



Ref. OS 2023/017

August 11th, 2023

Subject : Management Discussion and Analysis for the Quarter 2 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 second Quarter of 2023 as at June 30th, 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 second Quarter of 2023 was 7,424 million Baht, a decrease of 109 million Baht or 1.5% from the same period of last year, consisting of Sales and Service Income of 7,398 million Baht and Others of 26 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	2,562	1,645	917	55.74%	92	74	18	24.32%
Consumer	2,265	2,386	-121	-5.07%	112	103	9	8.74%
Value Added	1,074	1,096	-22	-2.01%	136	125	11	8.80%
Phone	906	1,928	-1,022	-53.01%	25	102	-77	-75.49%
Others	591	446	145	32.51%	126	86	40	46.51%
Total	7,398	7,501	-103	-1.37%	491	490	1	0.20%

For the second Quarter of 2023, Revenues continued to decrease from two major Business Units that were directly related to consumer, that was, Consumer decreased by 121 million Baht or 5.07% and Phone decreased by 1,022 million Baht or 53.0% compared to the same period of last year. Overall, the consumer sector is still struggling, purchasing power has not yet recovered from 2022 because Household debt continues to rise and combined with rising interest rates, causing the purchasing power of households to decrease together with 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 deflation in the overall market and the new model still do not match with market demand.

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 in 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 second Quarter of 2023 was 174 million Baht, a decrease of 20 million Baht or 10.5% from the same quarter of last year mainly due to

- 2.1 Selling and distribution expenses increased by 15 million Baht from employee expenses of 11 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.
- 2.2 the Company's financial cost increased by 14 million Baht due to interest rate increase.

Yours sincerely,

Mr. Somchai Sittichaisrichart
Managing Director