

August 11, 2020

Subject: Management Discussion and Analysis for Quarter 2 ended June 30, 2020

To: President,
The Stock Exchange of Thailand

Synnex (Thailand) Public Company Limited and its subsidiaries (“the Company”) would like to report the operating results for Quarter 2 ended June 30, 2020 as reviewed by the authorized Company’s auditor as follows:

Description	Quarter 2/2020		Quarter 2/2019		YoY	
	MB	%	MB	%	MB	%
Income from operations	8,693.47	100.00	7,881.27	100.00	812.20	10.31
Operating Cost	8,309.47	95.58	7,544.14	95.72	765.33	10.14
Gross profit	384.00	4.42	337.13	4.28	46.87	13.90
Selling and Administrative expenses	220.23	2.53	211.02	2.68	9.22	4.37
Net profit	166.11	1.91	118.79	1.51	47.32	39.83
Basic earnings per share (THB)	0.20		0.15			

Quarter 2/2020, Sales and Services revenue amounted to THB 8,693.47 million, increasing by THB 812.20 million or 10.31% compared to last year. Gross Profit amounted to THB 384.00 million, increasing by THB 46.87 million or 13.90% from the same period last year to THB 337.13 million. Selling and Administrative expenses amounted to THB 220.23 million, increasing by THB 9.22 million from the same period last year to THB 211.02 million. Net Profit amounted to THB 166.11 million, increasing by THB 47.32 million or 39.83% from the same period last year.

Better operating results in Quarter 2/2020 was mainly driven by the growth in communication device, computer, and computer component category. In addition, Synnex continued to add new brands to catch up with technology advancement and serve market demand; and provided full services both before and after sales in order to support customer needs. As a result, revenues and operating results after the relaxation of the lock-down measure in mid-quarter rebounded strongly from the rapidly increasing demand for IT products to support new normal of work and lifestyle after the coronavirus (COVID-19) pandemic. Moreover, Synnex continued to emphasize on costs and expenses control by using technology to help improve operating efficiency for sustainable business growth.

Description	6M/2020		6M/2019		YoY	
	MB	%	MB	%	MB	%
Income from operations	16,024.10	100.00	17,435.05	100.00	(1,410.95)	(8.09)
Operating Cost	15,327.27	95.65	16,698.63	95.78	(1,371.36)	(8.21)
Gross profit	696.83	4.35	736.42	4.22	(39.59)	(5.38)
Selling and Administrative expenses	428.87	2.68	430.57	2.47	(1.70)	(0.40)
Net profit	297.79	1.86	302.93	1.74	(5.14)	(1.70)
Basic earnings per share (THB)	0.35		0.38			

Net profit for the six-month period of 2020 slightly declined from the previous year. Revenue from sales and services amounted to THB 16,024.10 million, a decrease of THB 1,410.95 million or 8.09% from last year due to the coronavirus (COVID-19) outbreak in the first quarter of the year. However, revenues recovered sharply in the second quarter after the easing of the lock-down measure from the rapidly increasing demand for IT products to support new normal of work and lifestyle. Synnex reported a net profit of THB 297.79 million, a decrease of THB 5.14 million or 1.70% from the previous year. The Company continued to focus on controlling expenses at an appropriate level.

Dividend Summary	H1/2020	H1/2019	FY2019
Dividend per share	0.14	0.15	0.47
Payout Ratio (% of Net Profit)	43.91%	43.77%	82.07%

The Board of Directors' Meeting no. 3/2020 passed a resolution to approve the payment of interim dividend from the six-month period ended June 30, 2020 at a rate of THB 0.14 per share. The Record Date for determination the list of shareholders for the right to receive the interim dividend payment is scheduled on August 26, 2020 and the interim dividend payment is scheduled on September 7, 2020.

Please kindly be informed accordingly.

Yours faithfully,

(Sutida Mongkolsuthree)
Chief Executive Officer