

**Siam Global House Public Company Limited**  
**Management Discussion and Analysis (MD&A)**  
**For the Year 2025**

**Overall Performance**

Regarding overall performance for the year 2025, Siam Global House Public Company Limited (“the Company”) had a net profit of Baht 1,841.25 million according to separate financial statements, a decrease of Baht 273.44 million or down by 12.93%. Including the share of profit from the investment in its Joint Venture and Subsidiaries, the Company’s net profit according to consolidated financial statements was Baht 1,941.36 million, which represents a decrease of Baht 425.50 million or down by 17.98%, compared to 2024. Due to the decline in sales amid economic uncertainty and high household debt levels in Thailand, affecting the uneven recovery in consumer purchasing power, despite the Company’s continued promotional strategies to boost sales.

**Key Developments**

- **Store expansion:** The Company has targeted achieving a nationwide presence through store expansion to enhance its customer reach potential. In the past year, there were 6 stores established in the following domestic expansion areas: Narathiwat branch, Ban Dung branch (Udon Thani Province), Mae Sot branch (Tak Province), Wiang Sa branch (Nan Province), Somdet branch (Kalasin Province) and Lat Yao branch (Nakhon Sawan Province). Thereby, as of December 31, 2025, the total number of stores operating in Thailand and Cambodia were 96 and 2 respectively.
- **Store renovation:** The Company has aimed to modernize existing stores to gain new images, enhance convenience, and deliver pleasant shopping experience to achieve the highest customer satisfaction. There were 7 renovated stores situated in the following operational locations: Prachuap Khiri Khan branch, Surat Thani branch, Nakhon Si Thammarat branch, Ubon Ratchathani branch, Wiang Kum Kam branch (Chiang Mai Province), Nakhon Pathom branch and Nong Bua Lamphu branch. As of December 31, 2025, the Company has completed the renovation of 45 existing stores.

**Summary of Operating Results**

Financial Summary in 2025

Unit: million Baht

| Consolidated financial statements  | 2025             | 2024             | Increase/<br>(Decrease) | % Change      |
|--|------------------|------------------|-------------------------|---------------|
| Sales revenue  | 31,601.09        | 32,285.25        | (684.16)                | (2.12)        |
| Other income   | 799.04           | 729.72           | 69.32                   | 9.50          |
| <b>Total revenue</b>   | <b>32,400.13</b> | <b>33,014.97</b> | <b>(614.84)</b>         | <b>(1.86)</b> |
| Cost of sales  | 23,441.95        | 23,946.37        | (504.43)                | (2.11)        |
| <b>Gross profit</b>  | <b>8,159.15</b>  | <b>8,338.87</b>  | <b>(179.73)</b>         | <b>(2.16)</b> |
| Distribution costs & Administrative expenses<br>(excluding Depreciation, Unrealized gain (loss)<br>on exchange rate, and Unrealized gain (loss)<br>on current investments) | 5,082.04         | 4,781.41         | 300.62                  | 6.29          |

Unit: million Baht

| Consolidated financial statements                                  | 2025            | 2024            | Increase/<br>(Decrease) | % Change       |
|--|-----------------|-----------------|-------------------------|----------------|
| Depreciation & Amortization  | 1,396.56        | 1,341.81        | 54.75                   | 4.08           |
| Unrealized gain (loss) on exchange rate                            | 5.77            | (10.51)         | 16.27                   | 154.89         |
| Net profit before share of profit from investment in joint venture | 1,787.57        | 2,095.85        | (308.28)                | (14.71)        |
| Share of profit from investment in joint venture                   | 153.79          | 271.01          | (117.22)                | (43.25)        |
| Profit before finance costs and income tax expense                 | 2,619.28        | 3,216.35        | (597.07)                | (18.56)        |
| Finance costs  | 235.86          | 311.81          | (75.94)                 | (24.36)        |
| Income tax expense   | 442.06          | 537.68          | (95.62)                 | (17.78)        |
| <b>Net profit</b>  | <b>1,941.36</b> | <b>2,366.86</b> | <b>(425.50)</b>         | <b>(17.98)</b> |
| <b>EBITDA</b>  | <b>4,010.02</b> | <b>4,568.89</b> | <b>(558.87)</b>         | <b>(12.23)</b> |

The Company's net profit for the year 2025 amounted to Baht 1,941.36 million, a decrease of Baht 425.50 million, or down by 17.98% compared to 2024. When comparing net profit to sales, it was 6.14% of sales, and the key reasons are as follows:

- 1) Total revenue in 2025 was Baht 32,400.13 million, a decrease of Baht 614.84 million or down by 1.86% from 2024. The total revenue consisted of the following details below.
  - Sales revenue amounted to Baht 31,601.09 million, representing a decrease of Baht 684.16 million or down by 2.12%. This was a result of the decline in sales from existing stores, although 6 new stores were opened in 2025.
  - Other income totaled Baht 799.04 million, showing an increase of Baht 69.32 million or up by 9.50%. This was a result of the increase of sales promotion revenues received from vendors, as well as increased transportation and service income.
- 2) Gross profit in 2025 equaled to Baht 8,159.15 million, representing 25.82% of sales revenue, which was comparable to 2024, due to adjustment of House Brand products management policy.
- 3) Distribution costs and administrative expenses in 2025 (excluding depreciation, unrealized gain (loss) on exchange rate, and unrealized gain (loss) on current investment) were Baht 5,082.04 million, an increase of Baht 300.62 million or up by 6.29% from 2024, representing 16.08% of sales. This was from the increase in salaries expenses for 6 newly opened stores.
- 4) Financial costs in 2025 were Baht 235.86 million, which decreased by Baht 75.94 million or down by 24.36% from 2024. This was due to the repayment of long-term loans from financial institutions and a lower policy interest rate.
- 5) Income tax expense in 2025 amounted to Baht 442.06 million, which decreased by Baht 95.62 million or 17.78% from 2024 as a result of a decrease in profit before income tax.
- 6) EBITDA in 2025 equaled Baht 4,010.02 million, which decreased from 2024 by Baht 558.87 million or 12.23% because of the decrease in total revenue.

## Financial Position Summary

### Assets

As of December 31, 2025, the Company had total assets of Baht 40,190.23 million. These assets consisted of cash and cash equivalents of Baht 2,029.30 million; trade and other receivables of Baht 603.07 million; inventory of Baht 13,067.69 million; Other financial asset Baht 384.11 million; investment in joint venture of Baht 2,247.08 million; and property, plant and equipment of Baht 20,225.50 million.

The increase in total assets of Baht 686.79 million or 1.74%, since December 31, 2024, were a result of the increase in cash and cash equivalents of Baht 368.10 million and the increase in property, plant and equipment of Baht 436.80 million after opening new stores in 2025. Meanwhile, inventory decreased by Baht 202.55 million, aligning with the Company's policy on inventory management.

### Liabilities

As of December 31, 2025, total liabilities remained Baht 14,397.66 million, including short-term loans from financial institutions of Baht 9,512.14 million, trade and other payables of Baht 2,474.09 million, and long-term loans of Baht 605.00 million.

Total liabilities decreased by Baht 147.86 million or 1.02% since December 31, 2024. This was mainly due to a decrease in trade and other current payables Baht 1,373.13 million; a decrease in long-term loans of Baht 470.00 million while short-term loans from financial institutions increased by Baht 899.86 million. Debt to Equity Ratio was at 0.56 times, decreasing from December 31, 2024, due to decrease total liabilities.

### Shareholders' equity

As of December 31, 2025, the Company had total shareholders' equity of Baht 25,792.57 million, an increase of Baht 834.65 million or 3.34% from December 31, 2024, mainly because unappropriated retained earnings increased by Baht 771.49 million and dividend payments amounted to Baht 958.57 million.

### Cash flows

In 2025, the Company's Cash and cash equivalents increased by Baht 368.10 million from last year, the changes in cash flows were classified as follows:

- Net cash flow from operating activities amounted to Baht 6,508.02 million, an increase of Baht 2,084.62 million from last year; however, profits after adjustment to non-cash decreased by Baht 387.90 million. Cash flows from operating activities improve due to effective working capital management, mainly due to cash flow from decrease inventories of Baht 442.38 million; an increase trade and other current payables of Baht 2,710.06 million. While income tax expense Baht 478.08 million, changes in operating assets and liabilities supported Cash flows from operating activities by Baht 2,472.51 million
- Net cash flow used in investing activities amounted to Baht 1,790.00 million. The primary purchases were for property, plant, and equipment as part of the store expansion plan, totaling Baht 1,769.40 million, including increase other current assets by Baht 164.00 million. Meanwhile, cash proceeds from sale of other financial assets was Baht 100.05 million. partially offsetting cash flows.
- Net cash flow used in financing activities totaled Baht 4,342.36 million, as a result of long-term loan repayments of Baht 470.00 million, dividend payments of Baht 958.57 million, and interest paid of Baht 236.86 million. While short-term loans from financial institutions decreased of Baht 2,654.05 million, due to prudent capital structure management.

As of January 1, 2025, the Company complied with Thai Accounting Standard No. 7: Statement of Cash Flows, which requires the disclosure of information relating to supplier finance arrangement. As a result of this standard, cash flows were reclassified within cash flows from operating activities, including cash flows from trade and other current receivables amounting to Baht 8.76 million; inventories amounting to Baht 294.08 million; trade and other current payables amounting to Baht 3,243.05 million. At the same time, cash flows from financing activities were affected on short-term loans from financial institutions amounting to Baht 3,545.87 million. These changes were made to improve the presentation of information in accordance with accounting standards and did not affect the Company's overall liquidity position.

Consequently, as of December 31, 2025, the Company's cash and cash equivalents amounted to Baht 2,029.30 million, showing effective liquidity and cash flow management. The Company's current assets of Baht 15,880.26 million and current liabilities of Baht 12,611.26 million. This represented a current ratio of 1.26 times, demonstrating the Company's ability to make short-term repayments and the Company's financial stability. In addition, the Company also had sufficient short-term and long-term capital sources to support business operations and future store expansion.

### **Potential Factors to Future Operations and Growth**

The Company is aware of potential risks in the retail sector such as economic uncertainty, intense industry competition, technological advancements, sustainability trends. These play a significant role in shifting consumer behavior, directly affecting the performance and future growth of the Company.

By doing so, to contribute steady and sustainable growth, the Company has utilized its 5 key strategies: Customer Centric, Cost Leadership, Products & Services, Innovation, and Store Expansion, to conduct business as follows:

- **Business growth:** The commitment to store expansion enhances service coverage areas nationwide, at both provincial and district levels, increasing competitiveness and customer reach, while Products & Services are delivered with the best quality to achieve Customer Centric approach with maximum satisfaction.
- **Cost leadership:** The Company places strong emphasis on effective cost and operating expense management to maintain a competitive cost structure (Cost Leadership), leveraging systems and data-driven management.
- **Driving with technology:** The Company is committed to innovation development to reduce redundant processes and increase operational speed and accuracy. For example, stock management and data management systems have been developed to support both online and offline sales channels, thereby strengthening long-term competitiveness.

In addition, the Company gives importance to creating financial stability by being disciplined in the use of loans and maintaining sufficient cash flow suitable for operations. Management adjusts approach to precision & efficiency driven retail focus on increasing returns per store, product assortment and inventory management aligned with local demand, controlling Selling, General and Administrative Expenses (SG&A) in line with sales performance, and determining pricing, promotions, and stock replenishment through the use of systems and data.

### **Sustainability Performance Development**

With a commitment to operate business with consideration for the environment, society, and corporate governance (ESG), the Company's sustainability operations and good corporate governance have received continuous recognition both nationally and internationally, as detailed below:

- The Company has been selected to be included in the "SET ESG Ratings" list for the 5<sup>th</sup> consecutive year, with an "AAA" rating from the 2025 assessment by the Stock Exchange of Thailand.

- The Company has been selected as a member of the S&P Global Sustainability Yearbook 2025 in the Retailing Industry for the 2<sup>nd</sup> consecutive year, by S&P Global Ratings.
- The Company received a Corporate Governance Report (CGR) score of 5 stars or an “Excellent” level in 2025, for the 5<sup>th</sup> consecutive year and ranking among the Top Quartile of listed companies with a market capitalization between Baht 30,001–100,000 million organized by the Thai Institute of Directors Association.
- The company has received the ASEAN Asset Class PLCs award from the 2024 ASEAN Corporate Governance Scorecard (ACGS) assessment for the first time.
- The Company achieved a perfect score of 100 (5 medals) for the AGM Checklist in 2025, earning “Excellent and Exemplary” status for the 7<sup>th</sup> consecutive year, organized by the Thai Investors Association.

Please be informed accordingly,

Yours sincerely

(Mr. Witoon Suriyawanakul)  
Chief Executive Officer  
Siam Global House Public Company Limited