

May 14, 2024

Subject: Management Discussion and Analysis for Quarter 1/2024

To: President
The Stock Exchange of Thailand

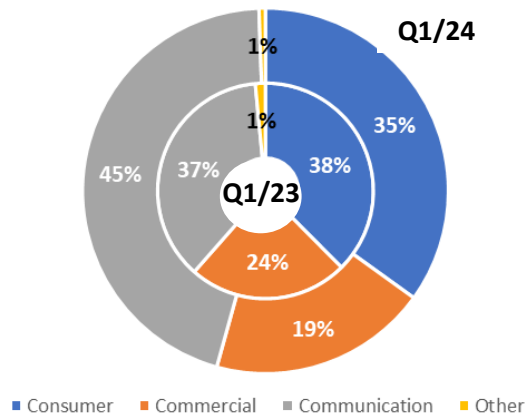
Synnex (Thailand) Public Company Limited and its subsidiaries (“the Company”) would like to report the operating results for Quarter 1/2024 as reviewed by the authorized Company’s auditor as follows:

Description	Quarter 1/2024		Quarter 1/2023		YoY	
	THB million	%	THB million	%	THB million	%
Income from operations	9,605.24	100.00	9,150.92	100.00	454.32	4.96
Operating Cost	9,199.74	95.78	8,769.76	95.83	429.98	4.9
Gross Profit	405.5	4.22	381.16	4.17	24.34	6.39
Selling and administrative expenses	227.33	2.37	266.66	2.91	-39.33	-14.75
Net profit	151.99	1.63	135.54	1.48	16.45	12.14
Basic earnings per share (THB)	0.18		0.16			

The technology and IT industry market in Q1/2024 is still being impacted by the slowing economy, the weakening of the baht, and consumer purchasing power that has not fully recovered. However, the company was able to generate growing revenue when compared to the same quarter of 2023, resulting in Q1/2024 Income from operations amounted to 9,605.24 million baht, an increase of 454.32 million baht or 4.96% compared to the same quarter of the previous year.

The product group that saw significant revenue growth in Q1/2024 was the communication device group, especially Apple and Honor brands, which benefited from the government's Easy E-Receipt economic stimulus program. The communication device group grew by 26.7% YoY, while the consumer and commercial product groups continued to see declining sales compared to the same quarter of 2023 due to the still sluggish economy and delays in government budgets. This is reflected in the breakdown of revenue share by product group as follows:

Product Mix



Operating cost in Q1/2024 amounted to 9,199.74 million baht, an increase of 429.98 million baht or 4.90% from the previous year. This resulted in a gross profit margin of 4.22% in Q1/2024, up from 4.17% in the previous year. This improvement was due to the company's focus on selling products with higher gross profit margins, such as gaming products. Additionally, for commercial products, the company prioritized projects with high gross margins, which is another reason why revenue from commercial products declined. Furthermore, the impact of the weakening baht was less significant in Q1/2024 compared to the same quarter of the previous year, resulting in gross profit of 405.5 million baht, an increase of 24.34 million baht or 6.39% from the same quarter of the previous year.

Selling and administrative expenses in Q1/2024 were 227.33 million baht, a decrease of 39.33 million baht or approximately 14.75%, representing 2.37% of total revenue. The decrease in selling and administrative expenses was due to the company's efforts to manage various expenses. Additionally, in Q1/2023, the company recorded an expected credit loss (ECL) provision of 45.18 million baht. Currently, the company has been managing its receivables more effectively, resulting in a decrease in the provision. However, the company continues to focus on controlling both sales and other administrative expenses to maintain its long-term competitiveness. This focus is on efficiency and effectiveness in various aspects of the company's operations. Overall, the company was able to achieve higher revenue, gross profit, and manage expenses at an appropriate level. This resulted in a net profit of 151.99 million baht for Q1/2024, an increase of 16.45 million baht or 12.14% from the previous year. However, the company continues to assess risks and monitor interest rates and exchange rates closely. It also controls working capital used in operations, including inventories, trade receivables, and trade payables, to maintain an appropriate level. Additionally, it uses various financial instruments to hedge exchange rate risk to mitigate the impact of interest rates and exchange rates.

Yours faithfully,

(Sutida Mongkolsuthree)
Chief Executive Officer