



NEWS RELEASE

8 May 2020

Siam Makro Public Company Limited (“the Company” or “Makro”) would like to announce the financial performance of the Company and its subsidiaries for the first quarter ended March 31, 2020, which has been reviewed by its Certified Public Accountant as follow;

	1Q20	4Q19	1Q19	QoQ Change	YoY change
Number of Makro Stores					
Thailand (stores)	134	134	129	-	5
Overseas ⁽¹⁾ (stores)	7	7	6	-	1
Total ⁽¹⁾ (stores)	141	141	135	-	6
Consolidated Financial Performance					
Total sales (million Baht)	55,159	54,630	50,682	1.0%	8.8%
Total revenues (million Baht)	56,308	55,833	51,799	0.9%	8.7%
Gross profit (million Baht)	5,547	6,045	5,010	(8.2%)	10.7%
Gross profit margin (%)	10.1	11.1	9.9		
EBITDA ⁽²⁾ (million Baht)	3,160	3,398	2,647	(7.0%)	19.4%
Net profit (million Baht)	1,681	2,059	1,519	(18.4%)	10.7%
Earnings per share (Baht)	0.35	0.43	0.32	(18.4%)	10.7%

Remark:

⁽¹⁾ Includes a restaurant/food shop under Food Service APME.

⁽²⁾ Earnings before interest, tax, depreciation and amortization, factoring in impact from adaptation of TFRS16 – Leases from January 1, 2020.

Total Revenues

In 1Q20, the Company registered consolidated total sales of Baht 55,159 million, an increase of 8.8% YoY, driven by the 6 new stores opened during past 12 months and a strong performance of Makro

Thailand owing to its continuous store format development, service enhancement with the O2O platform, and a dedication in tailoring products to specific needs of target customers.

The COVID-19 affected sales of Makro in February 2020, due to a slowdown in consumption from business operators in tourism sector. In late March, Makro Thailand and Makro International experienced short-term rises in sales from customers' panic buying and stocking up on dry food amid concerns over the COVID-19 and government's control measures. Contrarily, the pandemic took a toll on Food Service APME, whose sales have anticipated significant contractions since February, as the viral transmission broadly affected global tourism industry, resulting in large-scale shutdowns of airlines, hotels, and restaurants.

When aggregating revenue from rendering of services and other income of totaling Baht 1,149 million, the Company posted total revenues of Baht 56,308 million, rose by Baht 4,509 million or 8.7% from the same period of last year.

Distribution Costs and Administrative Expenses

In 1Q20, the Company and its subsidiaries incurred Baht 4,413 million of distribution costs and administrative expenses, or equivalent to 7.8% of total revenues, increased by Baht 274 million or 6.6% YoY. The surge was mainly from an increase of Baht 135 million, or 4.5% YoY, in distribution costs, led by increasing store numbers. Likewise, administrative expenses rose by Baht 139 million, or 12.5% YoY, largely due to the following distinct sources: a) growing employee benefits, b) increase in computer expenses in relation to the O2O Omni-channel (e.g. platform development cost and Makro application costs, etc.), c) starting-up and pre-operating expenses at start-up phase of Makro China and Myanmar, and d) extraordinary expenses for business continuity management to ensure effectiveness of the business operation and that the Makro staffs, customers, business premises as well as goods and products are safe from the COVID-19.

Net Profits

In 1Q20, the Company reported its consolidated net profit of Baht 1,681 million, grew by 10.7% YoY, owing to a solid growth of Makro Thailand and an improvement of Makro International.

For more information, please contact:

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