



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 September 2021

As at 30 September 2021, the Company had 74 operating stores that increased from the same period of 2020 by 6 stores. The Company's performance for the third quarter 2021 compared with the same period of last year, the net profit (separate financial statements) is Baht 636.82 million that increase by Baht 194.62 million or increase by 44.01% 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 663.33 million that increased by Baht 202.97 million or increased by 44.09%. The mainly result from the adjustment of strategies for managing the house brand products and sales boosting via more channels.

The operating results for the nine-month period ended 30 September 2021, the Company had the net profit of consolidated financial statements of Baht 2,609.39 million that increased by Baht 1,014.66 million or 63.63% compared with the same period of 2020. The summary of operation results for the third quarter and nine-month periods ended as of 30 September 2021 and management discussion and analysis are as follows:

Unit: million Baht

Consolidated financial statements	The Third Quarter		%of Net Sales		Nine-month period ended 30 September		%of Net Sales	
	2021	2020	2021	2020	2021	2020	2021	2020
Sales revenues	7,648.78	6,439.00	100.00	100.00	25,251.33	19,932.46	100.00	100.00
Other revenues	213.24	118.43	2.77	1.84	542.87	380.32	2.15	1.91
Total revenues	7,898.02	6,557.43	-	-	25,794.20	20,312.78	-	-
Gross profit	1,819.17	1,580.74	23.67	24.55	6,330.66	4,901.44	25.07	24.59
Distribution costs & Administrative expenses (exclude Depreciation, Unrealized gain(loss) on exchange rate)	868.89	786.33	11.31	12.21	2,620.07	2,276.73	10.38	11.42

Unit: million Baht

Consolidated financial statements	The Third Quarter		%of Net Sales		Nine-month period ended 30 September		%of Net Sales	
	2021	2020	2021	2020	2021	2020	2021	2020
Depreciation	323.04	297.05	4.20	4.61	946.17	860.88	3.75	4.32
Unrealized gain(loss) on exchange rate	23.66	6.99	0.31	0.11	38.84	31.93	0.15	0.16
Net profit before share of profit of joint venture	646.13	452.98	8.41	7.04	2,561.66	1,575.27	10.14	7.90
Share of profit of joint venture	17.20	7.38	0.22	0.11	47.73	19.46	0.19	0.10
Profit before finance costs and income tax expense	857.66	619.61	11.16	9.62	3,355.03	2,159.10	13.29	10.83
Finance costs	41.70	60.20	0.54	0.93	135.73	193.10	0.54	0.97
Income tax expense	152.63	99.04	1.99	1.54	609.91	371.27	2.42	1.86
Net Profit	663.33	460.37	8.63	7.15	2,609.39	1,594.73	10.33	8.00
EBITDA	1,157.05	909.58	15.06	14.13	4,262.37	2,989.56	16.88	15.00

#### Management Discussion and Analysis

The Company's net profit for the third quarter of 2021 was Baht 663.33 million that increase by Baht 202.97 million or 44.09% compared with the same period of 2020, and equal 8.63% of sales amount and for the nine-month period ended 30 September 2021 of Baht 2,609.39 million that increase by Baht 1,014.66 million or 63.63% compared with the same period of 2020 and equal 10.33% of sales amount. The main reasons are as follows:

- 1) Total revenues for the third quarter of 2021 were baht 7,684.78 million that increase from the same period of 2020 by Baht 1,245.79 million or 19.35% and for the nine-month period ended 30 September 2021 was Baht 25,251.33 million, an increase of Baht 5,318.88 million or 26.68% from the same period of 2020. It was mainly driven by sales of same stores growth and expansion 6 new stores.
- 2) Other revenues for the third quarter of 2021 was Baht 213.24 million, an increase of Baht 94.81 million or 80.06% from the same period of 2020 and for the nine-month period ended 30 September 2021 was Baht 542.87 million which increase of Baht 162.55 million or 42.74% from the same period of 2020. It was mainly driven by the increase of revenue from sales promotion and service income.
- 3) Gross profit for the third quarter of 2021 was Baht 1,819.17 million that increase from the same period of 2020 of Baht 238.43 million or 15.08% and representing 23.67% of sale revenues, the proportion decrease by 0.88%



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compared with the same period of 2020 and for the nine-month period ended 30 September 2021 was Baht 6,330.66 million that increase from the same period of 2020 by Baht 1,429.22 million or 29.16% and representing 25.07% of sale revenues, the proportion increase by 0.48% compared with the same period of 2020. This is significantly due to the adjustment of proportion and sales boosting of House Brand products.

- 4) Distribution costs & Administrative expenses (exclude depreciation and unrealized gain (loss) on exchange rate) for the third quarter of 2021 was Baht 868.89 million which increase by Baht 82.56 million or 10.50% from the same period of 2020, these expenses represented 11.31% of the sales revenues and for the nine-month period ended 30 September 2021 was Baht 2,620.07 million which increase by Baht 343.35 million or 15.08% from the same period of 2020, these expenses represented 10.38% of the sales amount. It was mainly driven by the increase of salary expenses of 6 new stores.
- 5) Financial Costs for the third quarter of 2021 were Baht 41.70 million, a decrease of Baht 18.50 million or 30.72% compared with the same period of 2020 and for the nine-month period ended 30 September 2021 were Baht 135.73 million, decreased by Baht 57.37 million or 29.71% from the same period of 2020. Due to the Company has made the repayment loans to financial institutions in the second quarter and repayment for redemption of debentures maturity date in the third quarter, resulting in the decrease of interest expenses.
- 6) Income tax expenses for the third quarter of 2021 was Baht 152.63 million which increase of Baht 53.59 million or 54.11% compared with the same period of 2020 and for the nine-month period ended 30 September 2021 was Baht 609.91 million, increased by Baht 238.64 million or 64.28% from the same period of 2020. This was due to the increase of earnings before tax.
- 7) EBITDA for the third quarter of 2021 was Baht 1,157.05 million which increase from the same period of 2020 by Baht 247.47 million or 27.21% and for the nine-month period ended 30 September 2021 was Baht 4,262.37 million which increase from the same period of 2020 by Baht 1,272.81 million or 42.58%, mainly due to the increase of gross profit.

#### Statement of Financial Position

As at 30 September 2021, the Company had total assets of Baht 36,522.97 million that mostly comprise of cash and cash equivalents of Baht 621.89 million, account receivable and other account receivable of Baht 629.12 million, inventory of Baht 15,433.96 million, investment in joint venture of Baht 885.98 million and property plant and equipment of Baht 16,946.19 million and right-of-use assets of Baht 1,301.00 million.

Total assets increased by Baht 502.66 million or 1.40% from 31 December 2020, due to the mainly increase of inventory of Baht 1,146.76 million or 8.03% and the increasing of assets of new stores in part of land, buildings and right-of-use land.

Total liabilities were Baht 17,444.79 million which decrease by Baht 1,361.67 million or 7.24% from 31 December 2020. The main liabilities are short term loans from financial institutions of Baht 10,394.67 million, trade account payable of Baht 2,847.73 million, long term loans of Baht 2,744.55 million, finance lease liabilities of Baht



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1,152.11 million. Total shareholders' equity was Baht 19,078.18 million, an increase of Baht 1,864.33 million or 10.83% from 31 December 2020.

#### Statement of Cash Flows

The operating results for the nine-month period of 2021, the Company had net cash flows from operating activities of baht 3,040.80 million, net cash flows investing activities of Baht 1,444.05 million that are mostly from the purchasing of the property plant and equipment of Baht 1,406.09 million and investing in debt security of Baht 50.00 million. Net cash flows from financing activities of Baht 2,210.05 million that were mostly used for the repayment of loan to the financial institutions by the short-term loans of Baht 798.26 million and long-term loans of Baht 441.78 million, repayment for redemption of debentures maturity date of Baht 500.00 million and dividends of Baht 814.49 million, resulting in cash and cash equivalents as at 30 September 2021 to equal Baht 621.89 million.

Please be informed accordingly.

Sincerely yours,

Mr. Witoon Suriyawanakul

Chief Executive Officer

Siam Global House Public Company Limited