



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

ASU ถูก ดี

IDH-AC-ACGL-อศ6602/17.000

21 February 2023

Re: Management Discussion and Analysis
Operating results for the period ended 31 December 2022

To: President
The Stock Exchange of Thailand

Overview of operating result for the year of 2022

In 2022, the economic outlook is better than last year caused by unfolding COVID19's situation, beginning recovery in tourism sector and more investments from government and private sectors than last year. However, this would need to wait for gradual recovery as it was affected by many factors and lasting; such as, global economic fluctuation, prolonged war between Russia and Ukraine since the beginning of this year, lockdown in China for many periods, higher gasoline cost, climate in this year with more rainfall and longer raining period than usual, etc. For the rainfall and others in Thailand, this would cause of flooding in some provinces as well as higher 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 5 new large branches, (namely Hat Yai branch Pitsanulok branch, Kanchanaburi branch, Buriram branch and Chaiyaphum branch), including continuous sales drives from matured and new branches which generated higher jumping on the Group's revenue from sales. With modern tools, technologies and customer's facilities, 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 year of 2022, the Company and its subsidiaries ("the Group") had total revenue in the amount of Baht 31,530.18 million, representing an increase of 21.7% 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 774.07 million, decreasing 57.4% 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 (price fluctuation & higher price base in 2021), the higher of Selling & General Administrative expenses, the higher of expenses from flood prevention & management in some branches and at Ubonratchathani branch 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.

Although, Ubonratchathani branch was flooded in early October 2022, leading to an adverse effect on the branch's sale and distribution, the branch began resuming its services provided to customers from 30 October 2022. However, certain assets and inventories were partially damaged by flooding, for which the Company took out insurance cover. Currently, the Company is in the process of claiming an indemnity from the insurance company.



For the new opening branches in 2022, the Group opened 5 large branches (namely Hat Yai branch Pitsanulok branch, Kanchanaburi branch, Buriram branch and Chaiyaphum branch). In total, at the year ended of 2022, the Company have 21 large branches and 9 Dohome ToGo branches.

Financial Summary for the year ended 31 December 2022 and 31 December 2021

	For the year		For the year		Increase (Decrease)	
	ended 31 December 2022		ended 31 December 2021			
	THB mm	%	THB mm	%	THB mm	%
Revenue from sales	31,045.32	98.5	25,576.90	98.7	5,468.41	21.4
Revenue from services	275.31	0.9	207.70	0.8	67.61	32.6
Revenue from sales and services	31,320.63	99.3	25,784.60	99.5	5,536.02	21.5
Other incomes	209.56	0.7	133.18	0.5	76.38	57.3
Total revenues	31,530.18	100.0	25,917.78	100.0	5,612.40	21.7
Cost of sales	26,433.70	83.8	20,578.01	79.4	5,855.68	28.5
Gross profit⁽¹⁾	4,886.93	15.6	5,206.59	20.2	-319.66	-6.1
Selling and administrative expenses	3,728.30	11.8	2,835.55	10.9	892.75	31.5
Other expenses	78.18	0.2	-	-	78.18	N/A
Profit before finance costs and income tax	1,290.00	4.1	2,504.22	9.7	-1,214.22	-48.5
Finance incomes	17.09	0.1	19.35	0.1	-2.26	-11.7
Finance costs	350.30	1.1	257.98	1.0	92.32	35.8
Profit before income tax	956.80	3.0	2,265.59	8.7	-1,308.79	-57.8
Income tax expenses	182.73	0.6	447.53	1.7	-264.80	-59.2
Net Profit	774.07	2.5	1,818.06	7.0	-1,043.99	-57.4

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

The operating result for the year of 2022

For the year of 2022, the total revenue of the Company and its subsidiaries (“the Group”) was Baht 31,530.18 million, rising 21.7% from the same period of last year and the Group’s net profit was Baht 774.07 million or equivalent to net profit margin 2.5% which was decreased by 57.4% over the same period of last year at Baht 1,818.06 million or equivalent to net profit margin 7.0%. The main reasons can be summarized as follows:

1. **Total revenues** were Baht 31,530.18 million, an increase of Baht 5,612.40 million or by 21.7% over the same period of last year, which comprised of the following details:
 - **Revenue from sales and services** was Baht 31,320.63 million, an increase of Baht 5,536.02 million or by 21.5% over the same period of last year, which was mainly from higher revenues of matured branches 7.23% and new branches.



- **Other incomes** were Baht 209.56 million, an increase of Baht 76.38 million or 57.3% 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 4,886.93 million or equivalent to a gross profit margin of 15.6%, comparing to 20.2% of the same period in last year. The decrease was mainly caused by the change of sold product mix, 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 3,728.30 million, an increase of Baht 892.75 million or 31.5% 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, the increment in allowance for doubtful account receivables, the 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. **Other expenses** were Bath 78.18 million, having no this expense in last year, which was a provision for flooding expenses at Ubonratchathani branch in the amount of baht 74.75 million.
- 5. **Finance costs** were Baht 350.30 million, an increase of Baht 92.32 million, or 35.8% over the same period of last year, which related to the increment of loans and market interest rate as per monetary policy.
- 6. **Income tax** was Baht 182.73 million, a decrease of Baht 264.80 million or by 59.2% 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