



บริษัท สยามโกลบอลเฮ้าส์ จำกัด (มหาชน)
SIAM GLOBAL HOUSE PUBLIC LIMITED

Siam Global House Public Company Limited
Management Discussion and Analysis
Operating results for the year 2018

The operating results for the year 2018 the Company's net profit (separate financial statements) was Baht 2,003.86 million that increase of Baht 390.91 million or 24.24% and include share of profit of joint venture from Global House International Co., Ltd and investment in a subsidiary company from Global House Cambodia Co., Ltd. The Company's net profit of consolidated financial statements was Baht 1,990.66 million that increase of Baht 388.57 million or 24.25% compare with the year 2017.

In 2018, the Company has expanded 6 stores at Pra Nakorn Sri Ayutthaya, Chai Nat, Dan khun Thod (Nakorn Ratchasima), Fang (Chiangmai), Mae Hong Son, Nang Rong (Burirum) and opened branch of the subsidiary company "Global House (Cambodia) Co., Ltd" 1 store at Phnom Penh , Cambodia. Therefore the end of year 2018, the Company has operated 61 stores all Thailand and 1 store of subsidiary company in Cambodia. The summary of operation results and management discussion and analysis are as follow.

Unit: million baht.

Transaction	2018	2017	Increase/ (Decrease)	% Change
Sales revenues	25,402.07	20,830.56	4,571.50	21.95
Other revenues	860.35	721.62	138.73	19.22
Total revenues	26,262.41	21,552.18	4,710.23	21.86
Gross profit	5,305.93	4,286.91	1,019.01	23.77
Distribution costs & Administrative expenses (exclude depreciation)	2,656.40	2,113.31	543.09	25.70
Depreciation	810.80	751.78	59.02	7.85
Finance costs	261.18	184.08	77.10	41.89
Net profit before share of profit of joint venture	1,976.36	1,598.55	377.81	23.63
Share of profit of joint venture	14.31	3.54	10.77	304.18
Net profit	1,990.66	1,602.09	388.57	24.25
EBITDA	3,518.09	2,904.53	613.56	21.12

Management Discussion and Analysis

The Company's net profit for the year 2018 was Baht 1,990.66 million that increase of Baht 388.57 million or 24.25 % compared with the year 2017, and equal 7.84% of sales amount. The main reasons are as follows:

- Total revenues for the year 2018 were baht 26,262.41 million that increase from the year 2017 of Baht 4,710.23 million or 21.86% which comprise of the following;
 - Sales revenues was Baht 25,402.07 million, increase of Baht 4,571.50 million or 21.95%. It was mainly driven by sales of same store growth and expansion 6 new stores.
 - Other revenues was Baht 860.35 million, increase of Baht 138.73 million or 19.22%. It was mainly driven by the service fee.
- Gross profit for the year 2018 was Baht 5,305.93 million or representing 20.89 % of Sale revenues, which increase by 0.31 % compare with the year 2017, because of the increase in the proportion of house brand products.
- Distribution costs & Administrative expenses exclude depreciation for the year 2018 was Baht 2,656.40 million which increase of Baht 602.11 million or 25.70 % from the year 2017, these expenses represented 13.65 % of the sales amount. It was mainly driven by the increase of salary expenses of new stores and the increase of forecasting expenses of other employees benefit. The Company had policy of other employees benefit in 2018, amount of Baht 11.51 million
- Finance costs for the year 2018 was Baht 261.18 million which increase of Baht 77.10 million or 41.89% from the year 2017 ,following the increase of financial debt to support the growth of the company
- EBITDA for the year 2018 was Baht 3,518.09 million which increase from the year 2017 by Baht 613.56million or 21.12%.The data above (EBITDA) shown better performance than the year 2017.

Statement of Financial Position

As at 31 December 2018, total assets of the Company were Baht 31,016.98 million that almost comprise of cash and cash equivalents were Baht 661.60 million, account receivable and other account receivable were Baht 1,421.50 million, inventory were Baht 13,297.75 million, investment in joint venture Baht 785.57 million and property plant and equipment were Baht 14,458.94 million

Total assets increase of Baht 2,787.42 million or 9.87% from 31 December 2017 mainly came from property plant and equipment were Baht 1,466.75 million or 11.74%, inventory were Baht 694.14 million or 5.51%.



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Total liabilities were Baht 16,130.62 million which increase of Baht 1,281.15 million or 8.63% from 31 December 2017. The liabilities mainly came from short term loans from financial institution Baht 10,040.44 million, trade account payable Baht 2,867.68 million, long term loans Baht 2,382.00 million , debenture Baht 500.00 million. Total shareholders' equity were Baht 14,886.37 million increase of Baht 1,506.27 million or 11.26% from 31 December 2017.

Statement of Cash Flows

2018, the Company had net cash flows from operating activities of baht 2,252.80 million , net cash flows investing activities Baht 2,257.10 million that almost for purchased the property plant and equipment of Baht 2,200.04 million , investment in joint venture Baht 164.50 million, leasehold rights Baht 81.70 million, and non controlling interest Baht 195.77 million. Net cash flows from financing activities Baht 317.93 million that effect to cash and cash equivalents at end of year 2018 equal Baht 661.60 million.

Please be informed accordingly.

Sincerely yours

(Mr. Witoon Suriyawanakul)
Chief Executive Officer
Siam Global House Public Company Limited