

Siam Global House Public Company Limited
Management Discussion and Analysis (MD&A)
Operating Results as at June 30, 2025

Overall Performance

As at June 30, 2025, Siam Global House Public Company Limited ("the Company") operated 92 domestic stores, an increase of 5 stores compared to the same period in 2024. In addition, its subsidiaries operated 2 stores in Cambodia.

For the second quarter of 2025, the Company had a net profit of Baht 477.13 million (separate financial statements), a decrease of Baht 223.46 million or 31.89% 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 518.95 million, a decrease of Baht 245.19 million or 32.09%, compared to the same period in 2024.

For the six-month period ended June 30, 2025, the net profit in consolidated financial statements was Baht 1,136.44 million, a decrease of Baht 351.29 million or 23.61%, compared to the same period in 2024. This was primarily due to a slowdown in sales, in line with the highly fluctuating economic conditions. Consumers remained cautious in their spending due to fragile purchasing power and slowing consumption trends.

Key Development for the Second Quarter of 2025

- On April 12, 2025, the Company opened 1 more store in Ban Dung district, Udon Thani province, totaling 4 stores in Udon Thani province, namely Udon Thani Branch, Ban Tat Branch, Nong Han Branch, and Ban Dung Branch.

Operating Result Summary

Unit: Million Baht

Consolidated financial statements	Second quarter		% of net sales		Six-month period ended June 30, 2025		% of net sales	
	2025	2024	2025	2024	2025	2024	2025	2024
Net sales	8,183.00	8,715.43	100.00	100.00	16,556.62	17,482.87	100.00	100.00
Other income	202.13	206.41	2.47	2.37	416.66	419.08	2.52	2.40
Total revenues	8,385.12	8,921.84	102.47	102.37	16,973.27	17,901.95	102.52	102.40
Cost of goods sold	6,102.86	6,395.25	74.58	73.38	12,371.17	12,972.81	74.72	74.20
Gross profit	2,080.13	2,320.18	25.42	26.62	4,185.45	4,510.06	25.28	25.80

Consolidated financial statements	Second quarter		% of net sales		Six-month period ended June 30, 2025		% of net sales	
	2025	2024	2025	2024	2568	2025	2024	2025
Distribution costs & Administrative expenses (exclude Depreciation, Unrealized gain(loss) on exchange rate, and Unrealized gain(loss) from current investments)	1,303.09	1,250.90	15.92	14.35	2,463.06	2,389.81	14.88	13.67
Depreciation	340.88	323.23	4.17	3.71	685.85	648.44	4.14	3.71
Unrealized gain(loss) on exchange rate	0.67	6.23	0.01	0.07	1.74	5.01	0.01	0.03
Net profit before share of profit of joint venture	472.85	703.05	5.78	8.07	1,057.52	1,375.98	6.39	7.87
Share of profit of joint venture	46.10	61.09	0.56	0.70	78.91	111.75	0.48	0.64
Net profit	518.95	764.14	6.34	8.77	1,136.44	1,487.73	6.86	8.51
EBITDA	1,025.28	1,330.16	12.53	15.26	2,215.99	2,645.26	13.38	15.13

The Company's net profit for the second quarter of 2025 amounted to Baht 518.95 million, a decrease of Baht 245.19 million or 32.09%, compared to the same period in 2024, representing 6.34% of net sales. The Company's net profit for the six-month period ended June 30, 2025, amounted to Baht 1,136.44 million, a decrease of Baht 351.29 million or 23.61%, compared to the same period in 2024, representing 6.86% of net sales. Key factors contributing to these results include:

- 1) Net sales for the second quarter of 2025 amounted to Baht 8,183.00 million, a decrease of Baht 532.44 million or 6.11%, compared to the same period in 2024. Net sales for the six-month period ended June 30, 2025, amounted to Baht 16,556.62 million, a decrease of Baht 926.25 million or 5.30%, compared to the same period in 2024, as a result of the decline in same-store sales.
- 2) Other income for the second quarter of 2025 amounted to Baht 202.13 million, a decrease of Baht 4.28 million or 2.07%, compared to the same period in 2024. Other income for the six-month period ended June 30, 2025, amounted to Baht 416.66 million, a decrease of Baht 2.42 million or 0.58%, compared to the same period in 2024, due to a decline in service income from customers and promotional income received from suppliers.

- 3) Gross profit for the second quarter of 2025 amounted to Baht 2,080.13 million, a decrease of Baht 240.05 million or 10.35%, compared to the same period in 2024, representing a gross profit margin of 25.42% of net sales which decreased by 1.20%. Gross profit for the six-month period ended June 30, 2025, amounted to Baht 4,185.45 million, a decrease of Baht 324.61 million or 7.20%, compared to the same period in 2024, representing a gross profit margin of 25.28% of net sales, which decreased by 0.52%. This was in line with a decline in sales.
- 4) Distribution costs & Administrative expenses (exclude Depreciation, Unrealized gain(loss) on exchange rate, and Unrealized gain(loss) from current investments) for the second quarter of 2025 amounted to Baht 1,303.09 million, an increase of Baht 52.19 million or 4.17%, compared to the same period in 2024, representing 15.92% of net sales. It was calculated as an average costs per branch of Baht 13.86 million, a decrease of 1.42% compared to the same period in 2024. Distribution costs & Administrative expenses (exclude Depreciation, Unrealized gain(loss) on exchange rate, and Unrealized gain(loss) from current investments) for the six-month period ended June 30, 2025, amounted to Baht 2,463.06 million, an increase of Baht 73.24 million or 3.06%, compared to the same period in 2024, representing 14.88% of net sales. It was calculated as an average costs per branch of Baht 26.20 million, a decrease of 2.42% compared to the same period in 2024. It was mainly driven by an increase in salary expenses and the store expansion expenses of 5 newly opened stores
- 5) Finance costs for the second quarter of 2025 amounted to Baht 59.51 million, a decrease of Baht 10.94 million or 15.53%, compared to the same period in 2024. Finance costs for the six-month period ended June 30, 2025, amounted to Baht 123.67 million, a decrease of Baht 32.80 million or 20.96%, compared to the same period in 2024, because of the interest rate cut by financial institutions.
- 6) Income tax expenses for the second quarter of 2025 amounted to Baht 111.07million, a decrease of Baht 67.65 million or 37.85%, compared to the same period in 2024. Income tax expenses for the six-month period ended June 30, 2025, amounted to Baht 260.01 million, a decrease of Baht 97.61 million or 27.29%, compared to the same period in 2024, because of a decline in earnings before tax.
- 7) EBITDA for the second quarter of 2025 amounted to Baht 1,025.28 million, a decrease of Baht 304.89 million or 22.92%, compared to the same period in 2024. EBITDA for the six-month period ended June 30, 2025, amounted to Baht 2,215.99 million, a decrease of Baht 429.27 million or 16.23%, compared to the same period in 2024.

Financial Position Summary

Assets

As at June 30, 2025, the Company had total assets of Baht 40,605.94 million. Key assets consisted of cash and cash equivalents of Baht 836.14 million; trade and other current receivables of Baht 846.31 million; merchandises of Baht 14,732.61 million; investment in debt securities of Baht 434.13 million; investment in joint venture of Baht 2,211.42 million; and property, plant and equipment of Baht 19,400.69 million.

The increase in total assets of Baht 1,102.50 million or 2.79%, since December 31, 2024, was mainly from the increases in merchandises of Baht 1,462.37 million; trade and other current receivables of Baht 219.59 million; investment in debt securities of Baht 114.08 million; and property, plant and equipment of Baht 112.35 million after opening new stores the second quarter of 2025, while cash and cash equivalents decreased by Baht 825.06 million.

Liabilities

As at June 30, 2025, total liabilities of the Company were Baht 15,550.05 million. Key liabilities include short-term loans from financial institutions of Baht 9,465.52 million, trade and other current payables of Baht 3,458.82 million, and long-term loans of Baht 840.00 million.

Total liabilities increased by Baht 1,004.52 million or 6.91% since December 31, 2024. This was mainly due to the increase in short-term loans from financial institutions of Baht 853.25 million, and trade and other

current payables of Baht 325.00 million, while long-term loans decreased by Baht 235.00 million. Debt to Equity Ratio was at 0.62 time, increasing by 0.04 time from December 31, 2024, due to the increase in short-term loans disbursement.

Shareholders' equity

As at June 30, 2025, the Company had total shareholders' equity of Baht 25,055.90 million, an increase of Baht 97.98 million or 0.39% from December 31, 2024, mainly because of profit generated from the Company's performance during the first half of the year.

Cash Flows

For the six-month period of 2025, the Company's cash flows decreased by Baht 825.06 million from last year, which were classified as follows:

- Net cash flow provided by operating activities was Baht 621.84 million, which decreased by Baht 1,382.32 million from last year, as profits from adjustment to cash decreased by Baht 435.39 million while investment in merchandises increased by Baht 1,495.53 million. Income tax expense decreased by Baht 86.52 million. Changes in operating assets and liabilities caused a decrease in cash flows of Baht 946.93.
- Net cash flow used in investing activities amounted to Baht 973.06 million. The primary purchases were for property, plant, and equipment as part of the store expansion plan, totaling Baht 887.98 million, and for investment in debt securities, which increased by Baht 124.00 million. Meanwhile, proceeds from insurance claims were Baht 13.39 million, interest received was Baht 12.72 million and proceeds from sale of investment in debt security were Baht 10.05 million
- Net cash flow used in financing activities totaled Baht 468.51 million, as a result of dividend payments to shareholders of Baht 958.57 million, long-term loan repayments of Baht 235.00 million, and interest paid of Baht 124.16 million, while short-term loans from financial institutions increased by Baht 853.25 million.

Consequently, as at June 30, 2025, the Company's cash and cash equivalents were Baht 836.14 million, including current assets of Baht 16,565.61 million and current liabilities of Baht 13,679.29 million. This represented a current ratio of 1.21 times. Although it slightly declined from the previous year-end, the ratio remained at a level that reflects the Company's financial stability and its ability to conduct debt repayments. The Company also had sufficient short-term and long-term capital sources for its business operations in the present and its further investment in the future.

Please be acknowledged accordingly

Yours sincerely

(Mr. Witoon Suriyawanakul)
Chief Executive Officer