



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 2022

As at 30 September 2022, the Company had 77 operating stores that increased from the same period of 2021 by 3 stores. The Company's performance for the third quarter 2022 compared with the same period of last year, the net profit (separate financial statements) is Baht 727.86 million that increased by Baht 91.04 million or increased by 14.30% 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 778.84 million that increased by Baht 115.51 million or increased by 17.41%.

The operating results for the nine-month period ended 30 September 2022, the Company had the net profit of consolidated financial statements of Baht 2,973.96 million that increased by Baht 364.57 million or 13.97% compared with the same period of 2021. The summary of operating results and management discussion and analysis for the third quarter 2022 and nine-month period ended 30 September 2022, as follow:

Unit: million Baht

Consolidated financial statements	The Third Quarter		%of Net Sales		Nine-month period ended 30 September		%of Net Sales	
	2022	2021	2022	2021	2022	2021	2022	2021
Net sales	8,170.22	7,684.78	100.00	100.00	27,023.45	25,251.33	100.00	100.00
Other income	176.86	213.24	2.16	2.77	548.04	542.87	2.03	2.15
Total revenues	8,347.08	7,898.02	102.16	102.77	27,571.49	25,794.20	102.03	102.15
Cost of sales	6,065.99	5,865.61	74.25	76.33	19,964.51	18,920.68	73.88	74.93
Gross profit	2,104.23	1,819.17	25.75	23.67	7,058.94	6,330.66	26.12	25.07
Distribution costs & Administrative expenses (exclude Depreciation, Unrealized gain(loss) on exchange rate, and Unrealized gain(loss) from current investments)	1,003.33	868.89	12.28	11.31	2,939.01	2,620.07	10.88	10.38
Depreciation	316.31	323.04	3.87	4.20	940.38	946.17	3.48	3.75
Unrealized gain(loss) on exchange rate	(6.62)	23.66	(0.08)	0.31	9.06	15.15	0.03	0.06
Net profit before share of profit of joint venture	736.00	646.13	9.01	8.41	2,883.11	2,561.66	10.67	10.14
Share of profit of joint venture	42.84	17.20	0.52	0.22	90.86	47.73	0.34	0.19
Net Profit	778.84	663.33	9.53	8.63	2,973.96	2,609.39	11.01	10.33
EBITDA	1,327.41	1,157.05	16.25	15.06	4,750.36	4,286.05	17.58	16.97

Profit & Loss Analysis

The Company's net profit for the third quarter of 2022 was Baht 778.84 million that increased by Baht 115.51 million or 17.41% compared with the same period of 2021, and equivalent to 9.53% of sales amount and for the nine-month period ended 30 September 2022 was Baht 2,973.96 million that increased by Baht 364.57 million or 13.97% compared with the same period of 2021 and equivalent to 11.01% of sales amount. The main reasons are as follows:

- 1) Sale revenues for the third quarter of 2022 were baht 8,170.22 million that increased from the same period of 2021 by Baht 485.44 million or 6.32% and for the nine-month period ended 30 September 2022 was Baht 27,023.45 million, an increase of Baht 1,772.11 million or 7.02% from the same period of 2021. It was mainly driven by the increase of same store sales growth and 3 new stores expansion.
- 2) Other income for the third quarter of 2022 was Baht 176.86 million, a decrease of Baht 36.38 million or 17.06% from the same period of 2021, due to the decrease of revenue from sales promotion and service and for the nine-month period ended 30 September 2022 was Baht 548.04 million which increase of Baht 5.17 million or 0.95% from the same period of 2021, resulting from the increase of transportation revenue.
- 3) Gross profit for the third quarter of 2022 was Baht 2,104.23 million that increase from the same period of 2021 by Baht 285.07 million or 15.67% and representing 25.75% of sale revenues, the proportion increase by 2.08% compared with the same period of 2021 and for the nine-month period ended 30 September 2022 was Baht 7,058.94 million that increase from the same period of 2021 by Baht 728.28 million or 11.50% and representing 26.12% of sale revenues, the proportion increase by 1.05% compared with the same period of 2021. As a result of the adjustment of proportion and sales boosting of House Brand products.
- 4) Distribution costs & Administrative expenses (exclude depreciation, unrealized loss on exchange rate and unrealized gain (loss) on current investment) for the third quarter of 2022 was Baht 1,003.33 million which increase by Baht 134.44 million or 15.47% from the same period of 2021, these expenses represented 12.28% of the sales revenues and for the nine-month period ended 30 September 2022 was Baht 2,939.01 million which increase by Baht 318.94 million or 12.17% from the same period of 2021, these expenses represented 10.88% of the sales revenues. This was mainly due to the increase of salary expenses of 3 new stores and property tax back to normal rate.
- 5) Finance Costs for the third quarter of 2022 were Baht 46.73 million, an increase of Baht 5.03 million or 12.06% compared with the same period of 2021 and for the nine-month period ended 30 September 2022 were Baht 138.41 million, increased by Baht 2.67 million or 1.97% from the same period of 2021. Due to the increase of long-term loans and the adjustment to higher interest rate of loans from financial institutions.
- 6) Income tax expenses for the third quarter of 2022 was Baht 178.91 million which increase of Baht 26.28 million or 17.22% compared with the same period of 2021 and for the nine-month period ended 30 September 2022 was Baht 706.67 million, increased by Baht 96.76 million or 15.86% from the same period of 2021. This was due to higher earnings before tax.
- 7) EBITDA for the third quarter of 2022 was Baht 1,327.41 million which increase from the same period of 2021 by Baht 170.36 million or 14.72% and for the nine-month period ended 30 September 2022 was Baht 4,750.36 million which increase from the same period of 2021 by Baht 464.31 million or 10.83%.



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Financial Positions Analysis

As at 30 September 2022, total assets of the Company were Baht 40,561.65 million that almost comprise of cash and cash equivalents were Baht 1,304.03 million, trade and other accounts receivables were Baht 670.78 million, merchandises were Baht 17,236.87 million, investment in joint venture was Baht 1,857.60 million and property plant and equipment were Baht 17,685.63 million and right-of-use in assets were Baht 1,298.66 million.

Total assets increase of Baht 1,287.05 million or 3.28% from 31 December 2021, mainly came from the increase of merchandises of Baht 1,051.24 million or 6.49%, investment in joint venture of Baht 350.31 million or 23.24% and investments in debt securities of Baht 120.10 million or equivalent to 120.10% and increase of lease receivables of Baht 29.98 million or 100%.

Total liabilities were Baht 18,877.54 million which decrease by Baht 561.01 million or 2.89% from 31 December 2021. The main liabilities are short-term loans from financial institutions of Baht 10,711.25 million, trade and other accounts payables of Baht 2,512.27 million, long term loans of Baht 4,100.64 million, Finance lease liabilities of Baht 1,211.45 million. Total shareholders' equity was Baht 21,684.12 million, an increase of Baht 1,848.06 million or 9.32% from 31 December 2021.

Cash Flows Analysis

The operating results for the nine-month period of 2022, the Company had net cash flows from operating activities of baht 2,603.33 million, net cash flows investing activities of Baht 1,250.08 million that are mostly from the purchase of the property plant and equipment of Baht 872.31 million, investment in joint venture of Baht 298.63 million, investments in debt securities of Baht 120.00 million and an increase of right-of-use assets of Baht 1.90 million. Net cash flows from financing activities of Baht 1,768.35 million that were mostly used for the repayment of loan to the financial institutions by the short-term loans of Baht 1,354.80 million and long-term loans of Baht 809.79 million, dividends of Baht 1,172.65 million. As a result, cash and cash equivalents at 30 September 2022 equal to Baht 1,304.03 million.

Key Financial Ratios

Financial Ratios	30 September 2022	31 December 2021
Current Ratio	1.29	1.16
Debt to Equity Ratio	0.87	0.98

- Current Ratio for the third quarter of the year 2022 was equal to 1.29 times, which increased from the year ended 2021 due to the increase of merchandises to support stores expansion and distribution.
- Debt to Equity Ratio for the third quarter of 2022 was 0.87 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