



**Siam Global House Public Company Limited
Management Discussion and Analysis
Operating results as at 31 March 2022**

As at 31 March 2022, the Company had 76 operating stores that increased from the same period of 2021 by 3 stores, there was 1 store opened in the first quarter of 2022.

The Company's performance for the first quarter 2022 compared with the same period of last year the net profit (separate financial statements) is Baht 1,109.22 million that increase by Baht 161.18 million or 17% and include share of profit of joint venture from Global House International Co., Ltd and investment in a subsidiary from Global House Cambodia Co., Ltd. The Company has net profit of consolidated financial statements is Baht 1,163.36 million that increase by Baht 191.36 million or increase 19.69%. Arising from boost sales and operating costs control. The summary of operation results of consolidated financial statements as follows.

Unit: million baht.

Transaction	The First Quarter				% of Net Sales	
	2022	2021	Increase / (Decrease)	Change	2022	2021
Net sales	9,633.69	8,678.71	954.98	11.00%	100.00	100.00
Other income	171.44	149.64	21.81	14.57%	1.78	1.72
Total revenues	9,805.13	8,828.35	976.78	11.06%	101.78	101.72
Cost of sales	7,117.16	6,468.49	648.66	10.03%	73.88	74.53
Gross profit	2,516.53	2,210.22	306.31	13.86%	26.12	25.47
Distribution costs & Administrative expenses <i>(exclude Depreciation, Unrealized gain(loss) on exchange rate, and Unrealized gain(loss) from current investments)</i>	932.19	819.26	112.93	13.78%	9.68	9.44
Depreciation	311.58	304.91	6.67	2.19%	3.23	3.51
Unrealized gain(loss) on exchange rate	10.67	15.11	(4.44)	(29.38)%	0.11	0.17
Net profit before share of profit of joint venture	1,124.01	961.90	162.11	16.85%	11.67	11.08
Share of profit of joint venture	39.35	10.11	29.24	289.32%	0.41	0.12
Net Profit	1,163.36	972.01	191.36	19.69%	12.08	11.20
EBITDA	1,784.62	1,535.61	249.01	16.22%	18.52	17.69

Profit & Loss Analysis

The Company's net profit for the first quarter of 2022 was Baht 1,163.36 million that increase by Baht 191.36 million or 19.69% compared with the same period of 2021, and equal 12.08% of sales amount. The main reasons are as follows:

- 1) Total revenues for the first quarter of 2022 were baht 9,805.13 million that increase from the same period of 2021 by Baht 976.78 million or 11.06% which comprise of the following;
 - Net sales was Baht 9,633.69 million, an increase of Baht 954.98 million or 11%. It was mainly driven by sales of same store growth and expansion 3 new stores.
 - Other income was Baht 171.44 million, an increase of Baht 21.81 million or 14.57%. It was mainly driven by the increase of revenue from warehouse management of Distribution Center at Wangnoi and sales promotion revenues.
- 2) Gross profit for the first quarter of 2022 was Baht 2,516.53 million that increased from the same period of 2021 of Baht 306.31 million or 13.86% and representing 26.12% of sale revenues that increased by 0.65%, compared with the same period of 2021. It was mainly driven from the adjustment of proportion and boot sales of House Brand products, resulting increase of gross profit from the same period of 2021.
- 3) Distribution costs & Administrative expenses (exclude depreciation), Unrealized gain (loss) on exchange rate, and unrealized gain (loss) on current investment for the first quarter of 2022 was Baht 932.19 million which increase of Baht 112.93 million or 13.78% from the same period of 2021, these expenses represented 9.68% of the sales amount. It was mainly driven by the increase of salary expenses of new 3 stores.
- 4) Financial cost for the first quarter of 2022 was Baht 45.11 million which decreased of Baht 3.15 million or 6.53% from the same period of 2021, since the Company has made the repayment of short-term loans and long-term loans to financial institutions resulted in decrease of interest expenses.
- 5) Income tax expenses for the first quarter of 2022 was Baht 275.24 million which increase of Baht 49.69 million or 22.03% from the same period of 2021. This was due to the higher earnings before tax.
- 6) EBITDA for the first quarter of 2022 was Baht 1,784.62 million which increase from the same period of 2021 by Baht 249.01 million or 16.22%. From above data (EBITDA) represented better performance than the first quarter of 2021

Financial Positions Analysis

As at 31 March 2022, total assets of the Company were Baht 40,588.13 million that almost comprise of cash and cash equivalents were Baht 1,377.26 million, trade and other accounts receivables were Baht 700.54 million, merchandises were Baht 17,472.82 million, investment in joint venture Baht 1,845.28 million and property plant and equipment were Baht 17,597.86 million and right-of-use in assets were Baht 1,243.19 million.

Total assets increase of Baht 1,313.52 million or 3.34% from 31 December 2021, mainly came from the increasing of inventory of Baht 1,287.19 million, lease receivables Baht 28.59 million and investment in joint venture of Baht 337.99 million.

Total liabilities were Baht 19,590.87 million which increased of Baht 152.32 million or 0.78% from 31 December 2021. The main liabilities are short-term loans from financial institutions of Baht 11,408.69 million, trade and other accounts payables of Baht 3,256.57 million, long term loans of Baht 3,019.56 million, long term lease liabilities of Baht 1,147.18 million. Total shareholders' equity was Baht 20,997.25 million, an increase of Baht 1,161.20 million or 5.85% from 31 December 2021.



Cash Flows Analysis

The first quarter of 2022, the Company had net cash flows from operating activities of baht 1,112.85 million, decreased of Baht 1,350.18 million from 31 December 2021, net cash flows investing activities of Baht 565.43 million that are mostly from purchases of the property plant and equipment of Baht 309.51 million and investment in joint venture of Baht 298.63 million. Net cash flows from financing activities of Baht 863.82 million, mostly used for repayment of loans to financial institutions in short-term loans of Baht 657.36 million and long-term loans of Baht 163.88 million, which effected cash and cash equivalents at 31 March 2022 were equal to Baht 1,377.26 million.

Key Financial Ratios

Financial Ratios	31 March 2022	31 December 2021
Current Ratio	1.202	1.164
Debt to Equity Ratio	0.933	0.980

- . Current Ratio for the first quarter of the year 2022 was equal to 1.202 times, which increased from the year ended 2021 due to the Company has made the repayment of short-term loans from financial institutions while inventory was increased to support stores expansion and selling for the first and second quarter.
- . Debt to Equity Ratio for the first quarter of 2022 was 0.933 times, decreased from the year ended 2021 due to the Company has made the repayment of short-term loans and long-term loans from the financial institutions.

Please be informed accordingly.

Sincerely yours

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