



บริษัท ดูโฮม จำกัด (มหาชน)
อาคารอรรถณชัย เลขที่ 60 ถนนวิภาวดีรังสิต
แขวงสามเสนใน เขตพญาไท กรุงเทพมหานคร 10400

ASU ถูก ดี

IDH-AC-ACGL-อศ6511/01.000

7 November 2022

Re: Management Discussion and Analysis
Operating results for the three-month and nine-month period ended 30 September 2022

To: President
The Stock Exchange of Thailand

Overview of operating result for the third quarter of 2022

In the third quarter of 2022, the economic outlook is going to be good caused by better COVID19's situation and by government economic stimulus measures. By the way, it was still affected by many factors; such as, climate in this year with more rainfall and longer raining period than usual, etc. On this ground, this would cause of flooding in some provinces as well as higher global inflation rate affecting directly to the higher cost of product and general administrative expenses. However, affecting with many factors impacted to the performance and operation, the Group is still able to open 2 new large branches, (namely Kanchanaburi branch and Buriram branch), including continuous sales drives from matured and new branches which generated higher jumping on the Group's revenue from sales. These aimed to drive efficiently and develop continuously for the higher growth of revenue from sales in all channels.

For the operating result of the third quarter of 2022, the Company and its subsidiaries ("the Group") had total revenue in the amount of Baht 7,518.77 million, representing an increase of 24.0% over the same period of last year by the increment of revenue from sales of matured and new branches. The Group had a net profit in the amount of Baht 50.31 million, decreasing 85.2% from the same period of last year. The main reasons of net profit's decrease were the lower of gross profit margin from construction material's product group, the higher of Selling & General Administrative expenses and the higher of finance cost. However, the mentioned lower of gross profit margin from construction material's product group occurred for short-term period. Currently, the Group have measures to fix by decreasing the inventory turnover(days) of price-volatility products with sufficient stock for sales and not affecting to the revenue from sales.

For the new opening branches in 3rd quarter 2022, the Group opened 2 large branches (namely Kanchanaburi branch and Buriram branch). In total, at the end of September 2022, the Company have 20 large branches and 9 Dohome ToGO branches.



Financial Summary for the three-month period ended 30 September 2022 and 30 September 2021

	Three-month period		Three-month period		Increase (Decrease)	
	ended 30 September 2022		ended 30 September 2021			
	THB mm	%	THB mm	%	THB mm	%
Revenue from sales	7,413.16	98.6	5,985.72	98.7	1,427.44	23.8
Revenue from services	62.27	0.8	48.88	0.8	13.39	27.4
Revenue from sales and services	7,475.43	99.4	6,034.60	99.5	1,440.83	23.9
Other incomes	43.34	0.6	28.17	0.5	15.16	53.8
Total revenues	7,518.77	0.6	6,062.78	0.5	1,455.99	24.0
Cost of sales	6,427.54	85.5	4,850.97	80.0	1,576.57	32.5
Gross profit⁽¹⁾	1,047.89	14.0	1,183.63	19.6	-135.74	-11.5
Selling and administrative expenses	942.01	12.5	720.86	11.9	221.15	30.7
Other expenses	-	-	4.85	0.08	-4.85	-100.0
Profit before finance costs and income tax	149.21	2.0	486.09	8.0	-336.88	-69.3
Finance incomes	4.45	0.1	1.91	0.03	2.55	133.6
Finance costs	90.20	1.2	61.42	1.0	28.78	46.9
Profit before income tax	63.47	0.8	426.58	7.0	-363.12	-85.1
Income tax expenses	13.16	0.2	86.19	1.4	-73.03	-84.7
Net Profit	50.31	0.7	340.39	5.6	-290.08	-85.2

Remark: (1) Gross profit margin does not include other incomes in the calculation

The operating result for the third quarter of 2022

For the third quarter of 2022, the total revenue of the Company and its subsidiaries (“the Group”) was Baht 7,518.77 million, rising 24.0% from the same period of last year and the Group’s net profit was Baht 50.31 million or equivalent to net profit margin 0.7% which was decreased by 85.2% over the same period of last year at Baht 340.39 million or equivalent to net profit margin 5.6%. The main reasons can be summarized as follows:

1. **Total revenues** were Baht 7,518.77 million, an increase of Baht 1,455.99 million or by 24.0% over the same period of last year, which comprised of the following details:
 - **Revenue from sales and services** was Baht 7,475.43 million, an increase of Baht 1,440.83 million or by 23.9% over the same period of last year, which was mainly from higher revenues of matured branches 6.6% and new branches.



- **Other incomes** were Baht 43.34 million, an increase of Baht 15.16 million or 53.8% over the same period of last year, which was mainly due to an increase of subsidy from suppliers and gain from exchange rate.
- 2. **Gross profit** was Baht 1,047.89 million or equivalent to a gross profit margin of 14.0%, comparing to 19.6% of the same period in last year. The decrease was mainly caused by the lower of gross profit margin in construction material's product group and higher cost of product including higher transportation and distribution costs which was the result of oil price fluctuation.
- 3. **Selling and administrative expenses** were Baht 942.01 million, an increase of Baht 221.15 million or 30.7% over the same period of last year, which was mainly due to the new opening branch's expenses; such as, staff expenses, depreciation of fixed assets, utility expenses, etc. Besides, there were the increase of expenses varying based on sales; such as, delivery expense, etc., the higher depreciation of matured branches caused by office renovation, increment in allowance for doubtful account receivables, increment of property tax by turning to use normal tax rate and the increase of administrative employee expenses caused by more new employees at head-quarter and new stores that were under construction for supporting the Group's business growth.
- 4. **Finance costs** were Baht 90.20 million, an increase of Baht 28.78 million, or 46.9% over the same period of last year, which related to the increment of loans.
- 5. **Income tax** was Baht 13.16 million, a decrease of Baht 73.03 million or by 84.7% over the same period of last year, which was in accordance with a decrease of profit before income tax.



Financial Summary for the nine-month period ended 30 September 2022 and 30 September 2021

	Nine-month period		Nine-month period		Increase (Decrease)	
	ended 30 September 2022		ended 30 September 2021			
	THB mm	%	THB mm	%	THB mm	%
Revenue from sales	23,473.04	98.6	18,362.01	98.8	5,111.03	27.8
Revenue from services	204.80	0.9	148.38	0.8	56.43	38.0
Revenue from sales and services	23,677.84	99.4	18,510.39	99.6	5,167.45	27.9
Other incomes	139.22	0.6	81.83	0.4	57.39	70.1
Total revenues	23,817.06	100.0	18,592.22	100.0	5,224.84	28.1
Cost of sales	19,839.62	83.3	14,558.04	78.3	5,281.57	36.3
Gross profit⁽¹⁾	3,838.23	16.2	3,952.35	21.4	-114.12	-2.9
Selling and administrative expenses	2,723.10	11.4	2,000.79	10.8	722.31	36.1
Other expenses	2.58	0.01	5.07	0.03	-2.49	-49.1
Profit before finance costs and income tax	1,251.77	5.3	2,028.32	10.9	-776.55	-38.3
Finance incomes	12.89	0.1	12.76	0.1	0.13	1.0
Finance costs	239.52	1.0	190.70	1.0	48.83	25.6
Profit before income tax	1,025.13	4.3	1,850.38	10.0	-825.25	-44.6
Income tax expenses	199.91	0.8	365.53	2.0	-165.61	-45.3
Net Profit	825.22	3.5	1,484.86	8.0	-659.64	-44.4

Remark: (1) Gross profit margin does not include other incomes in the calculation

The operating result for nine-month period ended of 2022

For the nine-month period ended of 2022, the total revenue of the Company and its subsidiaries (“the Group”) was Baht 23,817.06 million, rising 28.1% from the same period of last year and the Group’s net profit was Baht 825.22 million or equivalent to net profit margin 3.5% which was decreased by 44.4% over the same period of last year at Baht 1,484.86 million or equivalent to net profit margin 8.0%. The main reasons can be summarized as follows:

1. **Total revenues** were Baht 23,817.06 million, an increase of Baht 5,224.84 million or by 28.1% over the same period of last year, which comprised of the following details:



- **Revenue from sales and services** was Baht 23,677.84 million, an increase of Baht 5,167.45 million or by 27.9% over the same period of last year, which was mainly from higher revenues of matured branches 14.2% and new branches.
 - **Other incomes** were Baht 139.22 million, an increase of Baht 57.39 million or 70.1% over the same period of last year, which was mainly due to the increase of subsidy from suppliers and gain from exchange rate.
2. **Gross profit** was Baht 3,838.23 million or equivalent to a gross profit margin of 16.2%, comparing to 21.4% of the same period in last year. The decrease was mainly caused by the change of product mix, the lower of gross profit margin in construction material's product group and the higher cost of product including transportation and distribution costs as the result of oil price fluctuation.
 3. **Selling and administrative expenses** were Baht 2,723.10 million, an increase of Baht 722.31 million or 36.1% over the same period of last year, which was mainly due to the new opening branch's expenses; such as, staff expenses, depreciation of fixed assets, and utility expenses, etc. Besides, there were the increase of expenses varying based on sales; such as, delivery expense, etc., increment in depreciation of matured branches caused by office renovation, increment in allowance for doubtful account receivables, increment of property tax by turning to use normal tax rate and the increase in administrative employee expenses caused by more new employees at head-quarter and new stores that were under construction for supporting the Group's business growth.
 4. **Finance costs** were Baht 239.52 million, an increase of Baht 48.83 million, or 25.6% over the same period of last year, which related to the increment of loans.
 5. **Income tax** was Baht 199.91 million, a decrease of Baht 165.61 million or by 45.3% over the same period of last year, which was in accordance with a decrease of profit before income tax.

Sincerely yours,

-Chayanon Horpattaporn-

(Mr.Chayanon Horpattaporn)

Chief Financial Officer

Dohome Public Company Limited