

November 13, 2020

Subject: Management Discussion and Analysis for Quarter 3 ended September 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 3 ended September 30, 2020 as reviewed by the authorized Company’s auditor as follows:

Description	Quarter 3/2020		Quarter 3/2019		YoY	
	MB	%	MB	%	MB	%
Income from operations	7,436.27	100.00	7,916.39	100.00	(480.12)	(6.06)
Operating Cost	7,077.05	95.17	7,619.48	96.25	(542.43)	(7.12)
Gross profit	359.22	4.83	296.91	3.75	62.31	20.99
Selling and Administrative expenses	225.39	3.03	220.73	2.79	4.66	2.11
Net profit	170.83	2.30	93.71	1.18	77.12	82.29
Basic earnings per share (THB)	0.20		0.11			

Quarter 3/2020, Sales and Services revenue amounted to THB 7,436.27 million, decreasing by THB 480.12 million or 6.06% compared to last year. Gross Profit amounted to THB 359.22 million, increasing by THB 62.31 million or 20.99% from the same period last year to THB 296.91 million. Selling and Administrative expenses amounted to THB 225.39 million, increasing by THB 4.66 million from the same period last year to THB 220.73 million. Net Profit amounted to THB 170.83 million, increasing by THB 77.12 million or 82.29% from the same period last year.

In Quarter 3/2020, revenue from sales of IT consumer and commercial products continued to grow, thanks to the increase in demand for IT products to meet new normal practices arisen from the outbreak of Covid-19. At the same time, revenue from sales of communication devices was in a decline. However, gross margin increased markedly from 3.75% in 2019 to 4.83% as a result of lower competition, good inventories management during limited supply of some products, and introduction of new brands with higher gross margin. In addition, the Company still focused on cost control, resulting in significant growth in net profit from the same period last year.

Description	9M/2020		9M/2019		YoY	
	MB	%	MB	%	MB	%
Income from operations	23,460.37	100.00	25,351.44	100.00	(1,891.07)	(7.46)
Operating Cost	22,404.32	95.50	24,318.10	95.92	(1,913.79)	(7.87)
Gross profit	1,056.05	4.50	1,033.34	4.08	22.72	2.20
Selling and Administrative expenses	654.25	2.79	651.30	2.57	2.95	0.45
Net profit	468.62	2.00	396.64	1.56	71.98	18.15
Basic earnings per share (THB)	0.55		0.49			

For the first 9-month period of 2020, revenue from sales and services amounted to THB 23,460.37 million, declining by THB 1,891.07 million or 7.46% from the same period last year. The decline was mainly driven by the Covid-19 outbreak during the first quarter of the year. However, revenue rebounded strongly in the second quarter after the relaxation of the lockdown due to the surge of demand for IT products to accommodate the new normal practices. Such demand carried on into the third quarter. Furthermore, gross margin continued to improve and reached 4.50%, comparing to 4.08% during the same period last year and the Company kept on focusing on cost control. Consequently, net profit for the 9-month period amounted to THB 468.62 million

Please kindly be informed accordingly.

Yours faithfully,

(Sutida Mongkolsuthree)
Chief Executive Officer