



บริษัท สยามโกลบอลเฮ้าส์ จำกัด (มหาชน)

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Siam Global House Public Company Limited

Management Discussion and Analysis

Operating results as at 30 June 2021

As at 30 June 2021, the Company had 73 operating stores that increased from the same period of 2020 by 5 stores. From the Coronavirus 2019(COVID-19) pandemic situation in Cambodia, the Company has complied with the lockdown and curfew measures of the Cambodian Government, regarding restrictions on service hours of the subsidiary in Phnom Penh from 1 April to 21 May 2021. However, these measures dose not significantly affect the total sales revenue of the Company.

The Company's performance for the second quarter 2021 compared with the same period of last year, the net profit (separate financial statements) is Baht 949.70 million that increase by Baht 455.17 million or increase by 92.04% and include share of profit of joint venture from Global House International Co., Ltd and investment in the subsidiary from Global House Cambodia Co., Ltd. The Company has net profit of consolidated financial statements of Baht 974.05 million that decreased by Baht 460.98 million or increased by 89.85%. Because of temporary stores closure by the lockdown measure of the government in the last year that resulting of a low income base. Including the adjustment of strategies for managing the house brand products and sales boosting via more channels.

The operating results for the six-month period ended 30 June 2021, the Company had the net profit of consolidated financial statements of Baht 1,946.06 million that increased by Baht 811.70 million or 71.56% compared with the same period of 2020. The summary of operation results and management discussion and analysis as follow:

Unit: million Baht

Consolidated financial statements	The Second Quarter		%of Net Sales		Six-month period ended 30 June		%of Net Sales	
	2021	2020	2021	2020	2021	2020	2021	2020
Sales revenues	8,887.84	6,218.41	100.00	100.00	17,566.55	13,493.46	100.00	100.00
Other revenues	179.99	102.17	2.03	1.64	329.63	261.89	1.88	1.94
Total revenues	9,067.83	6,320.58	-	-	17,896.18	13,755.35	-	-
Gross profit	2,301.27	1,567.77	25.89	25.21	4,511.49	3,320.70	25.68	24.61
Distribution costs & Administrative expenses (exclude Depreciation, Unrealized gain(loss) on exchange rate)	931.93	704.92	10.49	11.34	1,751.19	1,490.40	9.97	11.05



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Consolidated financial statements	The Second Quarter		%of Net Sales		Six-month period ended 30 June		%of Net Sales	
	2021	2020	2021	2020	2021	2020	2021	2020
Depreciation	318.22	290.09	3.58	4.67	623.13	563.83	3.55	4.18
Net profit before share of profit of joint venture	953.63	508.16	10.73	8.17	1,915.53	1,122.29	10.90	8.32
Share of profit of joint venture	20.42	4.91	0.23	0.08	30.53	12.07	0.17	0.09
Net Profit	974.05	513.07	10.96	8.25	1,946.06	1,134.36	11.08	8.41
EBITDA	1,569.70	998.06	17.66	16.05	3,105.31	2,079.97	17.68	15.41

Management Discussion and Analysis

The Company's net profit for the second quarter of 2021 was Baht 974.05 million that increase by Baht 460.98 million or 89.85% compared with the same period of 2020, and equal 10.96% of sales amount and for the six-month period ended 30 June 2021 of Baht 1,946.06 million that increase by Baht 811.70 million or 71.56% compared with the same period of 2020 and equal 11.08% of sales amount. The main reasons are as follows:

- 1) Total revenues for the second quarter of 2021 were baht 8,887.84 million that increase from the same period of 2020 by Baht 2,669.43 million or 42.93% and for the six-month period ended 30 June 2021 was Baht 17,566.55 million, an increase of Baht 4,073.09 million or 30.19% from the same period of 2020. It was mainly driven by sales of same store growth and expansion 5 new stores.
- 2) Other revenues for the second quarter of 2021 was Baht 179.99 million, an increase of Baht 77.82 million or 76.17% from the same period of 2020 and for the six-month period ended 30 June 2021 was Baht 329.63 million which increase of Baht 67.74 million or 25.86% from the same period of 2020. It was mainly driven by the increase of revenue from sales promotion.
- 3) Gross profit for the second quarter of 2021 was Baht 2,301.27 million that increase from the same period of 2020 of Baht 733.50 million or 46.79% and representing 25.89% of sale revenues, the proportion increase by 0.68% compared with the same period of 2020 and for the six-month period ended 30 June 2021 was Baht 4,511.49 million that increase from the same period of 2020 by Baht 1,190.79 million or 35.86% and representing 25.68% of sale revenues, the proportion increase by 1.07% compared with the same period of 2020. This is significantly due to the adjustment of proportion and sales boosting of House Brand products.



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- 4) Distribution costs & Administrative expenses (exclude depreciation and unrealized gain (loss) on exchange rate) for the second quarter of 2021 was Baht 931.93 million which increase by Baht 227.01 million or 32.20% from the same period of 2020, these expenses represented 10.49% of the sales revenues and for the six-month period ended 30 June 2021 was Baht 1,751.19 million which increase by Baht 260.79 million or 17.50% from the same period of 2020, these expenses represented 9.97% of the sales revenues. It was mainly driven by the increase of salary expenses of 5 new stores.
- 5) Finance Costs for the second quarter of 2021 were Baht 45.77 million, a decrease of Baht 16.15 million or 26.08% compared with the same period of 2020 and for the six-month period ended 30 June 2021 were Baht 94.03 million, decreased by Baht 38.87 million or 29.25% from the same period of 2020. Due to the Company has made the repayment loans to financial institutions in the second quarter of 2021, resulting in the decrease of interest expenses.
- 6) Income tax expenses for the second quarter of 2021 was Baht 231.73 million which increase of Baht 126.56 million or 120.35% compared with the same period of 2020 and for the six-month period ended 30 June 2021 was Baht 457.27 million, increased by Baht 185.05 million or 67.97% from the same period of 2020. This was due to the lower earnings before tax.
- 7) EBITDA for the second quarter of 2021 was Baht 1,569.70 million which increase from the same period of 2020 by Baht 571.64 million or 57.27% and for the six-month period ended 30 June 2021 was Baht 3,105.31 million which increase from the same period of 2020 by Baht 1,025.34 million or 49.30%, mainly due to the increase of gross profit.

Statement of Financial Position

As at 30 June 2021, the Company had total assets of Baht 35,608.48 million that mostly comprise of cash and cash equivalents of Baht 1,141.38 million, account receivable and other account receivable of Baht 584.66 million, inventory of Baht 13,950.90 million, investment in joint venture Baht 868.78 million and property plant and equipment of Baht 17,587.06 million and right-of-use in assets of Baht 1,281.38 million.

Total assets decreased by Baht 411.82 million or 1.14% from 31 December 2020, due to the mainly decrease in inventory of Baht 336.30 million or 2.35% and recognition of the increasing of accumulated depreciation of building assets and equipment.

Total liabilities were Baht 17,227.32 million which decrease by Baht 1,579.14 million or 8.40% from 31 December 2020. The main liabilities are short term loans from financial institutions of Baht 9,230.26 million, trade account payable of Baht 2,967.87 million, long term loans of Baht 1,860.99 million, finance lease liabilities of Baht 1,121.96 million, debenture of Baht 500.00 million. Total shareholders' equity was Baht 18,381.16 million, an increase of Baht 1,167.32 million or 6.78% from 31 December 2020.



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Statement of Cash Flows

The operating results for the six-month period of 2021, the Company had net cash flows from operating activities of baht 3,776.34 million, net cash flows investing activities of Baht 1,071.87 million that are mostly from the purchase of the property plant and equipment of Baht 1,024.44 million and investment of debt security of Baht 50.00 million. Net cash flows from financing activities of Baht 2,809.21 million that were mostly used for the repayment of loan to the financial institutions by the short-term loans of Baht 1,962.67 million and long-term loans of Baht 441.78 million, dividends of Baht 814.49 million, resulting in cash and cash equivalents at 30 June 2021 to equal Baht 1,141.38million.

Please be informed accordingly.

Sincerely yours,

Mr. Witoon Suriyawanakul

Chief Executive Officer

Siam Global House Public Company Limited