



บริษัท สยามโกลบอลเฮ้าส์ จำกัด (มหาชน)

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

**Siam Global House Public Company Limited  
Management Discussion and Analysis  
Operating results as at 31 March 2023**

As at 31 March 2023, the Company had 78 operating stores that increased from the same period of 2022 by 2 stores. The Company's performance for the first quarter 2023 compared with the same period of last year, the net profit (separate financial statements) is Baht 843.64 million that decrease by Baht 265.58 million or 23.94%. And include share of profit of joint venture from Global House International Co., Ltd and investment in subsidiaries, the Company has net profit of consolidated financial statements is Baht 886.25 million that decrease by Baht 277.11 million or decrease 23.82%. This is due to the decrease of sales from slowing economic conditions and a price reduction of steel products according to global market prices, which resulted in a decrease in overall sales and gross profits. The summary of operation results of consolidated financial statements as follows.

Unit: million baht.

Transaction	The First Quarter				% of Net Sales	
	2023	2022	Increase / (Decrease)	Change	2023	2022
Sales Revenue	8,933.42	9,633.69	(700.27)	(7.27) %	100.00	100.00
Other income	170.45	171.44	(0.99)	(0.58) %	1.91	1.78
<b>Total revenues</b>	<b>9,103.87</b>	<b>9,805.13</b>	<b>(701.26)</b>	<b>(7.15) %</b>	<b>101.91</b>	<b>101.78</b>
Cost of sales	6,695.63	7,117.16	(421.53)	(5.92) %	74.95	73.88
<b>Gross profit</b>	<b>2,237.79</b>	<b>2,516.53</b>	<b>(278.74)</b>	<b>(11.08) %</b>	<b>25.05</b>	<b>26.12</b>
Distribution costs & Administrative expenses (exclude Depreciation, Unrealized gain(loss) on exchange rate, and Unrealized gain(loss) from current investments)	991.94	932.19	59.75	6.41%	11.10	9.68
Depreciation	287.58	311.58	(24.00)	(7.70) %	3.22	3.23
Unrealized gain(loss) on exchange rate	0.37	10.67	(10.30)	(96.57) %	0.00	0.11
Net profit before share of profit of joint venture	850.83	1,124.01	(273.18)	(24.30) %	9.52	11.67
Share of profit of joint venture	35.42	39.35	(3.93)	(9.98) %	0.40	0.41
<b>Net Profit</b>	<b>886.25</b>	<b>1,163.36</b>	<b>(277.11)</b>	<b>(23.82) %</b>	<b>9.92</b>	<b>12.08</b>
<b>EBITDA</b>	<b>1,446.59</b>	<b>1,784.62</b>	<b>(338.03)</b>	<b>(18.94) %</b>	<b>16.19</b>	<b>18.52</b>

### **Profit & Loss Analysis**

The Company's net profit for the first quarter of 2023 was Baht 886.25 million that decrease by Baht 277.11 million or 23.82% compared with the same period of 2022, and equal to 9.92% of sales amount. The main reasons are as follows:

- 1) Total revenues for the first quarter of 2023 were baht 9,103.87 million that decrease from the same period of 2022 by Baht 701.26 million or 7.15% which comprise of the following;
  - Sales Revenue was Baht 8,933.42 million, decrease by Baht 700.27 million or 7.27% due to the decrease of sales amount.
  - Other income was Baht 170.45 million, decrease by Baht 1.00 million or 0.58%. It was mainly due to the decrease of revenue from warehouse management of Distribution Center and sales promotion revenues according to the inventory management policy.
- 2) Gross profit for the first quarter of 2023 was Baht 2,237.79 million that decreased from the same period of 2022 of Baht 278.74 million or 11.08% followed in decreased sales and representing 25.05% of sale revenues.
- 3) Distribution costs & Administrative expenses (exclude depreciation, Unrealized gain (loss) on exchange rate, and unrealized gain (loss) on current investment) for the first quarter of 2023 was Baht 991.94 million which increase of Baht 59.75 million or 6.41% from the same period of 2022, these expenses represented 11.10% of the sales amount. It was mainly driven by the increase of salary expenses of new 2 stores.
- 4) Financial cost for the first quarter of 2023 was Baht 63.78 million which increased by Baht 18.67 million or 41.40% from the same period of 2022, due to the interest rate hike on financial institutions' loans.
- 5) Income tax expenses for the first quarter of 2023 was Baht 209.35 million which decrease of Baht 65.89 million or 23.94% from the same period of 2022. This was due to the decrease of earnings before tax.
- 6) EBITDA for the first quarter of 2023 was Baht 1,446.59 million which decrease from the same period of 2022 by Baht 338.03 million or 18.94% due to the decrease of total revenue.

### **Financial Positions Analysis**

As at 31 March 2023, total assets of the Company were Baht 38,369.11 million that almost comprise of cash and cash equivalents were Baht 1,400.64 million, trade and other accounts receivables were Baht 690.31 million, merchandises were Baht 14,164.04 million, investment in joint venture Baht 1,860.58 million and property plant and equipment were Baht 18,442.49 million and right-of-use in assets were Baht 1,207.95 million.

Total assets decrease of Baht 779.10 million or 1.99% from 31 December 2022, mainly came from the decrease of inventory of Baht 1,582.86 million according to the inventory management policy.

Total liabilities were Baht 15,399.73 million which decrease of Baht 1,657.39 million or 9.72% from 31 December 2022. The main liabilities are short-term loans from financial institutions of Baht 7,158.30 million, trade and other accounts payables of Baht 3,087.97 million, long term loans of Baht 3,344.73 million, long term lease liabilities of Baht 1,138.25 million. Total shareholders' equity was Baht 22,969.38 million, an increase of Baht 878.29 million or 3.97% from 31 December 2022.

### **Cash Flows Analysis**

The first quarter of 2023, the Company had net cash flows from operating activities of baht 3,421.44 million, increase of Baht 2,308.59 million from 31 December 2022, net cash flows investing activities of Baht 498.59 million that are mostly from purchases of the property plant and equipment of



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Baht 484.07 million and investment in bonds was increased of Baht 20.00 million. Net cash flows from financing activities of Baht 2,668.13 million, mostly used for repayment of loans to financial institutions in short-term loans of Baht 2,317.14 million and long-term loans of Baht 287.47 million, which effected cash and cash equivalents at 31 March 2023 were equal to Baht 1,400.64 million.

### **Key Financial Ratios**

Financial Ratios	31 March 2023	31 December 2022
Current Ratio	1.33	1.29
Debt to Equity Ratio	0.67	0.77

- Current Ratio for the first quarter of the year 2023 was equal to 1.33 times, which increased from the year ended 2022 due to the Company has adjusted the inventory management policy and has made the repayment of short-term loans and long-term loans from financial institutions.
- Debt to Equity Ratio for the first quarter of 2023 was 0.67 times, decreased from the year ended 2022 due to the Company has made the repayment of short-term loans and long-term loans from the financial institutions.

Please be informed accordingly.

Sincerely yours

Mr. Witoon Suriyawanakul  
Chief Executive Officer  
Siam Global House Public Company Limited