

Management Discussion and Analysis Q2/2022

IHL's Consolidated Performance

	Q2/2022 (MB.)	% Y-o-Y	% Q-o-Q
Revenue from Sales and Services	426.30	5.70	(9.29)
Total Revenue	435.28	7.02	(8.58)
Gross Profit	79.18	13.05	(10.16)
EBITDA	107.02	15.54	(9.18)
Net Profit	25.18	35.31	(45.72)

In Q2/2022, Revenue from Sales and Services was Baht 426.30 Million, and 5.70 percent increased y-o-y mainly from the increasing in Revenue from Services and Shoes which increased by 60.41 percent and 28.27 percent respectively. Compared to q-o-q, Revenues from Sales and Services decreased by 9.29 percent due to a decrease in revenue from the automotive industry by 23.46 percent. The main reason was the impact of the Russian-Ukraine situation.

In the second quarter of 2022, gross profit was Baht 79.18 Million, an increase compared to the same period of the previous year. Compared to the previous quarter, the company gross profit decreased by 10.16 percent.

Gross profit margin on Revenue from Sales and Services in 2Q/2022 was 18.57 percent, slightly decreased from the previous quarter which gross profit margin was 18.75 percent. Compared to the same period of last year, the gross profit margin was 17.37 percent. Gross profit margin increased in this quarter mainly from increasing of production.

In this quarter, the Company's profit before interest, income tax, depreciation and amortization was Baht 107.02 Million, an increase of 15.54 percent y-o-y and a decrease of 9.18 percent q-o-q.

Selling and administrative expenses were recorded Baht 39.96 Million, a decrease of Baht 2.51 Million from the same period of the previous year. And compared to the previous quarter, it increased by Baht 4.50 Million, mainly due to selling expenses, export expense and miscellaneous expenses.

The Company's net profit in the second quarter of 2022 was Baht 25.18 Million or 5.91 percent, compared to Revenue from sales and services, an increase of 35.31 percent compared to y-o-y, and decrease of 45.72 percent q-o-q.

Financial Position

	Jun. 2022 (MB.)	Dec. 2021 (MB.)	Jun. 2021 (MB.)
Total Asset	3,707.33	3,669.16	3,705.66
Current Asset			
Cash and Cash Equivalents	8.55	33.12	7.76
Trade and Other Receivables	188.14	188.77	158.91
Inventories	1,172.67	1,057.11	1,101.44
Property, Plant and Equipment - Net	2,212.08	2,279.22	2,321.39
Total Liabilities	2,076.73	2,050.85	2,104.32
Short-term Loans from Financial Institutions	1,199.52	1,084.22	959.69
Trade and Other Payables	271.39	191.78	210.25
Long-term Loans	543.39	697.44	849.80
Total Shareholders' Equity	1,630.60	1,618.31	1,601.34

As of June 30, 2022, total asset was recorded at Baht 3,707.33 Million, increased from year 2021 by Baht 38.17 Million, increasing from current assets. Trade accounts receivable was recorded Baht 188.14 million or 5.07 percent of total assets, a slightly decrease of Baht 0.63 million compared to the previous year. Inventories was recorded at Baht 1,172.67 Million or 31.63 percent of total assets, an increase of Baht 115.56 Million compared to the previous year.

Property, plant and equipment as of June 30, 2022 equals Baht 2,212.08 Million or 59.68 percent of total assets.

Long-term Loan decreased from Baht 697.44 Million in year 2021 to Baht 543.39 Million, decreased Baht 154.05 Million due to the repayment of the long-term loan to the bank. The Current portion of long-term liabilities decreased from Baht 286.50 Million in 2021 to Baht 247.83 Million, a decrease of Baht 38.67 Million.

As of June 30, 2022, unappropriated retained earnings were Baht 498.69 Million, an increase of Baht 12.29 Million compared to the previous year. In May 2022, the Company paid dividends to shareholders at the rate of 0.10 baht/share or in amount of Baht 59.28 Million. Hence, Net Worth was recorded at Baht 1,630.60 Million.

Financial Ratio

	Q2/2022	2021	Q2/2021
Current Ratio (times)	0.81	0.82	0.87
Quick Ratio (times)	0.11	0.14	0.11
ISCR (times)	8.91	8.22	7.91
DSCR (times)	1.44	1.23	1.12
Net Debt to EBITDA (times)	4.62	4.65	4.98
Debt to Equity (times)	1.27	1.27	1.31
Gross Profit Margin (%)	18.67	19.38	18.74
EBITDA Margin (%)	25.09	25.99	25.16
Net Profit Margin (%)	7.99	8.29	7.63
ROE (%)	9.04	8.92	8.17

Your faithfully

(Ms. Kunvarin Veeraphuttivate)

Deputy Managing Director