

November 10, 2022

Subject: Management Discussion and Analysis for Quarter 3/2022

To: President
The Stock Exchange of Thailand

Synnex (Thailand) Public Company Limited and its subsidiaries (“the Company”) would like to report the operating results for Quarter 3 ended September 30, 2022 as reviewed by the authorized Company’s auditor as follows:

Description	Quarter 3/2022		Quarter 3/2021		YoY	
	THB million	%	THB million	%	THB million	%
Income from operations	10,100.86	100.00	8,896.68	100.00	1,204.18	13.54
Operating Cost	9,646.01	95.50	8,440.69	94.87	1,205.32	14.28
Gross Profit	454.85	4.50	455.99	5.13	(1.14)	(0.25)
Selling and administrative expenses	223.12	2.20	255.64	2.87	(32.52)	(12.72)
Net profit	215.48	2.13	194.48	2.19	21.00	10.80
Basic earning per share (THB)	0.25		0.23			

In quarter 3/2022, Sales and Services revenue amounted to THB 10,100.86 million, increasing by THB 1,204.18 million or 13.54% compared to the same period last year. Gross profit amounted to THB 454.84 million, decreasing by THB 1.14 million or 0.25% from the same period last year. Selling and administrative expenses amounted to THB 223.12 million, decreasing by THB 32.52 million from the same period last year to THB 255.64 million while the percentage of selling and administrative expenses decreased to 2.20% compared to 2.87% in the same period last year. Net profit amounted to THB 215.48 million, increasing by THB 21.00 million or 10.80% from the same period last year.

The overview of the company In the quarter of 3/2022 shows revenue from sales and services can still grow, although it is affected by various negative factors such as inflation and the appreciation of the US dollar since the beginning of 2022, which affects the purchasing power of consumers. The sales growth came from the sales growth in commercial products, which has benefited from the evolving COVID-19 situation, causing various projects in the private and public sectors to resume the old projects and more new projects were initiated. In addition, this was expected to continue to grow until the end of the year. Furthermore, the launching and sale of the new iPhone in late September and the gaming products continue to grow, especially the game console.

The negative factors mentioned above affect the profitability of the company. This causes the company's gross profit margin to decrease compared to the same period of the previous year. However, the company can still make a profit at a good rate compared to before the COVID-19 situation. Moreover, the company was able to generate more sales, so it was able to maintain the amount of monetary profit close to the same period last year. In addition, the company continues to focus on cost control both in terms of selling and administrative expenses in order to maintain competitiveness in the long term. This made the company maintain its profit margin for the period 3Q/2022 at a high level same as the gross margin and increased from the same period last year.

The company continues to develop work processes continuously by using technology to enhance operating efficiency, in order to grow sustainably.

Description	9M/2022		9M/2021		YoY	
	THB million	%	THB million	%	THB million	%
Income from operations	29,651.25	100.00	25,915.15	100.00	3,736.10	14.42
Operating Cost	28,330.35	95.55	24,659.70	95.16	3,670.65	14.89
Gross Profit	1,320.90	4.45	1,255.45	4.84	65.45	5.21
Selling and administrative expenses	682.65	2.30	690.40	2.66	(7.75)	(1.12)
Net profit	630.00	2.12	590.74	2.28	39.26	6.65
Basic earning per share (THB)	0.74		0.70			

For 9 months in the year 2022, The company income from operations totaled THB 29,651.25 million, an increase of THB 3,736.10 million or 14.42% over the same period of the previous year. The revenue increased from commercial products which continually grow since the quarter of 1/2022. And the launch of the new iPhone in the quarter of 3/2022 including the sales growth of gaming products especially the game console which is the new product that the company started to distribute at the end of 2021. The company's gross profit was THB 1,320.90 million, an increase of THB 65.45 million or 5.21% from the previous year.

The company is still able to grow steadily despite being affected by various negative factors that have occurred since the beginning of the year. 2022 with a net profit of 630 million baht, an increase of 31.12 million baht or 5.27% from the previous year.

Business-driven for sustainability: ESG (Environment, Social, and Governance)

The company places importance on driving sustainability by operating business with fairness, respect for human rights, and focus on fair treatment of workers. Considering the responsibility towards consumers including internal and external stakeholders, the organization and awareness of environmental stewardship development of social communities continuously. However, the success of the business will grow parallelly with social responsibility and environmental sustainability under the framework of "Synnex For a Better Life" in 3 main dimensions, namely economy, society, and environment. which is consistent with the vision "To be the No.1 IT Ecosystem in Thailand, Making people's lives better and easier with technology" With mission;

- Being committed to achieving customer satisfaction together giving importance to delivering quality products and services to satisfy its customers and clients.
- Being committed to developing creative thinking and innovation, as well as to making use of the latest modern and advanced technology or applications in managing its businesses development so as to sustainably increase overall business effectiveness.
- Being committed to creating a knowledge-based culture within the organization, so as to engage all its staff in developing and growing together with the Company and also to facilitate a mutually happy work environment.
- Being committed to paying attention to as well as acting in a fully responsible manner towards the community, society as a whole and also the environment, so as to achieve ongoing business sustainability.
- Being committed to creating economic value together with delivering trust and confidence with regards to conducting its businesses in accordance with the principles of good governance, as well as to being an organization that delivers positive financial returns to all involved Stakeholder groups in an equitable manner.

Operation "Synnex For a Better Life" is split into 3 dimensions.

1. For a better education: such as

- **Chang Nork Krorp, (Phase 2)**, aims to provide youth in various local professions across the country, especially electronic technicians to increased knowledge, ability, and expertise, learned from the IT equipment that the company provides to support and help develop ideas for young people to develop and see real results. which can earn for the household sector in the community, this project is also supported by key international partners who participate in creating values between the organization and society to be more ready. In addition, " Chang Nork Krorp " continues to instill in the trainees an awareness of the environment and simultaneously reduce the e-waste problem that is currently a problem in our world today.

- **Computer Support Program and IT equipment** aim to use education tools for students to use equipment in real learning practice in installation, repair, and assembling skills. To upgrade equipment to be up-to-date and able to use their own experience to be creative innovation for benefit. Create future professions and aim to support Thai education towards Smart Education. The total value of this project is approximately THB 18 million, donated to vocational colleges, schools, hospitals, temples, communities, etc.

2. For a better environment: through projects such as

- **“Leave it to the right place with Trusted by Synnex E-Waste”** project for the 2nd year in a row, inviting Thai people to save the earth for sustainably by handing over electronic waste collection boxes and expanding the drop point at 11 post offices and expanding to cover the whole Bangkok area. both public health, community, and schools in Lat Phrao zone aim to campaign for the disposal of electronic waste in the right place to be disposed of properly according to international standards and build an ecosystem with partners that focus on the environment and reduce pollution for sustainability.

- **Efficient – Energy Management Project**, Both lighting and air conditioning systems with measures to reduce the use of electricity, such as campaigning to turn off the switch when not in use/lunch break, open the curtains or windows to receive natural light, set the air conditioner temperature at 25 degrees Celsius, etc. In addition, it has also installed a power generation system from solar energy (Solar Rooftop). As a result, in the year 2022 accumulated 10 months, the company purchased 1,088,000 kilowatt-hours of electricity and Solar Rooftop produced 319,912.10 kilowatt-hours. The total use of electricity for the entire property is 1,407,912.10 units accounted for 22.70%, able to save 3.68% of electricity costs compared to the same period last year.

The company received the energy and society awards as follows:

- Low Emission Support Scheme (LESS) project from Thailand Greenhouse Gas Management Organization (Public Organization) by receiving an honorary certificate reduces greenhouse gas emissions by 277.951 tons of carbon dioxide equivalent. This award is given to organizations that focus on reducing greenhouse gas emissions and attaching importance to sustainability in all dimensions: economic, social, and environmental.

- The project for an outstanding model establishment in safety, occupational health, and working environment for the year 2022/23 at the provincial level and received a certificate of honor at the national level for the first year from the Department of Labour Protection and Welfare Bangkok.

3. For better Governance: Conduct business in accordance with good governance principles. The Board of Directors and executives are driven to ensure that the management has transparency and traceability, international standards, and is acceptable. Also, respect the right to treat shareholders equally and are responsible to all stakeholders. And, consider social and environmental responsibility. The company has been selected for sustainable stocks as follows:



The Company has been selected in the Universe of the **ESG 100** Securities Group for the year 2022 of Thaipat Institute In a listed group of companies covering all 851 securities.

Duration: Continuous for 8 consecutive years

Since the initiative in 2015 based on the ESG Rating



The company has received the announcement of sustainable stocks **THSI (Thailand Sustainability Investment)** for the year 2022 from the Stock Exchange of Thailand announced.

Duration: It is a sustainable stock of THSI for the 5th year.

This is a sign of commitment to develop the organization to grow continuously to meet sustainability standards by considering risk management and ready to deal with the changing of factors in social and environmental aspects and ESG (Environmental, Social and Governance) along with having financial performance and giving importance to all stakeholders. desire to be a leader in full IT ecosystem along with creating a continuous return to shareholders in the long run.

Please kindly be informed accordingly.

Yours faithfully,

(Sutida Mongkolsuthree)

Chief Executive Officer