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May 12<sup>th</sup>, 2023

Subject : Management Discussion and Analysis for the Quarter 1 of 2023

To : President  
The Stock Exchange of Thailand

SiS Distribution (Thailand) Public Company Limited (“the Company” and its subsidiaries would like to announce the Financial Report for the first Quarter of 2023 as at March 31<sup>st</sup>, 2023, which has been reviewed by certified Auditors. The details are as follows:

## 1) Revenues

Total revenue of the Company and its subsidiaries for the first Quarter of 2023 was 6,811 million Baht, a decrease of 1,289 million Baht or 15.9% from the same period of last year, consisting of Sales and Service Income of 6,807 million Baht and Others of 4 million Baht.

Sales and Service Income by segments were presented as follows:

Business Units	Revenues (Million Baht)		Increase (Decrease)		Gross Margin (Million Baht)		Increase (Decrease)	
	2023	2022	MB.	%	2023	2022	MB.	%
Commercial	1,910	1,631	279	17.1%	78	87	-9	-10.3%
Consumer	2,420	2,683	-263	-9.80%	113	143	-30	-21.0%
Value Added	1,099	931	168	18.0%	120	108	12	11.1%
Phone	895	2,360	-1,465	-62.1%	24	38	-14	-36.8%
Others	483	471	12	2.5%	112	107	5	4.7%
<b>Total</b>	<b>6,807</b>	<b>8,076</b>	<b>-1,269</b>	<b>-15.7%</b>	<b>447</b>	<b>483</b>	<b>-36</b>	<b>-7.5%</b>

For the first Quarter of 2023, Revenues continued to decrease from two major Business Units that were directly related to consumer, that was, Consumer decreased by 263 million Baht or 9.80% and Phone decreased by 1,465 million Baht or 62.1% compared to the same period of last year. Overall, the consumer sector is still struggling, purchasing power has not yet recovered from 2022 due to increased living cost from rising product and utility prices. As a result, the consumers focused on purchasing necessities despite there was the government’s stimulus measures at the beginning of the year. For phone products, sales dropped dramatically because of shrinking demand in the overall market and the new model still do not match with market demand.

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*Translation*



When compared to last year, Commercial, Value Added and Other products could generate more revenues. As the Covid-19 outbreak has improved, Businesses have started allowing more employees to return to work at the office. As a result, they need to invest for IT equipment in the office and spent more money on various digital projects i.e., equipment, software and other services, etc.

## 2) Net Profit

Net Profit of the Company and its subsidiaries for the first Quarter of 2023 was 135 million Baht, a decrease of 59 million Baht or 30.4% from the same quarter of last year mainly due to

- 2.1 Gross profit decreased by 36 million Baht or 7.5% due to lower sales and more competition during the downturn in the economy.
- 2.2 Selling and distribution expenses increased by 20 million Baht from employee expenses of 8 million Baht because of an increase in manpower to support the expansion of new business unit. The remainder was spent as marketing expenses due to higher competition during the downturn in the economy.
- 2.3 Gain on exchanger rate decreased by 15 million Baht.
- 2.4 the Company's financial cost increased by 5 million Baht due to increased interest rate.

Yours sincerely,

Mr. Somchai Sittichaisrichart  
Managing Director