



บริษัท สยามโกลบอลเฮ้าส์ จำกัด (มหาชน)
SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED

Siam Global House Public Company Limited
Management Discussion and Analysis
Operating results for the year 2023

Overall Operating Results for the year 2023

The operating results for the year 2023 Siam Global House Public Company Limited (“the Company”) has net profit (separate financial statements) was Baht 2,530.35 million that decrease of Baht 818.62 million or 24.44%. And include share of profit of joint venture and investment in a subsidiary company, resulted to the Company’s net profit of consolidated financial statements was Baht 2,678.14 million that decrease of Baht 827.76 million or 23.61% compare with the year 2022. Due to the decline in sales according to the economic slowdown conditions, which has an impact on the purchasing power of the public in all regions. Nevertheless, the company continues to employ diverse sales promotion strategies to consistently boost product sales.

Regarding the store’s development in the past years, the Company has expanded more 6 stores, namely Pichit, Ranong, Phonthong (Roi-Et), Loeng Nok Tha (Yasothon), Kranuan (Khonkaen), and Chumphon. As a result, at the end of 2023, there are a total of 83 stores operating in the country and another 1 store of subsidiary in Cambodia. Anyhow, in January 2024, the company opened more 1 store in Battambang.

In addition to store expansions in 2023, the Company also renovated 10 existing stores to be a modern and comfortable design, aiming to create an enhanced shopping experience for customers.

The summary of financial information for the year 2023

Unit: million Baht.

Consolidated financial statements	2023	2022	Increase/ (Decrease)	% Change
Sales revenues	32,300.55	35,270.33	(2,969.78)	(8.42)
Other revenues	713.20	708.06	5.14	0.73
Total revenues	33,013.75	35,978.40	(2,964.65)	(8.24)
Cost of sales	24,039.99	26,165.91	(2,125.92)	(8.12)
Gross profit	8,260.56	9,104.43	(843.87)	(9.27)
Distribution costs & Administrative expenses (exclude Depreciation, Unrealized gain(loss) on exchange rate, and Unrealized gain(loss) from current investments)	4,300.69	4,163.81	136.88	3.29
Depreciation	1,223.12	1,245.88	(22.75)	(1.83)
Unrealized gain(loss) on exchange rate	3.55	4.14	(0.59)	(14.34)
Net profit before share of profit of joint venture	2,543.16	3,386.35	(843.19)	(24.90)
Share of profit of joint venture	134.98	119.54	15.44)	12.91
Profit before finance costs and income tax expense	3,580.11	4,523.13	(943.02)	(20.85)
Finance costs	281.92	192.88	89.04	46.16
Income tax expense	620.05	824.36	(204.31)	(24.78)
Net Profit	2,678.14	3,505.89	(827.75)	(23.61)
EBITDA	4,799.51	5,764.78	(965.27)	(16.74)



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Summary of Financial Results

The Company's net profit for the year 2023 was Baht 2,678.14 million that decrease of Baht 827.75 million or 23.61% compared with the year 2022 and compare with the sales amount is equal 8.29% of sales amount. The main reasons are as follows:

- 1) Total revenues for the year 2023 were Baht 33,013.75 million that decrease from the year 2022 of Baht 2,964.65 million or 8.24% which comprise of the following;
 - . Sales revenue was Baht 32,300.55 million, decrease of Baht 2,969.78 million or 8.42%. As a result of the decline in sales of existing stores, despite the opening of 6 new stores in 2023.
 - . Other revenues were Baht 713.20 million, increase of Baht 5.14 million or 0.73%. With the main factors being the increase in revenue from partner support, warehouse management income, and other services income.
- 2) Gross profit for the year 2023 was Baht 8,260.56 million or representing 25.57% of Sale revenues, which decrease by 0.24% compared with the year 2022. This is due to the decline of sales revenue.
- 3) Distribution costs & Administrative expenses (exclude depreciation and unrealized gain (loss) on exchange rate and unrealized gain (loss) from current investments) for the year 2023 was Baht 4,300.69 million which increase of Baht 136.88 million or 3.29% from the year 2022, these expenses represented 13.31% of sales amount. It was mainly driven by the increase of salary expenses of 6 new stores.
- 4) Financial costs for the year 2023 was Baht 281.92 million, increased from the year 2022 by Baht 89.04 million or 46.16%, due to the interest rate adjusted upward in accordance with the situation of the policy interest rate hike.
- 5) Income tax expenses for the year 2023 was Baht 620.05 million which decrease of Baht 204.31 million or 24.78% from the year 2022. This was due to the decrease of earnings before tax
- 6) EBITDA for the year 2023 was Baht 4,799.51 million which decrease from the year 2022 by Baht 965.27 million or 16.74%, due to the decrease in total revenue.

Statement of Financial Position

As at 31 December 2023, total assets of the Company were Baht 39,057.89 million that almost comprise of cash and cash equivalents were Baht 1,052.70 million, account receivable and other account receivable were Baht 756.88 million, inventory were Baht 14,038.37 million, investment in bonds were Baht 340.27 million, investment in joint venture were Baht 1,967.41 million and property plant and equipment were Baht 19,304.05 million.

Total assets decreased of Baht 90.32 million or 0.23% from 31 December 2022, the main reasons from the decrease of inventory by Baht 1,607.13 million or 10.27%, cash and cash equivalents were decreased by Baht 94.74 million or 8.26%.

Total liabilities were Baht 15,510.68 million which decreased of Baht 1,546.44 million or 9.07% from 31 December 2022. The Liabilities mainly came from short term loans from financial institution were Baht 7,625.82 million, trade account payable and others account payables were Baht 3,043.44 million, long term loans were Baht 3,270.48 million. Total shareholders' equity was Baht 23,547.21 million, increase of Baht 1,456.11 million or 6.59% from 31 December 2022.



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Statement of Cash Flows

2023, the Company had net cash flows from operating activities of baht 5,813.32 million, net cash flows investing activities of Baht 2,182.95 million that almost for the purchase of the property plant and equipment of Baht 2,138.50 million, temporary investments - financial institution deposits increase of baht 54.41 million, Cash received from the sale of investment in debt securities of Baht 20.00 million and investment in bonds increase of Baht 40.00 million. Net cash flows used in financing activities Baht 3,721.14 million, result in cash and cash equivalents at 31 December 2023 equal to Baht 1,052.70 million.

Key Financial Ratios

Financial Ratios	31 December 2023	31 December 2022
Current Ratio	1.22	1.28
Debt to Equity Ratio	0.66	0.77

- Current Ratio for the year 2023 was equal to 1.22 times, which decreased from the year 2022 due to the adjustment of purchasing policy and the repayment of short-term loans to the financial institutions.
- Debt to Equity Ratio for the year 2023 was 0.66 times, decreased from the year 2022 due to the repayment of short-term loans and long-term loans to the financial institutions.

Please be informed accordingly.

Sincerely yours

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