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4 May 2023

Re: Management Discussion and Analysis
Operating results for the period ended 31 March 2023

To: President
The Stock Exchange of Thailand

Overview of operating result for the first quarter of 2023

As at March 31, 2023, the Group have 21 large branches and 8 Dohome ToGo branches. For the operating result of the first quarter of 2023, the Company and its subsidiaries (“the Group”) had total revenue in the amount of Baht 8,514.62 million, representing an increase of 1.9% over the same period of last year. The Group had a net profit in the amount of Baht 258.35 million, decreasing 43.8% from the same period of last year. The main reasons of net profit’s decrease were the change of product mix, the lower of gross profit margin from construction material’s product group (price fluctuation), the higher of Selling & General Administrative expenses came from new large branches and the higher of finance cost. However, the Group have measures to fix the issue of lower gross profit margin from construction material’s product group by decreasing the inventory turnover (days) of price-volatility products with sufficient stock for sales and not affecting to the revenue from sales.

Financial Summary for the three-month period ended 31 March 2023 and 31 March 2022

	Three-month period ended 31 March 2023		Three-month period ended 31 March 2022		Increase (Decrease)	
	THB mm	%	THB mm	%	THB mm	%
Revenue from sales	8,375.16	98.4	8,244.79	98.6	130.37	1.6
Revenue from services	86.43	1.0	73.06	0.9	13.37	18.3
Revenue from sales and services	8,461.59	99.4	8,317.85	99.5	143.74	1.7
Other incomes	53.03	0.6	42.06	0.5	10.97	26.1
Total revenues	8,514.62	100.0	8,359.90	100.0	154.71	1.9
Cost of sales	7,064.93	83.0	6,852.90	82.0	212.03	3.1
Gross profit⁽¹⁾	1,396.66	16.5	1,464.95	17.6	-68.29	-4.7
Selling and administrative expenses	1,000.68	11.8	874.33	10.5	126.35	14.5
Other expenses	6.38	0.1	0.39	0.005	5.99	1,552.1
Profit before finance costs and income tax	442.63	5.2	632.29	7.6	-189.66	-30.0
Finance incomes	4.04	0.05	3.97	0.05	0.07	1.8
Finance costs	122.47	1.4	67.39	0.8	55.08	81.7
Profit before income tax	324.20	3.8	568.87	6.8	-244.67	-43.0
Income tax expenses	65.85	0.8	109.34	1.3	-43.49	-39.8
Net Profit	258.35	3.0	459.53	5.5	-201.18	-43.8

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



The operating result for the first quarter of 2023

For the first quarter of 2023, the total revenue of the Company and its subsidiaries (“the Group”) was Baht 8,514.62 million, rising 1.9% from the same period of last year and the Group’s net profit was Baht 258.35 million or equivalent to net profit margin 3.0% which was decreased by 43.8% over the same period of last year at Baht 459.53 million or equivalent to net profit margin 5.5%. The main reasons can be summarized as follows:

1. **Total revenues** were Baht 8,514.62 million, an increase of Baht 154.71 million or by 1.9% over the same period of last year, which comprised of the following details:
 - **Revenue from sales and services** was Baht 8,461.59 million, an increase of Baht 143.74 million or by 1.7% over the same period of last year, which was mainly from higher revenues of new branches.
 - **Other incomes** were Baht 53.03 million, an increase of Baht 10.97 million or 26.1% over the same period of last year, which was mainly due to an increase of subsidy from suppliers.
2. **Gross profit** was Baht 1,396.66 million or equivalent to a gross profit margin of 16.5%, comparing to 17.6% 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.
3. **Selling and administrative expenses** were Baht 1,000.68 million, an increase of Baht 126.35 million or 14.5% 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, etc., and the increment of utility expenses rising from electricity price.
4. **Finance costs** were Baht 122.47 million, an increase of Baht 55.08 million, or 81.7% over the same period of last year, which related to the increment of loans and market interest rate as per monetary policy.
5. **Income tax** was Baht 65.85 million, a decrease of Baht 43.49 million or by 39.8% 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