

Siam Global House Public Company Limited
Management Discussion and Analysis (MD&A)
Operating Results as at March 31, 2025

Overall Performance

As at March 31, 2025, the Company operated 91 stores with an increase of 7 stores compared to the same period in 2024. For the first quarter of 2025, the Company had a net profit of Baht 595.31 million (separate financial statements), representing a decrease of Baht 80.02 million or 11.85% compared to the same period last year. When 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 617.49 million, a decrease of Baht 106.10 million or 14.66%, compared to the same period in 2024. This came from the declined sales driven by the economic slowdown and the high levels of household debt, which have significantly affected consumer confidence in spending despite the government implementing economic stimulus measures such as the Easy E-Receipt initiative and the Phase 2 digital-wallet scheme of 10,000 Baht.

Key Development for the First Quarter of 2025

- On February 24, 2025, the Company was officially certified for the Carbon Footprint for Organization by the Thailand Greenhouse Gas Management Organization (Public Organization) or TGO (Detailed information on the carbon footprint certification can be found on the Company's Investor Relations webpage).
- On March 15, 2025, the Company opened 1 store that is Narathiwat branch. By the end of the first quarter of 2025, the total number of stores within the country amounted to 91.

Operating Result Summary

Financial Summary Table

Unit: Million Baht

Consolidated financial statements	First Quarter				% of Net Sales	
	2025	2024	Increase/ (Decrease)	Change	2025	2024
Sales revenue	8,373.62	8,767.44	(393.82)	(4.49)%	100.00	100.00
Other income	214.53	212.67	1.86	0.87%	2.56	2.43
Total revenues	8,588.15	8,980.11	(391.96)	(4.36)%	102.56	102.43
Cost of sales	6,268.31	6,577.56	(309.25)	(4.70)%	74.86	75.02
Gross profit	2,105.31	2,189.87	(84.56)	(3.86)%	25.14	24.98
Distribution costs & Administrative expenses (exclude Depreciation, Unrealized gain(loss) on exchange rate, and Unrealized gain(loss) from current investments)	1,176.19	1,139.07	37.12	3.26%	14.05	12.99
Depreciation	344.97	325.21	19.76	6.08%	4.12	3.71

Consolidated financial statements	First Quarter				% of Net Sales	
	2025	2024	Increase/ (Decrease)	2025	2025	2024
Unrealized gain(loss) on exchange rate	5.78	(1.22)	7.0	573.11%	0.07	0.01
Unrealized profit (loss) from temporary investment	0.07	(0.16)	0.23	144.14%	0.00	0.00
Net profit before share of profit of joint venture	584.68	672.93	(88.25)	(13.11)%	6.98	7.68
Share of profit of joint venture	32.81	50.66	(17.85)	(35.23)%	0.39	0.58
Profit (loss) before finance costs and income tax	830.60	988.51	(157.91)	(15.97)%	9.92	11.27
Finance cost	64.17	86.03	(21.86)	(25.41)%	0.77	0.98
Income tax expense	148.94	178.89	(29.95)	(16.74)%	1.78	2.04
Net profit	617.49	723.59	(106.10)	(14.66)%	7.37	8.25
EBITDA	1,169.72	1,315.10	(145.38)	(11.05)%	13.97	15.00

The Company's net profit for the first quarter of 2025 amounted to Baht 617.49 million, a decrease of Baht 106.10 million or 14.66%, compared to the same period in 2024, and equaled to 7.37% of sales. Key factors contributing to these results include:

- 1) Total revenues for the first quarter of 2025 equaled to Baht 8,588.15 million, a decrease of Baht 391.96 million or 4.36%, compared to the same period in 2024, which include:
 - Sales revenue was Baht 8,373.63 million, a decrease of Baht 393.82 million or 4.49%, due to the decreased sales of the existing stores.
 - Other income totaled Baht 214.53 million, an increase of Baht 1.86 million or 0.87%, due to the increased revenue from inventory management.
- 2) Gross profit for the first quarter of 2025 equaled to Baht 2,105.31 million, a decrease of Baht 84.56 million or 3.86%, compared to the same period in 2024, in line with the dropped sales, representing 25.14% of sales revenue.
- 3) Distribution costs & Administrative expenses (exclude Depreciation, Unrealized gain(loss) on exchange rate, and Unrealized gain(loss) from current investments) for the first quarter of 2025 amounted to Baht 1,176.19 million, an increase of Baht 37.12 million or 3.26%, compared to the same period in 2024, representing 14.05% of sales. It was mainly driven by the increase in salary expenses and the store expansion expenses of 7 newly opened stores.
- 4) Finance cost for the first quarter of 2025 was Baht 64.17 million, a decrease of Baht 21.86 million or 25.41%, compared to the same period in 2024, because of the interest rate cut by financial institutions.
- 5) Income tax expenses amounted to Baht 148.94 million, a decrease of Baht 29.95 million or 16.74%, compared to the same period in 2024, due to the decrease in earnings before tax.
- 6) EBITDA amounted to Baht 1,169.72 million, a decrease of Baht 145.38 million or 11.05%, compared to the same period in 2024, due to the decrease in total revenues.

Financial Position Summary

Assets

As at March 31, 2025, the Company had total assets of Baht 40,765.53 million. Key assets consisted of cash and cash equivalents of Baht 2,098.82 million; trade and other receivables of Baht 693.41 million; inventory of Baht 13,880.43 million; investment in debt securities of Baht 350.12 million; investment in joint venture of Baht 2,199.92 million; and property, plant and equipment of Baht 19,861.72 million.

The increase in total assets of Baht 1,262.09 million or 3.19%, since December 31, 2024, was a result of the increases in cash and cash equivalents of Baht 437.63 million; property, plant and equipment of Baht 73.02 million after opening new stores the first quarter of 2025; and inventory of Baht 610.19 million.

Liabilities

As of March 31, 2025, total liabilities of the Company were Baht 15,201.52 million. Key liabilities include short-term loans from financial institutions of Baht 8,119.70 million, trade and other payables of Baht 4,150.37 million, and long-term loans of Baht 1,075.00 million.

Total liabilities increased by Baht 655.99 million or 4.51% since December 31, 2024. This was mainly due to an increase in trade and other payables of Baht 1,016.55 million while short-term loans from financial institutions decreased by Baht 492.57 million. Debt to Equity Ratio was at 0.59 time, increasing 0.01 time from December 31, 2024, due to repayment of short-term loans.

Shareholders' equity

As of March 31, 2025, the Company had total shareholders' equity of Baht 25,564.02 million, an increase of Baht 606.10 million or 2.43% from December 31, 2024, mainly because unappropriated retained earnings increased by Baht 621.89 million.

Cash Flows

For the first quarter of 2025, the Company's cash flows increased by Baht 437.63 million from last year, which were classified as follows:

- Net cash flow provided by operating activities were Baht 1,403.86 million, which increased by Baht 286.98 million from last year, as profits after adjustment to cash decreased by Baht 160.72 million and income tax expense decreased by Baht 14.09 million. Changes in operating assets and liabilities caused an increase in cash flows of Baht 99.85 million due to the Company's management.
- Net cash flow used in investing activities amounted to Baht 408.40 million. The primary purchases were for property, plant, and equipment as part of the store expansion plan, totaling Baht 395.26 million, and for investment in debt securities, which increased by Baht 30.00 million. Meanwhile, cash proceeds from insurance claims was Baht 12.45 million.
- Net cash flow used in financing activities totaled Baht 557.40 million, as a result of long-term loan repayments of Baht 492.57 million, and dividend payments of Baht 64.14 million.

Consequently, as at March 31, 2025, the Company's cash and cash equivalents were Baht 2,098.83 million, including current assets of Baht 16,833.29 million and current liabilities of Baht 13,075.29 million. This represented a current ratio of 1.29 times, demonstrating the Company's financial stability and its ability to conduct debt repayments. The Company also had sufficient short-term and long-term capital sources to operate its business.

Sustainability Progress

The Company is committed to conducting its business with consideration for the environment, society, and governance (ESG), while integrating the United Nations' Sustainable Development Goals (SDGs) to drive organizational development and enhance sustainable business growth. The sustainability achievements for the first quarter of 2025 include:

- The Company was selected as a member of S&P Global Sustainability Yearbook 2025 in the Retailing Industry group for the 2nd consecutive year, among the 12 retail companies globally, from the Corporate Sustainability Assessment.

Please be acknowledged accordingly

Yours sincerely

(Mr. Witoon Suriyawanakul)

Chief Executive Officer