



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 2022

As at 30 June 2022, the Company had 76 operating stores that increased from the same period of 2021 by 3 stores. The Company's performance for the second quarter 2022 compared with the same period of last year, the net profit (separate financial statements) is Baht 1,016.88 million that increase by Baht 67.18 million or increase by 7.07% 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 1,031.76 million that increased by Baht 57.71 million or increased by 5.92%.

The operating results for the six-month period ended 30 June 2022, the Company had the net profit of consolidated financial statements of Baht 2,195.13 million that increased by Baht 249.07 million or 12.80% compared with the same period of 2021. 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 | |
|--|--------------------|----------|---------------|--------|--------------------------------|-----------|---------------|--------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Net sales | 9,219.54 | 8,887.84 | 100.00 | 100.00 | 18,853.22 | 17,566.55 | 100.00 | 100.00 |
| Other income | 199.73 | 179.99 | 2.17 | 2.03 | 371.17 | 329.63 | 1.97 | 1.88 |
| Total revenues | 9,419.27 | 9,067.83 | 102.17 | 102.03 | 19,224.40 | 17,896.18 | 101.97 | 101.88 |
| Cost of sales | 6,781.36 | 6,586.57 | 73.55 | 74.11 | 13,898.52 | 13,055.06 | 73.72 | 74.32 |
| Gross profit | 2,438.17 | 2,301.27 | 26.45 | 25.89 | 4,954.70 | 4,511.49 | 26.28 | 25.68 |
| Distribution costs & Administrative expenses (exclude Depreciation, Unrealized gain(loss) on exchange rate, and Unrealized gain(loss) from current investments) | 1,003.50 | 931.93 | 10.88 | 10.49 | 1,935.68 | 1,751.19 | 10.27 | 9.97 |
| Depreciation | 312.49 | 318.22 | 3.39 | 3.58 | 624.07 | 623.13 | 3.31 | 3.55 |
| Unrealized gain(loss) on exchange rate | 5.00 | 0.07 | 0.05 | 0.00 | 15.68 | 15.18 | 0.08 | 0.09 |
| Net profit before share of profit of joint venture | 1,023.09 | 953.63 | 11.10 | 10.73 | 2,147.10 | 1,915.53 | 11.39 | 10.90 |
| Share of profit of joint venture | 8.67 | 20.42 | 0.09 | 0.23 | 48.02 | 30.53 | 0.25 | 0.17 |
| Net Profit | 1,031.76 | 974.05 | 11.19 | 10.96 | 2,195.13 | 1,946.06 | 11.64 | 11.08 |
| EBITDA | 1,638.33 | 1,569.70 | 17.77 | 17.66 | 3,422.95 | 3,105.31 | 18.16 | 17.68 |

Profit & Loss Analysis

The Company's net profit for the second quarter of 2022 was Baht 1,031.76 million that increase by Baht 57.71 million or 5.92% compared with the same period of 2021, and equal 11.19% of sales amount and for the six-month period ended 30 June 2022 of Baht 2,195.13 million that increase by Baht 249.07 million or 12.80% compared with the same period of 2021 and equal 11.64% of sales amount. The main reasons are as follows:

- 1) Total revenues for the second quarter of 2022 were baht 9,219.54 million that increase from the same period of 2021 by Baht 331.70 million or 3.73% and for the six-month period ended 30 June 2022 was Baht 18,853.22 million, an increase of Baht 1,286.67 million or 7.32% from the same period of 2021. It was mainly driven by same store sales growth and expansion 3 new stores.
- 2) Other revenues for the second quarter of 2022 was Baht 199.73 million, an increase of Baht 19.74 million or 10.97% from the same period of 2021 and for the six-month period ended 30 June 2022 was Baht 371.17 million which increase of Baht 41.55 million or 12.60% from the same period of 2021. It was mainly driven by the increase of revenue from transportation income.
- 3) Gross profit for the second quarter of 2022 was Baht 2,438.17 million that increase from the same period of 2021 of Baht 136.90 million or 5.95% and representing 26.45% of sale revenues, the proportion increase by 0.56% compared with the same period of 2021 and for the six-month period ended 30 June 2022 was Baht 4,954.70 million that increase from the same period of 2021 by Baht 443.22 million or 9.82% and representing 26.28% of sale revenues, the proportion increase by 0.60% compared with the same period of 2021. As a result of the strategy to sales boosting of House Brand products.
- 4) Distribution costs & Administrative expenses (exclude depreciation, unrealized gain (loss) on exchange rate and unrealized gain (loss) on current investment) for the second quarter of 2022 was Baht 1,003.50 million which increase by Baht 71.57 million or 7.68% from the same period of 2021, these expenses represented 10.88% of the sales revenues and for the six-month period ended 30 June 2022 was Baht 1,935.68 million which increase by Baht 184.49 million or 10.54% from the same period of 2021, these expenses represented 10.27% of the sales revenues. It was mainly driven by the increase of salary expenses of 3 new stores, utilities expense and property tax back to normal rate.
- 5) Finance Costs for the second quarter of 2022 were Baht 46.57 million, a increase of Baht 0.80 million or 1.74% compared with the same period of 2021, due to the increase of long term loans from financial institutions and for the six-month period ended 30 June 2022 were Baht 91.68 million, decreased by Baht 2.35 million or 2.50% from the same period of 2021. Due to the Company has made the repayment long term loans to financial institutions in the first quarter and second quarter of 2022, resulting in the decrease of interest expenses for the six-month.
- 6) Income tax expenses for the second quarter of 2022 was Baht 252.51 million which increase of Baht 20.79 million or 8.97% compared with the same period of 2021 and for the six-month period ended 30 June 2022 was Baht 527.75 million, increased by Baht 70.48 million or 15.41% from the same period of 2021. This was due to higher earnings before tax.
- 7) EBITDA for the second quarter of 2022 was Baht 1,638.33 million which increase from the same period of 2021 by Baht 68.63 million or 4.37% and for the six-month period ended 30 June 2022 was Baht 3,422.95 million which increase from the same period of 2021 by Baht 317.63 million or 10.23%.



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Financial Positions Analysis

As at 30 June 2022, total assets of the Company were Baht 40,803.52 million that almost comprise of cash and cash equivalents were Baht 1,277.62 million, trade and other accounts receivables were Baht 737.40 million, merchandises were Baht 17,600.08 million, investment in joint venture Baht 1,816.46 million and property plant and equipment were Baht 17,602.12 million and right-of-use in assets were Baht 1,269.82 million.

Total assets increase of Baht 1,528.92 million or 3.89% from 31 December 2021, mainly came from the increasing of merchandises of Baht 1,414.45 million or 8.74%, investment in joint venture of Baht 309.17 million or 20.51% and investments in debt securities of Baht 120.13 million or 120.13%.

Total liabilities were Baht 19,946.75 million which increased of Baht 508.20 million or 2.61% from 31 December 2021. The main liabilities are short-term loans from financial institutions of Baht 10,757.50 million, trade and other accounts payables of Baht 2,943.53 million, long term loans of Baht 4,388.11 million, Finance lease liabilities of Baht 1,173.22 million. Total shareholders' equity was Baht 20,856.78 million, an increase of Baht 1,020.72 million or 5.15% from 31 December 2021.

Cash Flows Analysis

The operating results for the six-month period of 2022, the Company had net cash flows from operating activities of baht 1,913.03 million, net cash flows investing activities of Baht 961.85 million that are mostly from the purchase of the property plant and equipment of Baht 579.00 million, investment in joint venture of Baht 298.63 million and investments in debt securities of Baht 120.00 million. Net cash flows from financing activities of Baht 1,375.15 million that were mostly used for the repayment of loan to the financial institutions by the short-term loans of Baht 1,308.55 million and long-term loans of Baht 522.32 million, dividends of Baht 1,172.65 million, resulting in cash and cash equivalents at 30 June 2022 to equal Baht 1,277.62 million.

Key Financial Ratios

| Financial Ratios | 30 June 2022 | 31 December 2021 |
|----------------------|--------------|------------------|
| Current Ratio | 1.25 | 1.16 |
| Debt to Equity Ratio | 0.96 | 0.98 |

- . Current Ratio for the second quarter of the year 2022 was equal to 1.25 times, which increased from the year ended 2021 due to the increase of merchandises to support stores expansion and selling.
- . Debt to Equity Ratio for the second quarter of 2022 was 0.96 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