



บริษัท ดูโฮม จำกัด (มหาชน)
อาคารอรรถตณชัย เลขที่ 60 ถนนวิภาวดีรังสิต
แขวงสามเสนใน เขตพญาไท กรุงเทพมหานคร 10400

ASU ถูก ดี

IDH-AC-000-อส6302/30.00

20 February 2020

Re: Management Discussion and Analysis
Operating results for the year ended 31 December 2019

To: President
The Stock Exchange of Thailand

Overview of the operating result for the year of 2019

The company's net profit was Baht 725.51 million, representing an increase of 65.4% over the year of 2018 and total revenue was Baht 17,971.82 million, representing a decrease of 3.0% over the same period of last year. The main reasons for the increase in net profit were the increase in the gross profit margin that expanded from 14.6% in the year of 2018 to 16.6% in the year of 2019 and more efficient cost management that caused selling and administrative expense to decrease by 1.5% from the year of 2018.

For the branches expansion in the year of 2019, the company opened 1 large branch which is Phetkasem branch using automated storage and retrieval system (ASRS) for more efficient in warehouse management and the company opened 5 Dohome To Go branches which are Makro Charansanitwong branch, Makro Sathorn branch, BigC Bang Phli branch, Tesco Lotus Korat branch and Pantip Ngamwongwan branch. The current existing branches include 10 large branches and 5 Dohome To Go branches.



Financial Summary for the year ended 31 December 2019 and 31 December 2018

	For the year ended		For the year ended		Increase (Decrease)	
	31 December 2019		31 December 2018			
	THB mm	%	THB mm	%	THB mm	%
Revenue from sales	17,730.35	98.7	18,293.30	98.7	-562.95	-3.1
Revenue from services	138.35	0.8	152.07	0.8	-13.71	-9.0
Revenue from sales and services	17,868.70	99.4	18,445.36	99.5	-576.66	-3.1
Other incomes	103.12	0.6	89.81	0.5	13.31	14.8
Total revenues	17,971.82	100.0	18,535.17	100.0	-563.35	-3.0
Cost of sales	14,910.74	83.0	15,760.87	85.0	-850.12	-5.4
Gross profit⁽¹⁾	2,957.96	16.6	2,684.50	14.6	273.46	10.2
Selling and administrative expenses	1,879.08	10.5	1,907.00	10.3	-27.92	-1.5
Other expenses	26.32	0.1	1.35	0.0	24.97	1,854.1
Profit before finance costs and income tax	1,155.67	6.4	865.96	4.7	289.71	33.5
Finance costs	298.04	1.7	320.20	1.7	-22.16	-6.9
Profit before income tax	857.63	4.8	545.77	2.9	311.87	57.1
Income tax expenses	132.12	0.7	107.01	0.6	25.11	23.5
Net Profit	725.51	4.0	438.75	2.4	286.76	65.4

Remarks: (1) Gross profit margin does not include other incomes in calculation

The operating result for the year of the 2019

The company's net profit for the year of 2019 was Baht 725.51 million equivalent to a net profit margin of 4.0%, an increase of 65.4% over the same period of last year, which had a net profit of Baht 438.75 million equivalent to a net profit margin of 2.4%. The main reasons for the increase are as follows:

1. **Total revenues** was Baht 17,971.82 million, a decrease of Baht 563.35 million or down by 3.0% over the same period of last year, which comprises of the following details:
 - **Revenue from sales and services** was Baht 17,868.70 million, a decrease of Baht 576.66 million or down by 3.1% over the same period of last year, which was driven by the decrease in revenues from matured branches from the slowdown in the country's economic conditions and competitive landscape in the industry and the big flooding in Ubon Ratchathani in September 2019 that negatively affected the Ubon Ratchathani branch. However, revenues from branches in the ramp-up phase continue to increase, namely Rama 2 branch, Bang Bua Thong branch, Chiangmai branch and especially, Bangna branch which will completed its first full-year operation in this year and new branch, namely Petchkasem branch.
 - **Other incomes** was Baht 103.12 million, an increase of Baht 13.31 million or 14.8% over the same period of last year, which was mainly due to the increase in subsidy income from suppliers, partial



subsidy income from supplier for opening new branch (Petchkasem Branch), the increase in financial support for the big flooding from suppliers, and the increase in insurance compensation for the incident where the warehouse floor at the Rama 2 branch collapsed in 2017.

2. **Gross profit** was Baht 2,957.96 million equivalent to a gross profit margin of 16.6% increasing from the gross profit margin of 10.2% over the same period of last year. The increase in the overall gross profit margin was mainly driven by the reversal of provision for obsolete and slow-moving inventory in first quarter of 2019, the increase in house brand revenue contribution in conjunction with the company's strategy, the increase in the gross profit margin of house brand products, and more efficient cost management. In addition, the revenue from Distribution Center was higher than cost that would affect the lower cost of inventories.
3. **Selling and administrative expenses** was Baht 1,879.08 million, a decrease of Baht 27.92 million or down by 1.5% over the same period of last year, the decrease was mainly driven by the decrease in marketing expenses that resulted from the company's policy to increase marketing effectiveness, the decrease in allowance for doubtful account receivables, and the increase in operating efficiency.
4. **Finance costs** were Baht 298.04 million, a decrease of Baht 22.16 million or down by 6.9% over the same period of last year, which decrease in accordance with the lower amount of loans from financial institutions and interest rate.
5. **Income tax** was Baht 132.12 million, an increase of Baht 25.11 million or up by 23.5% over the same period of last year, which increase in accordance with the company's profit before income tax.

Sincerely yours,

-Salitip Ruangsuttipap-
(Ms.Salitip Ruangsuttipap)
Deputy President
Dohome Public Company Limited