.6%
Net profit(loss) of Parent Company	403,063	11.9%	351,551	12.2%	14.7%



Overall

Regarding overall performance, 2019 consolidated revenues was Baht 3,386.9 million, 17.4% increasing from last year, resulting from an expansion of domestic business by launching new product, B'lue, a consolidation of financial performance of All Coco group Co., Ltd (“All Coco”), an organic growth from core brand (Beuti Series), new product development (NPD) in healthier snack category and Baht 10.1 million extra gain from consolidation of All Coco business in Q1/2019.

For %COGS to total revenue, the base business (which excluded B'lue and All Coco businesses), significantly reduced comparing to last year due to better cost management leading to lower production losses, better production plan with Danone Group's supports in terms of technical supports and cost saving processes and lower raw material and packing costs. Despite the pressure of THB appreciation against US dollar since the beginning of the year and higher %COGS to total revenue of B'lue and All Coco businesses, the company still well managed %COGS by 0.9 pts lower YoY.

%SG&A to total revenue increased due to consolidation of All Coco's financial performance, a co-investment with Danone to launch B'lue and an investment of new product development for domestic and export markets while %Admin to total revenue slightly reduced as % revenue growth was higher.

However, the company still delivered higher net profit in 2019 at Baht 402.7 million, increasing by 14.6% YoY, despite a realized share of loss from investment in an associate at Baht 18.3 million.

Revenue

The company reported its revenue from selling goods at Baht 3,299.5 million, 16.7% increasing from last year, reported at Baht 2,826.8 million.

Domestic sales revenue significantly increased this year, from new product launch since Q1/2019, B'lue, and the continued coverage expansion nationwide with positive feedbacks from consumers. In addition, All Coco has expanded to a new distribution channel, Out of Home, with an impressive growth rate comparing to the previous quarter. The company still has an organic growth from core Sappe brand, Beuti Series (Beuti Drink and Beuti Jelly), and new product development (NPD) in healthier snack category under Maxtive and Denosh Brands.

For International market, the sales slightly grew due to pressure of THB appreciation against US dollar since January 2019 and declining sales performance in Middle East market. However, the company has continued focusing on markets and channels expansion in selected potential countries to improve sales proportion and to diversify overall portfolio. This also included a distribution of new products, B'lue, All Coco and Beuti Drink, to international markets. However, in 2020, the company expected that export market will recover due to positive signs of the THB depreciation against US and sales performance in Middle East market.



Cost of goods sold

%COGS to total revenue in 2019 was at low level, not only from lower raw material and packing costs but also from the better cost management in factory such as lower losses from production, PET resin usage optimization and better production plan with supports from Danone group.

Despite financial performance consolidation of B'lue and All Coco with higher %COGS, overall %COGS was still at a satisfactory level at 61.5%, reduced by 0.9 pts YoY (or by 3.6 pts excluding B'lue and All Coco businesses)

Selling expenses

The company reported %selling expenses to total revenue at 14.5% this year, increasing by 1.2 pts YoY from an increasing of selling and marketing activities in new product, B'lue, and the consolidation of All Coco business.

Administrative expenses

Due to the consolidation of All Coco business, in 2019, the company reported administrative expenses at Baht 290.7 million higher than previous year, reported at Baht 265.5 million. However, %Administrative expense was at 8.9%, decreasing by 0.6 pts YoY due to lower growth of administrative expense compare to the growth of total revenue.

Share of profit (loss) from investment in association

The company reported total loss of Baht 18.3 million from investment in an associate, Danone-Sappe Beverages Co., Ltd. This loss rose from high spending to create brand awareness of B'lue product.

Net Profit (Loss)

The company reported net profit at Baht 402.7 million or 11.9% of total revenue, 14.6% growth YoY.

Please be informed accordingly.

Sincerely Yours,

(Ms.Piyajit Ruckariyapong)

Director and Chief Executive Officer