



T H E N E X T T E C H N O L O G Y F R O N T I E R

Management Discussion and Analysis

For the 3-Month Period Ended March 31, 2026

Synnex (Thailand) Public Company Limited

Executive Summary

In Q1/2026, the Company recorded sales and service revenue of THB 11,312 million, up 1.4% year-on-year despite the Memory Shortage environment and an economic slowdown. Against a full-year 2026 revenue target of THB 53,000 million, the Commercial and Enterprise business segments continued to serve as key growth pillars, with IT Commercial products growing 53.9% and Enterprise Solutions 17.8% year-on-year, reaffirming the success of the strategy to expand the corporate and government customer base. The resulting Product Mix shift toward higher-margin products lifted gross profit margin (GPM) to 3.87%, close to the target. Net profit totaled THB 221 million, growing 17.6% year-on-year, significantly outpacing revenue growth, supported by disciplined financial cost management and a 34.3% increase in share of profit from associates.

Key Growth Drivers – Q1/2026

The Company recorded total revenue of THB 11,312 million, up 1.4% year-on-year (down 9.2% QoQ from seasonality) amid the Memory Shortage, a slowdown in Thai GDP (the NESDC revised its 2026 forecast down to 1.5% from 2.2%), and geopolitical tensions. In response, the Company accelerated its shift toward higher-margin product segments, pushing GPM to 3.87%, close to the 4.0% target for 2026.

Key growth drivers were as follows:

- Robust growth in the Enterprise Solution business, underpinned by the global expansion of AI infrastructure, Digital Government initiatives in Thailand, and the Company's elevation to AWS Advanced Tier Services Partner. The Energy Solution segment also contributed, as the Company expanded into the solar cell business, including related peripherals and comprehensive end-to-end services.
- Continued improvement in earnings quality. Net profit reached THB 221 million, up 17.6% year-on-year, translating to a net profit margin of 1.96% and earnings per share of THB 0.26, growing significantly faster than revenue. Key supporting factors included: a shift in Product Mix toward higher-margin segments; recognition of THB 47 million in share of profit from associates, up 34.3% year-on-year, from the investment in NEXT Capital Public Company Limited (NCAP); and disciplined financial cost management, which reduced interest expense by 35.0% year-on-year to THB 26 million, improving the Interest Coverage Ratio from 6.7x to 11.1x.
- Strong balance sheet and liquidity position. The Company reduced its Cash Conversion Cycle from 72 days to 69 days while generating operating cash flow of THB 737 million. The D/E Ratio improved to 2.20x from 2.42x at year-end 2025, supported by the gradual repayment of THB 639 million in short-term borrowings.

Industry and Competitive Landscape

Economic and IT Industry Conditions – Q1/2026

In Q1/2026, the Thai economy faced continued pressure from slowing private consumption and flooding in the southern region, prompting the NESDC to revise its 2026 GDP forecast down to 1.5% from 2.2%. Geopolitical tensions in the Middle East and the Strait of Hormuz further weighed on the outlook, pushing energy prices higher and adding pressure to logistics costs and consumer purchasing power.

Nevertheless, demand for digital and AI infrastructure continued to grow, running counter to these macroeconomic headwinds. Gartner projects Global IT Spending in 2026 to grow 10.8%, with total AI investment reaching USD 2.5 trillion (+44% YoY). Krungsri Research notes that over 82% of organizations worldwide plan to adopt Agentic AI by 2027, reflecting the IT industry's transition from consumer-led to enterprise- and AI-led growth. This trend directly supports the expansion of the Enterprise Solution, AI Server, and Data Center segments—key Growth Pillars in the Company's Product Mix strategy.

On the supply side, the Memory Shortage remained a key pressure point, driven by surging demand for High Bandwidth Memory (HBM) for AI Data Centers that constrained supply and pushed up prices, particularly in the Smartphone and PC/Notebook segments. The Company mitigates this risk through a diversified portfolio spanning Apple, Smartphone, IT Consumer, IT Commercial, Enterprise Solution, and Gaming, reducing dependence on any single category and maintaining overall revenue stability.

Q2/2026 Outlook

In Q2/2026, the Memory Shortage is expected to persist and energy price volatility remains a factor to monitor. However, growth drivers remain robust: global AI infrastructure investment, Thailand's Digital Government transition, and flagship product launches in the second half—notably the new iPhone and Nintendo Switch 2 gaming titles—are expected to boost Apple and Gaming segment sales. On the monetary front, the Bank of Thailand's MPC is expected to hold the policy rate at 1.0% throughout 2026, keeping the Company's financial costs manageable. Together, these factors reinforce the Company's strategy to transform from an IT Distributor into Thailand's No. 1 IT Ecosystem over the long term.

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Key Events and Developments During the Quarter

SYNNEX OPEN HOUSE 2026 "Empowering the Future Together"

Hosted "SYNNEX OPEN HOUSE 2026" from January 15–21, 2026 under the theme "Empowering the Future Together," alongside the launch of the "Synnex Technology Showcase"—Thailand's first comprehensive technology and innovation exhibition space, covering five zones: The Living Future, Smart Town, Future Workplace, Smart Learning Hub, and Smart Wellness for Better Life. The event also unveiled the Smart Warehouse, spanning over 9,000 square meters—the first in Thailand to deploy a System 5 platform, capable of handling more than 12.8 million items per year.

Appointed as Exclusive Distributor of Honeywell in Thailand

Announced a strategic partnership with Secure Connection Limited, a Hong Kong-based electronics manufacturer (under the Honeywell brand), appointing the Company as the exclusive distributor in Thailand covering air purifiers, smartphone and IT accessories, home audio systems, and Structured Cabling solutions—strengthening the Company's multi-product Ecosystem.

Launch of SYNNEX MOBILE CONNECT 2026

Hosted the "SYNNEX MOBILE CONNECT 2026" event on March 24, 2026, with leading global brand partners in attendance—including Apple, Samsung, Huawei, Razer, Garmin, Lenovo, SanDisk, and Nintendo—drawing over 200 participants. The event also introduced the redesigned "Trusted by Synnex" sticker, a symbol guaranteeing 100% genuine products, along with a digital warranty system and comprehensive after-sales service.

TOP PARTNER AWARD 2026 from SanDisk

On March 10, 2026, as the exclusive distributor of SanDisk in Thailand, the Company received the "TOP PARTNER AWARD 2026" at the SanDisk Distributor Conference 2026 in Jeju Island, South Korea. The award honors partners with outstanding performance in driving sales and expanding the Data Storage market across Asia-Pacific, Japan, and China—reflecting the Company's proven capability in this segment.

Financial Summary – Q1/2026

Total Revenue and Gross Profit

In Q1/2026, the Company recorded total sales and service revenue of THB 11,312 million, up THB 152 million or 1.4% year-on-year, despite a decline of THB 1,151 million or 9.2% from the prior quarter due to normal business seasonality. The year-on-year growth was achieved amid the Memory Shortage, which pressured Apple and Smartphone segment sales, with the IT Commercial and Enterprise Solution segments serving as the primary growth drivers—in line with the Product Mix Shift strategy the Company has pursued consistently. As a result, gross profit reached THB 437 million, up 2.8% year-on-year, representing a Gross Profit Margin of 3.87%, improving from 3.81% in Q1/2025 and 3.55% in the prior quarter—approaching the Company's target of approximately 4.0% for 2026.

Expenses, Financial Costs, and Share of Profit from Associates

Selling and administrative expenses (SG&A) totaled THB 257 million, up slightly by 4.0% year-on-year and flat quarter-on-quarter, reflecting disciplined cost management. Interest expense declined significantly to THB 26 million from THB 40 million in Q1/2025, down 35.0%, driven by disciplined debt structure management and improving the Interest Coverage Ratio from 6.7x to 11.1x. Additionally, the Company recognized

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THB 47 million in share of profit from associates, up 34.3% year-on-year and 42.4% quarter-on-quarter, primarily from NEXT Capital Public Company Limited (NCAP) at THB 46 million, which continues to be a significant earnings contributor.

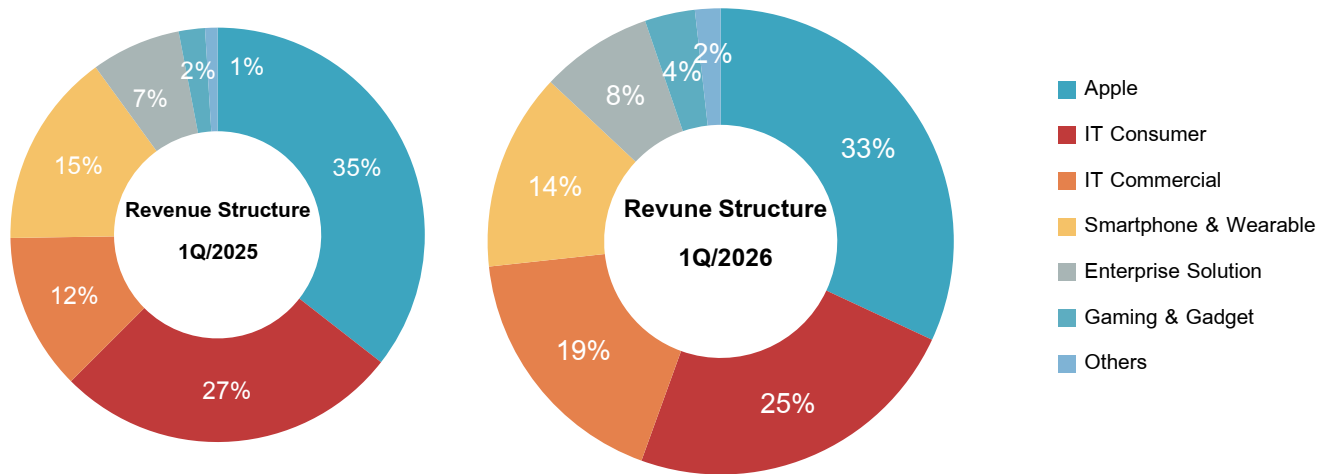
Net Profit

Driven by the Product Mix shift, disciplined financial cost management, and strong share of profit from associates, the Company recorded net profit of THB 221 million, up THB 33 million or 17.6% year-on-year and up THB 28 million or 14.5% quarter-on-quarter. This translates to a Net Profit Margin of 1.96%, improving from 1.68% in Q1/2025 and 1.55% in Q4/2025, and Earnings per Share (EPS) of THB 0.26. The fact that net profit growth significantly outpaced revenue growth reflects the continued improvement in earnings quality.

(Unit: THB million)

Consolidated Income Statement	Q1/2026	%	Q1/2025	%	%YoY	Q4/2025	%	%QoQ
Total revenue	11,312	100.00	11,160	100.00	+1.4%	12,463	100.00	-9.2%
Cost of sales and services	(10,875)	96.03	(10,735)	96.17	+1.3%	(12,021)	96.54	-9.5%
Gross profit	437	3.87	425	3.81	+2.8%	442	3.55	-1.1%
Foreign exchange gain (loss)	44	0.39	37	0.33	+18.9%	32	0.26	+37.5%
Other income	21	0.19	17	0.15	+23.5%	18	0.15	+16.7%
Selling and administrative expenses	(257)	2.27	(247)	2.21	+4.0%	(257)	2.07	+0.0%
Finance costs	(26)	0.23	(40)	0.35	-35.0%	(31)	0.25	-16.1%
Income tax	(45)	0.40	(39)	0.35	+15.4%	(44)	0.35	+2.3%
Profit before share of associates	174	1.54	153	1.37	+13.7%	160	1.28	+8.8%
Share of profit from associates	47	0.41	35	0.31	+34.3%	33	0.27	+42.4%
Net profit	221	1.96	188	1.68	+17.6%	193	1.55	+14.5%
Earnings per share (THB)	0.26		0.22			0.23		

Revenue by Business Unit (Business Unit Performance)



The Company operates as Thailand's leading end-to-end IT distribution platform, covering products, solutions, and services across six core business units: Apple Business, Smartphone & Wearables Business, IT Consumer Business, IT Commercial Business, Enterprise Solution Business, and Gaming Business. The Company continues to expand into higher-value-added businesses such as Software, Cloud, AI, and Sustainability, while developing its ecosystem in partnership with global business allies to become the No.1 IT Ecosystem in Thailand and achieve sustainable long-term growth.

(1) Apple Business declined by 4.5% YoY and 29.1% QoQ due to seasonality and supply shortages affecting certain product lines. Nonetheless, overall demand remains robust, and the segment is expected to resume growth following the launch of new iPhone models in 2H/2026.

(2) Smartphone & Wearables Business was down 4.3% YoY due to the restructuring of certain product distribution lines. However, Huawei delivered outstanding growth of 85% YoY, reflecting strong consumer reception, while Samsung maintained continuous momentum at 9% YoY. On a QoQ basis, the segment grew 26.1%, driven by new product launches from trade partners. The AI Smartphone trend and rising popularity of wearable devices continue to serve as key catalysts for accelerating consumer device replacement cycles.

(3) IT Consumer Business was down 6.9% YoY due to supply shortages, particularly in the PC/Notebook segment. However, the Company proactively managed inventory by pre-stocking Storage, SSD, RAM, and PC products ahead of anticipated price increases—positioning the segment for gross margin improvement in 2026.

(4) IT Commercial Business delivered outstanding growth of 53.9% YoY and 54.9% QoQ. Key growth drivers included Commercial PC demand fueled by the Windows 11 and AI PC transition across the corporate and government sectors, as well as the Surveillance (CCTV) business, which benefited from an upcycle in equipment installation investment.

(5) Enterprise Solution Business was up 17.8% YoY, driven by enterprise customer investments in network infrastructure, cybersecurity, and software. The segment continues to benefit from ongoing AI infrastructure investment and Digital Government initiatives. The Company also expanded into Software & Cloud Solutions, elevated its AWS partnership to Advanced Tier Services Partner status, and launched the Energy Solution (Solar) business with a 2026 revenue target of THB 400 million.

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(6) Gaming Business delivered outstanding growth of 80.7% YoY, driven by the launch of Nintendo Switch 2, which received strong consumer reception. The Company plans to expand its gaming retail store network from 92 to 150 locations by year-end 2026 to capture upcoming new game title releases.

Financial Position Summary

Item (THB million)	31 Mar 2026	31 Dec 2025	Change
Assets			
Cash and cash equivalents	91	90	+1
Trade receivables	7,099	7,253	(154)
Inventories	4,717	4,798	(81)
Other current assets	1,726	1,863	(137)
Total current assets	13,633	14,004	(371)
Investments in associates	1,568	1,520	+48
Property, plant and equipment	359	363	(4)
Other non-current assets	557	614	(57)
Total non-current assets	2,484	2,497	(13)
Total assets	16,118	16,501	(383)
Liabilities and shareholders' equity			
Short-term borrowings from financial institutions	6,623	7,262	(639)
Trade payables	3,454	3,277	+177
Other current liabilities	850	966	(116)
Total current liabilities	10,928	11,505	(577)
Total non-current liabilities	145	173	(28)

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Item (THB million)	31 Mar 2026	31 Dec 2025	Change
Total liabilities	11,072	11,678	(606)
Total shareholders' equity	5,046	4,823	+223
Total liabilities and shareholders' equity	16,118	16,501	(383)

Key Financial Ratios

Financial Ratio	Unit	Q1/2026	Q1/2025	Q4/2025
Debt to Equity Ratio (D/E)	Times	2.20	2.45	2.42
Interest-Bearing Debt to Equity	Times	1.34	1.40	1.54
Interest Coverage Ratio	Times	11.1	6.7	8.7
Current Ratio	Times	1.25	1.23	1.22
Quick Ratio	Times	0.82	0.82	0.80
Days Sales Outstanding (DSO)	Days	65	71	67
Days Inventory Outstanding (DIO)	Days	38	39	38
Days Payable Outstanding (DPO)	Days	34	41	33
Cash Conversion Cycle (CCC)	Days	69	69	72

ESG and Sustainability

Sustainability Strategy: The Company conducts business sustainably under the FTSE Russell ESG Scores framework, covering three dimensions: Environmental, Social, and Governance & Economic. The Company integrates the Sustainable Development Goals (SDGs) into its corporate strategy, with the Corporate Governance and Sustainability Development Committee providing strategic oversight.

ESG Materiality Topics: In 2026, the Company identified four sustainability materiality topics based on business and stakeholder impact assessments: 1) Supply Chain Management, 2) Corporate Governance, 3) Environmental Management and Climate Change, and 4) Community Development and Social Collaboration. Targets and response strategies have been established across all dimensions.

Certifications and Memberships: ESG Rating at AA level from the Stock Exchange of Thailand (SET ESG) · Corporate Governance rated 5 Stars (Excellent) for the 4th consecutive year · AGM Checklist rated 5 Stars from the Thai Investors Association (TIA) · First-time certification of Corporate Carbon Footprint (CFO) for 2025 from the Thailand Greenhouse Gas Management Organization (TGO) · Participation in the Low Emission Support Scheme for the 4th consecutive year.

Contact Information

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Forward-Looking Statements Disclaimer

This document contains forward-looking statements that reflect the assumptions, opinions, and expectations of management as of the date of preparation, based on currently available information. Words such as "may," "will," "expect," "intend," "estimate," "continue," "plan," or similar expressions are used to identify forward-looking statements. These statements are predictive in nature, are not historical facts, and are subject to risks, uncertainties, and other factors that may cause actual results, performance, or achievements to differ materially from those anticipated.

Some statements made in this material are forward-looking statements with the relevant assumptions, which are subject to various risks and uncertainties. These include statements with respect to the Company's corporate plans, strategies, beliefs, and other statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "anticipate", "intend", "estimate", "continue", "plan", or other similar words. The statements are based on

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