

February 23, 2023

Subject: Management Discussion and Analysis for the year ended December 31, 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 the year ended December 31, 2022 as reviewed by the authorized Company's auditor as follows:

| Description | 2022 | | 2021 | | YoY | |
|-------------------------------------|-------------|--------|-------------|--------|-------------|--------|
| | THB million | % | THB million | % | THB million | % |
| Income from operations | 39,061.05 | 100.00 | 37,085.38 | 100.00 | 1,975.68 | 5.33 |
| Operating Cost | 37,265.18 | 95.40 | 35,301.79 | 95.19 | 1,963.39 | 5.56 |
| Gross Profit | 1,795.87 | 4.60 | 1,783.59 | 4.81 | 12.28 | 0.69 |
| Selling and administrative expenses | 941.22 | 2.41 | 997.33 | 2.69 | (56.11) | (5.63) |
| Net profit | 816.07 | 2.09 | 856.53 | 2.31 | (44.12) | (5.13) |
| Basic earning per share (THB) | 0.96 | | 1.02 | | | |

Although in 2022 there will be negative factors that affect the overall economy. Especially in the technology industry and the IT industry. whether inflation depreciation of the baht a decline in the purchasing power of consumers while the Company was able to generate revenue in 2022 equal to 39,061.05 million baht, an increase of 1,975.68 million baht or an increase of approximately 5.33%, making an all-time high since 2018 with an income of 38,196.00 million baht due to a significant increase in sales of commercial products, which grew 22.1% compared to 2021, especially, the System and Storage product group and the Network and Security product group because of the COVID-19 pandemic situation returning to normal conditions. The government and the private sector have returned to invest in more projects, especially large-scale infrastructure projects and real estate projects. In addition, the increased revenue also comes from the Nintendo brand, gaming products, which are new products that the Company is distributing in 2022 and also help the Company to expand distribution channels to new customers. This is in line with the company's strategy to be a leader in the gaming product market.

Devices and communications products grew slightly compared to 2021 from the growth in sales of APPLE products, although there was a shortage in the fourth quarter of 2022 caused by problems in factories that produce iPhone products in China causing sales to be lower than they should be And from the revenue of the brand new phone, HONOR, which the company is the sole distributor of, can make sales of 197 million baht after launching in the third quarter of 2022 or after only 6 months of launch.

Operating costs for the year 2022 were 37,265.18 million baht, an increase of 1,963.39 million baht or 5.56% YoY, similar to the growth in sales, making the year 2022 a gross profit margin equal to 4.60% decrease from 4.81% in the previous year, mainly due to the negative factors mentioned above. However, the company able to make a high profit compared to before the outbreak of the COVID-19 virus, resulting in a gross profit of 1,795.68 million baht, higher than the previous year by 12.28 million baht or 0.69% YoY.

Selling and administrative expenses in 2022 were 941.22 million baht, a decrease of 56.11 million baht or about 5.63% YoY. representing 2.41 % of total revenue compared to 2.69% in the previous year. Selling and administrative expenses decreased because the company focuses on continual control of both distribution and administrative expenses in order to maintain long-term competitiveness by emphasizing efficiency and effectiveness in various aspects of the company's operations.

Net profit for the year 2022 was 816.07 million baht decrease of 44.12 million baht or 5.13% YoY, due to three main reasons (1) an increase in interest expenses due to the increase in the policy interest rate, the company will incur higher interest rate costs as well. (2) Lower gains from the foreign exchange due to the huge volatility of the baht However, the company has assessed the risks and closely monitored the exchange rate situation, resulting in the year 2022 the company was still able to make profits from the exchange rate and (3) Decreased share of profits from associated companies in line with the decrease in the performance of associated companies from 2021.

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 building trust with all stakeholder by consistency delivering reliable products, services, and cohesive team to achieve sustainable growth
- Being committed to creating a knowledge-based culture and creativity development for employees as well as to making use of the latest modern and advanced technologies for businesses development so as to sustainably increase overall business effectiveness.
- 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.

Environmental

The Company manages to reduce greenhouse gas problems. It was found that the activities of businesses that emit greenhouse gases are the use of electricity in the office. The company therefore has energy saving maintenance measures according to the energy conservation plan on an ongoing basis. The company sets a goal to reduce greenhouse gas emissions by 10% per year. In 2021, the company emits greenhouse gases 714,085 kgCo2e and in 2022, the company has greenhouse gas emissions from using electricity within the company 622,260.12 kgCo2e, a decrease of 12.86% from the year

Social : For a better education: such as

- **Panchang sang archip** 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, " Panchang sang archip" 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.

Governance:

The 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