

Translation

Date: February 19, 2021

Subject: Reporting on the Company's Financial Performance for the Year 2020

To: President of the Stock Exchange of Thailand

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

		2020	2019	YoY Change	% YoY Change
Number of Stores					
Thailand	(stores)	137	134	3	
Overseas ⁽¹⁾	(stores)	8	7	1	
Total ⁽¹⁾	(stores)	145	141	4	
Consolidated Financial Performance					
Total sales	(million Baht)	214,140	206,180	7,960	3.9
Total revenues	(million Baht)	218,760	210,627	8,133	3.9
Gross profit	(million Baht)	22,124	21,168	956	4.5
Gross profit margin	(%)	10.3	10.3	-	-
EBITDA ⁽²⁾	(million Baht)	12,534	10,928	1,606	14.7
Net profit	(million Baht)	6,563	6,245	318	5.1
Earnings per share	(Baht)	1.37	1.30	0.07	5.1

Remark:

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

⁽²⁾ Earnings before interest, tax, depreciation and amortization

2020 Performance Overview

The year 2020 saw a significant factor that affected the Company's business operations and financial performance. The pandemic of COVID-19 resulted in an abrupt decline in sales from "HoReCa" – one of the core customer groups. A sharp disruption of tourism industry and travel restriction measures imposed by the government from March 2020 onwards severely affected business activities of hotels, restaurants, and airlines. The government's precautionary measures – temporary cordoned-off sales of non-essential products and ban of alcohol sales – imposed in the second quarter inevitably affected sales performance of the year.

In 2020, the Company opened a total of 3 new stores in Thailand. These include two Makro Foodservice stores in Amata Nakorn and Bang Kho Leam and a Fresh@Makro store in Ramindra Km.4, in a newly launched store format. Also in the year, the Company commenced another store overseas in Sat Sun (Makro's first store in Myanmar). These made up to a total of 144 stores at the end of 2020.

With store expansion, the Company has dedicated to helping increase income for core customers through product developments. The Company has also moved forward with focusing on business advancement to strengthen the business and enhance competitiveness of its omni-channel platform – so-called Online to Offline Ecosystem ("O2O"), in response to an environment in which consumer habits are being transformed.

Total Revenues

In 2020, the Company registered consolidated total sales of Baht 214,140 million, an increase of 3.9% YoY, driven by the 4 new stores commenced in 2020 and a full-year contribution of the stores opened in the year before. The increase was also attributed a great success of Makro Thailand and Makro International, owing to service enhancement with the O2O platform and a dedication in tailoring products to specific needs of target customers. Contrarily, the COVID-19 pandemic and the subsequent tourism disruption have taken a toll on Food Service APME. Though sales bottomed-out in the second quarter, and gradually headed-up in the latter half of the year, YoY comparison showed a significant contraction in sales.

When aggregating revenue from rendering of services of Baht 3,757 million and other income of Baht 863 million, the Company registered total revenues of Baht 218,760 million, surged by Baht 8,133 million or 3.9% from the preceding year.

Distribution Costs and Administrative Expenses

In 2020, the Company and its subsidiaries incurred Baht 17,788 million of distribution costs and administrative expenses, or equivalent to 8.1% of total revenues, increased by Baht 378 million or 2.2% from the previous year. The surge was mainly from an increase of Baht 289 million, or 6.1% YoY in administrative expenses, largely due to consulting fees and expenses in relation to system and technology advancement to increase efficiency as well as to support business expansion. In this year, the Company also incurred extraordinary expenses for business continuity management to ensure that business operation remains effective and Makro staffs, customers, business premises as well as goods and products are safe from the COVID-19.

Net Profits

In 2020, the Company reported its consolidated net profit of Baht 6,563 million, grew by 5.1% from the previous year, primarily owing to an impressive growth of Makro Thailand.

4Q20 Performance Overview

Thai economy started to recover from the bottomed-out 2Q20 after lockdown measures were eased with a support from government stimulus packages. The returning wave of COVID-19 in mid-December was broadly evident in Thailand. The outbreak affected business activities and led to another tourism disruption, hammering the business of HoReCa customers.

For the 4Q20, the Company registered consolidated total revenues of Baht 57,074 million, surged by 2.2% YoY, and incurred Baht 54,205 million of distribution costs and administrative expenses, representing an increase of 2.2% from the same period of the preceding year. After deducting finance costs, income tax expense, and non-controlling interests, the Company recorded a consolidated net profit of Baht 2,131 million, or Baht 0.44 per share, increased by 3.4% compared to the same period of the previous year.

Please kindly be informed accordingly.

Yours faithfully,

Siam Makro Public Company Limited

(Saowaluck Thithapant)

Group Chief Shared Service Officer – Siam Makro