Siam Global House Public Company Limited
Management Discussion and Analysis (MD&A)
Operating Results as at June 30, 2026

Overall Performance

As at June 30, 2026, Siam Global House Public Company Limited ("the Company") operated 99 domestic stores, an increase of 7 stores compared to the same period in 2025. In addition, its subsidiaries operated 2 stores in Cambodia.

For the second quarter of 2026, the Company had a net profit of Baht 860.94 million (separate financial statements), an increase of Baht 383.81 million or 80.44% compared to the same period last year. Including the share of profit from joint ventures with Global House International Co., Ltd and investments in subsidiaries, the net profit in consolidated financial statements was Baht 946.88 million, an increase of Baht 427.93 million or 82.46%, compared to the same period in 2025.

For the six-month period ended June 30, 2026, the Company reported a consolidated net profit of Baht 1,744.95 million, an increase of Baht 608.51 million or 53.55% from the same period in 2025. This growth was primarily driven by an expansion in gross profit margin and efficient management of costs and operating expenses.

Key Development for the Second Quarter of 2026

For the second quarter of 2026, the Company has continued to expand its operations by opening two new branches: Wang Thong Branch in Phitsanulok Province and Trakan Phuet Phon Branch in Ubon Ratchathani Province. This expansion has allowed the Company to strengthen its market coverage and further enhanced its ability to provide more comprehensive customer service.

Following the new branch openings, the Company's branches in these provinces are as follows:

- Phitsanulok Province: A total of 2 branches, comprising Phitsanulok Branch and Wang Thong Branch.
- Ubon Ratchathani Province: A total of 3 branches, comprising Ubon Ratchathani Branch, Det Udom Branch, and Trakan Phuet Phon Branch.

Summary of the Group's Consolidated Operating Results

Consolidated financial statements	Three-month period ended 30 June				Six-month period ended 30 June			
	Million Baht		% of net sales		Million Baht		% of net sales	
	2026	2025	2026	2025	2026	2025	2026	2025
Sales revenue	8,170.98	8,183.00	100.00	100.00	16,760.70	16,556.62	100.00	100.00
Other income (exclude Unrealized gain(loss) on exchange rate)	201.54	205.63	2.47	2.51	387.03	404.59	2.31	2.44
Total revenues	8,372.52	8,388.63	102.47	102.51	17,147.73	16,961.21	102.31	102.44
Cost of sales	(5,590.15)	(6,102.86)	68.41	74.58	(11,892.90)	(12,371.17)	70.96	74.72
Gross profit	2,580.83	2,080.14	31.59	25.42	4,867.80	4,185.45	29.04	25.28

Consolidated financial statements	Three-month period ended 30 June				Six-month period ended 30 June			
	Million Baht		% of net sales		Million Baht		% of net sales	
	2026	2025	2026	2025	2026	2025	2026	2025
Distribution costs & Administrative expenses (exclude Depreciation & Amortization)	(1,326.14)	(1,297.96)	16.23	15.86	(2,491.03)	(2,475.05)	14.86	14.95
Depreciation & Amortizatio	(360.43)	(340.88)	4.41	4.17	(714.87)	(685.85)	4.27	4.14
Unrealized gain(loss) on exchange rate	(11.61)	(3.51)	0.14	0.04	6.03	12.07	0.04	0.07
Share of profit of joint venture	104.86	46.10	1.28	0.56	154.81	78.91	0.92	0.48
Finance costs	(29.99)	(59.51)	0.37	0.73	(67.87)	(123.67)	0.40	0.75
Income tax expense	(212.18)	(111.07)	2.60	1.36	(396.94)	(260.01)	2.37	1.57
Net profit	946.88	518.95	11.59	6.34	1,744.95	1,136.44	10.41	6.86
EBITDA	1,561.09	1,033.91	19.11	12.63	2,918.61	2,193.90	17.41	13.25

The Group reported a consolidated net profit of Baht 946.88 million for the second quarter of 2026, an increase of Baht 427.93 million or 82.46% compared to the same period in 2025, representing a net profit margin of 11.59% of total sales. For the six-month period ended June 30, 2026, the consolidated net profit stood at Baht 1,744.95 million, an increase of Baht 608.51 million or 53.55% compared to the same period in 2025, representing a net profit margin of 10.41% of total sales. The primary factors are as follows:

1) Sales Revenue for the second quarter of 2026 was Baht 8,170.98 million, a slight decrease of Baht 12.02 million or 0.15%, from the same period in 2025. For the six-month period ended June 30,2026, sale revenue totaled Baht 16,760.70 million, an increase of Baht 204.08 million or 1.23%, compared to the same period in 2025. This growth was primarily driven by the cumulative increase in House Brand sales, which has shown a positive momentum since the first quarter of 2026.
2) Other income (exclude Unrealized gain(loss) on exchange rate) for the second quarter of 2026 was Baht 201.54 million, a decrease of Baht 4.09 million or 1.99%, compared to the same period in 2025. For the six-month period ended June 30, 2026, other income totaled Baht 387.03 million, a decrease of Baht 17.57 million or 4.34%, compared to the same period in 2025. This decrease was primarily attributed to a reduction in promotional income received from suppliers, in line with the cycle of marketing activities.
3) Gross profit for the second quarter of 2026 was Baht 2,580.83 million, an increase of Baht 500.70 million or 24.07%, compared to the same period in 2025, representing a gross profit margin of 31.59% of sale revenue which reflecting a margin expansion of 6.17%. For the six-month period ended June 30, 2026, gross profit was Baht 4,867.80 million, an increase of Baht 682.35 million or 16.30%, compared to the same period in 2025, representing a gross profit margin of 29.04% of sales revenue, which increased by 3.76% The increase in gross profit and gross profit margin was primarily driven by the company's product management strategy, which focuses on promotion on House Brand products as well as decoration and home improvement products. This was further supported by effective cost management and enhanced logistical efficiency.

4) Distribution costs & Administrative expenses (exclude depreciation & amortization) for the second quarter of 2026 were Baht 1,326.14 million, an increase of Baht 28.18 million or 2.17%, compared to the same period in 2025, representing 16.23% of total sales. It was calculated as an average costs per branch of Baht 13.40 million, a decrease of 5.03% compared to the same period in 2025. For the six-month period

ended June 30, 2026, distribution costs & administrative expenses (exclude depreciation & amortization) amounted to Baht 2,491.03 million, an increase of Baht 15.98 million or 0.65%, compared to the same period in 2025, representing 14.86% of total sales. It was calculated as an average costs per branch of Baht 25.16 million, a decrease of 6.47% compared to the same period in 2025 These results demonstrate the company's enhanced efficiency in managing store-level expenses, despite the continued expansion of our store network during the period.

5) Finance costs for the second quarter of 2026 were Baht 29.99 million, a decrease of Baht 29.52 million or 49.61%, compared to the same period in 2025. For the six-month period ended June 30, 2026, finance costs totaled Baht 67.87 million, a decrease of Baht 55.80 million or 45.12% , compared to the same period in 2025. The primary drivers for this reduction were lower interest rates from financial institutions and the repayment of short-term loans, resulting in lower interest expenses compared with the previous year. This was in line with the Company's capital structure and liquidity management strategy and contributed to the improvement in net profit for the current period.
6) Income tax expenses for the second quarter of 2026 were Baht 212.18 million, an increase of Baht 101.11 million or 91.03%, compared to the same period in 2025. For the six-month period ended June 30, 2026, income tax expenses totaled Baht 396.94 million, an increase of Baht 136.93 million or 52.66%, compared to the same period in 2025, primarily driven by higher profit before income tax, reflecting the Company's improved operating performance.
7) EBITDA for the second quarter of 2026 amounted to Baht 1,561.09 million, an increase of Baht 527.18 million or 50.99%, compared to the same period in 2025. For the six-month period ended June 30, 2026, EBITDA amounted to Baht 2,918.61 million, an increase of Baht 724.71 million or 33.03%, compared to the same period in 2025. This improvement was mainly attributable to a significant increase in gross profit margin resulting from product mix optimization and effective procurement cost management, coupled with prudent operating expense control.

Financial Position Summary

Assets

As of June 30, 2026, the Group's had total assets of Baht 38,740.59 million. Key assets comprised cash and cash equivalents of Baht 777.53 million, trade and other current receivables of Baht 760.66 million, inventories of Baht 12,776.44 million, other financial assets of Baht 336.06 million, investment in joint ventures of Baht 2,071.03 million; and property, plant and equipment of Baht 20,350.16 million.

Total assets decreased by Baht 1,449.64 million or 3.61%, from December 31, 2025. This was primarily driven by reductions in cash and cash equivalents of Baht 1,251.77 million, inventories of Baht 291.25 million, and other financial assets of Baht 48.04 million, Conversely, property, plant and equipment increased by Baht 124.66 million due to new store openings in the second quarter of 2026.

Liabilities

As of June 30, 2026, the Group's total liabilities were Baht 12,484.91 million. Key liabilities comprised short-term loans from financial institutions of Baht 5,911.82 million, trade and other current payables of Baht 3,148.12 million, and long-term loans of Baht 1,370.00 million.

Total liabilities decreased by Baht 1,912.75 million or 13.29% from December 31, 2025. This was mainly attributable to a reduction in short-term loans from financial institutions of Baht 3,600.32 million. Conversely, trade and other current payables increased by Baht 674.03 million, and long-term loans increased by Baht 765.00 million. Consequently, Debt to Equity Ratio was at 0.48 times, decreasing by 0.08 time from December 31, 2025. This reflects the Group's strong capital structure and effective debt management, supported by maintaining borrowing levels at an appropriate level and reducing liabilities, particularly short-term loans. As a result, financial risk remains low, enhancing the Group's financial flexibility to sustainably support future investment plans and business expansion.

Shareholders' equity

As of June 30, 2026, the Group's total shareholder's equity of Baht 26,255.68 million, representing an increase of Baht 463.11 million or 1.80% from December 31, 2025. This growth was primarily driven by an increase in unappropriated retained earnings of Baht 563.41 million, in line with operating performance for the current period.

Cash Flows

For the six-month period ended June 30, 2026, the Group's cash and cash equivalents decreased by Baht 1,251.77 million from 31 December 2025, which were classified by key activities as follows:

Cash Flows from Operating Activities

The Group generated net cash provided by operating activities of Baht 4,494.93 million, representing a significant increase from the same period last year. This was primarily driven by profit adjusted for non-cash items of Baht 2,783.86 million, a reduction in inventories of Baht 1,539.61 million which enhanced working capital, and an increase in trade and other current payables of Baht 643.61 million. This resulted in an increase in working capital and cash flows from operating activities, reflecting effective liquidity management and strong cash generation capability from operations in the current period.

Cash Flows from Investing Activities

The Group recorded net cash used in investing activities of Baht 642.03 million, decreasing from the same period last year. This primarily comprised investments in property, plant and equipment of Baht 742.28 million, in line with its continuous store expansion plans, while the Group also received cash proceeds from the disposal of other current financial assets of Baht 100.00 million.

Cash Flows from Financing Activities

The Group recorded net cash used in financing activities of Baht 5,117.19 million, mainly spent on repayments of short-term loans from financial institutions of Baht 4,812.66 million and interest payments of Baht 68.62 million, partially offset by an increase in long-term loan of Baht 1,000.00 million to enhance liquidity and support long-term capital structure management.

Consequently, as of June 30, 2026, the Group's cash and cash equivalents were Baht 777.53 million, with total current assets of Baht 14,446.79 million and total current liabilities of Baht 10,173.81 million. This yielded a Current Ratio of 1.42 times, which reflected that the Group maintained an appropriate level of financial liquidity, with sufficient current assets to support current liabilities and short-term obligations, as well as effective liquidity management.

Please be acknowledged accordingly

Yours sincerely

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