



November 7, 2022

Management Discussion and Analysis **Operating Results for the 3rd Quarter 2022 (Edit)**

SVI (the “Company”) continues to accomplish remarkable results under strong management team. The Company posted another record revenue with strong profitability for the 3rd quarter of 2022. Demand continues to be resilient from all segments through to 2023 while the Company’s expansion is expected to be completed by the end of 2022 allowing for further growth the next 2 years.

Record Revenue with Strong Profitability

The Company posted Consolidated Sales for the 3rd Quarter of 2022 of THB 7,015 million (USD 193.7 million), an increase of THB 2,601 million (USD 58.9 million) or 58.9% from the same quarter of the previous year. Compared to the 2nd Quarter of 2022, this quarter recorded an increase of THB 1,055 million or 17.7%. For the first 9 months of 2022, the Company posted revenue of THB 18,989 million (USD 541.7 million), an increase of THB 6,985 million (USD 169.3 million) or 59.7% from the same period of the previous year. Communication and Network, Industrial Control, Audio and Video were key sectors in contributing to sales this quarter.

The Company posted Consolidated Gross Profit for 3rd Quarter of 2022 of THB 697 million, an increase of THB 28 million or 4.2% from the same quarter of the previous year. Consolidated Gross Profit margins in the 3rd Quarter of 2022 was 9.9% compared 15.2% of the same quarter in the previous year and 8.3% from the previous quarter. In terms of Consolidated Operating Profit excluding other income, the Company posted THB 518 million, an increase of THB 12 million or 2.4% from the same quarter of the previous year.

Consolidated Net Income for the 3rd Quarter of 2022 was THB 598 million an increase of THB 78 million or 15.0% from the same quarter of the previous year. Compared to the 2nd Quarter of 2022, Consolidated Net Income increased by THB 177 million or 42.0%. For the first 9 months, the Company posted Net Income of THB 1,282 million, an increase of THB 448 million or 53.7%.

Stabilized Inventory Level with a Minor Reduction in Debt

Total Consolidated Assets in 3rd Quarter 2022 was THB 18,936 million, an increase of THB 796 million from the previous quarter. This was mainly due to the increase in receivables of THB 720 million. Despite the increased in revenue and demand, inventory level remained relatively stable from the 2nd to 3rd Quarter of 2022.

Total Consolidated Liabilities in 3rd Quarter of 2022 was THB 12,963 million, an increase of THB 212 million from the previous quarter. Short-term loan decreased by THB 170 million while long-term loans also decreased of THB 25 million. Accounts Payable and Other Payables increased by THB 325 million. Working Capital decreased to 29% of sales compared to the previous quarter of 30% of sales. The Company’s debt remains at an acceptable level with D/E of 0.86 compared 0.99 from the previous quarter. Shareholders’ equity increased to THB 5,973 million in 3rd Quarter of 2022 from THB 5,388 million in the previous quarter.

Consolidated Profit & Loss Comparison

	Q3-2022	Q2-2022	% Variance	Q3-2021	% Variance
In Million Baht	(a)	(b)	= (a-b) / (b)	(c)	= (a-c) / (c)
Net Sales	7,015	5,960	17.7%	4,414	58.9%
Total Costs of Sales	6,318	5,467	15.6%	3,745	68.7%
Gross Profit	697	493	41.4%	669	4.2%
Selling & Admin. Expenses	179	189	(5.3%)	163	9.8%
Operating Profit	518	304	70.4%	506	2.4%
Financial Expenses (Income)	33	26	26.9%	20	65.0%
Exchange Losses (Gain)	(105)	(54)	94.4%	(18)	483.3%
Oth. Non-Operating (Inc)/Exps	(24)	(98)	(75.5%)	(18)	33.3%
Net Income/(losses) before Tax	614	430	42.8%	522	17.6%
Corporation Tax	(16)	(9)	77.8%	(2)	700.0%
Net Income/ (losses) after Tax	598	421	42.0%	520	15.0%

The Company Profit & Loss Comparison

	Q3-2022	Q2-2022	% Variance	Q3-2021	% Variance
In Million Baht	(a)	(b)	= (a-b) / (b)	(c)	= (a-c) / (c)
Net Sales	4,868	3,779	28.8%	3,273	48.7%
Total Costs of Sales	4,289	3,414	25.6%	2,737	56.7%
Gross Profit	579	365	58.6%	536	8.0%
Selling & Admin. Expenses	100	107	(6.5%)	91	9.9%
Operating Profit	479	258	85.7%	445	7.6%
Financial Expenses (Income)	16	9	77.8%	9	77.8%
Exchange Losses (Gain)	(123)	(57)	115.8%	(24)	412.5%
Oth. Non-Operating (Inc)/Exps	(25)	(20)	25.0%	(18)	38.9%
Net Income/(losses) before Tax	611	326	87.4%	478	27.8%
Corporation Tax	(10)	(2)	400.0%	0	100.0%
Net Income/ (losses) after Tax	601	324	85.5%	478	25.7%

Balance Sheet Comparison

In Million Baht	<u>Consolidated</u>			<u>The Company</u>		
	30 Sep'22	30 Jun'22	31 Dec'21	30 Sep'22	30 Jun'22	31 Dec'21
Current Assets						
Cash	768	895	575	269	328	193
Investment	567	637	629	567	637	629
Accounts Receivable	6,586	5,866	5,310	5,379	4,583	4,560
Inventories	7,621	7,539	5,632	4,931	5,113	3,871
Other Current Assets	244	190	166	66	60	45
Total Current Assets	15,786	15,127	12,312	11,212	10,721	9,298
Current Liabilities						
Short Term Loans	3,154	3,324	3,140	2,864	2,885	2,588
Current Long-Term Loan	632	492	495	398	364	153
Accounts Payable	6,560	6,635	4,609	4,434	4,513	3,637
Accrued expenses, other payable	574	174	379	348	276	255
Other Current Liabilities/Accruals	362	279	184	218	154	85
Total Current Liabilities	11,282	10,904	8,807	8,262	8,192	6,718
Working Capital	4,504	4,223	3,505	2,950	2,529	2,580
Loan to subsidiary	0	0	0	1,375	1,214	713
Property, Plant, Equipment and Other Non-Current Assets	3,150	3,013	2,775	2,178	2,196	2,196
Total Net Assets	7,654	7,236	6,280	6,503	5,939	5,489
Financed by:						
Long-Term Debt and provision	1,422	1,593	785	619	659	281
Other Non Current Liabilities	259	255	272	136	134	130
Net Equity	5,973	5,388	5,223	5,748	5,146	5,078
Total Long-Term Funding	7,654	7,236	6,280	6,503	5,939	5,489

Signature



Mr. Apirak Saengsie
Corporate Controller Senior Director