



บริษัท สยามโกลบอลเฮ้าส์ จำกัด (มหาชน)
SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Siam Global House Public Company Limited
Management Discussion and Analysis
Operating results for the year 2021

Overall Operating Results for the year 2021

Operating Results

The operating results for the year 2021 Siam Global House Public Company Limited (“the Company”) has net profit (separate financial statements) was Baht 3,245.11 million that increase of Baht 1,336.40 million or 70.02%. 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, resulted to the Company’s net profit of consolidated financial statements was Baht 3,358.97 million that increase of Baht 1,383.45 million or 70.03 % compare with the year 2020.

As a result of adjusting operations strategy to be in accordance with economic conditions still be affected by COVID-19 pandemic and changing customer behavior in New Normal Style such as, House Brand product management, boost sales through more various online channels, online distribution channels development to be more easily accessible to products and services for customers as well as store renovation to be modern for attracting more customers into stores.

Store Expansion and Investment Expansion

In 2021, the Company has operated followed in domestic store expansion plan and investment expansion plan in retail business for construction and home decoration in Asean with business partners, by details as follow;

- Domestic Store Expansion: The Company has expanded 4 stores at Phayakkhaphum Phisai, Kabin Buri, Nong Han, and Phan. Therefore, the end of year 2021, the Company has operated total 75 stores in Thailand.
- Establishment of the subsidiary company: The Company has established subsidiary company in China under name “Guangxi Global House International Trade Co., LTD.” by the company holds 100.00% of share with objective to support the Company’s business operations. Besides, the Board of Directors has approved the establishment of the subsidiary company in Philippines under name “Global House Philippines Co., Ltd” by the Company holds 55.00% of share with objective to support the business expansion in Philippines, which is currently being processed.
- Investment Expansion: The Company has expanded investment to Indonesia on behalf of “Global House International Co., Ltd (or “GBI”) which is joint venture company between the company and “SCG Distribution Co., Ltd” in proportion of 50%. GBI holds 22% in Caturkarda Depo Bangunan Tbk (or “CKDB”), by CKDB is a leading Indonesian retailer of building material, decorative, hardware, construction, renovation, and decorative house/garden products under the brand “Depo Bangunan”.

The summary of financial information for the year 2021

Unit: million Baht.

Consolidated financial statements	2021	2020	Increase/ (Decrease)	% Change
Sales revenues	33,497.80	26,802.96	6,694.84	24.98
Other revenues	618.31	550.92	67.38	12.23
Total revenues	34,116.11	27,353.88	6,762.22	24.72
Cost of sales	25,067.00	20,401.00	4,666.00	22.87
Gross profit	8,430.81	6,401.96	2,028.85	31.69
Distribution costs & Administrative expenses <i>(exclude Depreciation, Unrealized gain(loss) on exchange rate, and Unrealized gain(loss) from current investments)</i>	3,536.36	3,135.67	400.69	12.78
Depreciation	1,264.17	1,163.65	100.52	8.64
Unrealized gain(loss) on exchange rate	3.29	25.05	(21.76)	(86.85)
Net profit before share of profit of joint venture	3,278.22	1,952.17	1,326.05	67.93
Share of profit of joint venture	80.75	23.35	57.40	245.80
Profit before finance costs and income tax expense	4,322.70	2,676.18	1,646.52	61.52
Finance costs	180.42	245.88	(65.46)	(26.62)
Income tax expense	783.31	454.78	328.53	72.24
Net Profit	3,358.97	1,975.52	1,383.45	70.03
EBITDA	5,583.58	3,816.44	1,767.14	46.30

Summary of Financial Results

The Company's net profit for the year 2021 was Baht 3,358.97 million that increase of Baht 1,383.45 million or 70.03% compared with the year 2020 and compare with the sales amount is equal 10.03% of sales amount. The main reasons are as follows:

- 1) Total revenues for the year 2021 were Baht 34,116.11 million that increase from the year 2020 of Baht 6,762.23 million or 24.72% which comprise of the following;
 - . Sales revenue was Baht 33,497.80 million, increase of Baht 6,694.84 million or 24.98%. It was from increasing of same store sale growth and new 4 stores in 2021.
 - . Other revenues were Baht 618.31 million, increase of Baht 67.38 million or 12.23%. The main reasons from increasing of sale promotion revenue and transportation revenue.



- 2) Gross profit for the year 2021 was Baht 8,430.81 million or representing 25.17% of Sale revenues, which increase by 1.28% compared with the year 2020. This is significantly due to the strategy adjustment of House Brand products management and steel price increased in some periods.
- 3) Distribution costs & Administrative expenses (exclude depreciation and unrealized gain (loss) on exchange rate and unrealized gain (loss) from current investments) for the year 2021 was Baht 3,536.36 million which increase of Baht 400.69 million or 12.78% from the year 2020, these expenses represented 10.56% of sales amount. It was mainly driven by the increase of salary expenses of 4 new stores and expenses for renovating the same stores to create the atmosphere and image of the stores to be modern in accordance with the customers' behavior in the present.
- 4) Finance costs for the year 2021 was Baht 180.42 million which decrease of Baht 65.46 million or 26.62% from the year 2020 as the Company has made repayment of loans from financial institutions and redemption of debentures, resulting in the decrease of interest expenses.
- 5) Income tax expenses for the year 2021 was Baht 783.31 million which increase of Baht 328.53 million or 72.24% from the year 2020. This was due to the increase of earnings before tax
- 6) EBITDA for the year 2021 was Baht 5,583.59 million which increase from the year 2020 by Baht 1,767.14 million or 46.30%, indicated that the operating results is better than the past years.

Statement of Financial Position

As at 31 December 2021, total assets of the Company were Baht 39,274.60 million that almost comprise of cash and cash equivalents were Baht 1,694.11 million, account receivable and other account receivable were Baht 674.00 million, inventory were Baht 16,185.62 million, investment in joint venture Baht 1,507.30 million and property plant and equipment were Baht 17,099.01 million

Total assets increase of Baht 3,254.30 million or 9.03% from 31 December 2020 mainly came from the increase of inventory by Baht 1,898.42 million or 13.29%, cash and cash equivalents were increased by Baht 469.83 million or 38.37%, investment in joint venture was increased by Baht 669.05 million or 79.81%, and investment in bonds was increased by Baht 100.00 million or 100.00%

Total liabilities were Baht 19,438.55 million which increase of Baht 632.09 million or 3.36% from 31 December 2020. The liabilities mainly came from short term loans from financial institution Baht 12,066.05 million, trade account payable and others account payables were Baht 2,542.79 million, long term loans Baht 3,183.44 million. Total shareholders' equity was Baht 19,836.05 million increase of Baht 2,622.21 million or 15.23% from 31 December 2020.



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Statement of Cash Flows

2021, the Company had net cash flows from operating activities of baht 3,204.31 million, net cash flows investing activities Baht 2,602.72 million that almost for the purchase of the property plant and equipment of Baht 1,857.20 million, computer software of Baht 1.30 million, temporary investment of Baht 77.72 million, investment in joint venture of Baht 583.30 million and investment in bonds of Baht 100.00 million. Net cash flows from financing activities Baht 142.88 million effect to cash and cash equivalents at end of year 2020 equal to Baht 1,694.11 million.

Please be informed accordingly.

Sincerely yours

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