



May 14, 2024

## Management Discussion and Analysis Operating Results for the 1<sup>st</sup> Quarter 2024

SVI (the “Company”) reported a minor decline in revenue from the previous quarter but significant improvement in profitability. Despite the minor decline, which was as expected, it is encouraging to see higher demand indicated by several customers for later this year.

### **Minor decline in sales but a positively outlook and improved profitability.**

The Company reported consolidated revenue for the 1<sup>st</sup> Quarter of 2024 of THB 5,066 million (USD 142.4 million), a decrease of THB 220 million (USD 6.7 million) or 4.2% from the previous quarter. Compared to the 1<sup>st</sup> Quarter of the previous year, revenue for the 1<sup>st</sup> Quarter of this year declined by THB 1,079 million (USD 39.3 million) or 17.6%. Communication and Network, Industrial Control, and Automotive were key sectors in contributing to sales this quarter.

The Company reported consolidated gross profit for the 1<sup>st</sup> Quarter of 2024 of THB 539 million, an increase of THB 106 million or 24.5% from the previous quarter. Compared to the 1<sup>st</sup> Quarter of the previous year, gross profit for the 1<sup>st</sup> Quarter of this year increased by THB 112 million or 26.2%. The increased was the result of a new business won and the weakening of the Thai Baht during the 1<sup>st</sup> Quarter of this year compared to the previous year. Gross Profit margin for the 1<sup>st</sup> Quarter of 2024 was 10.6%, representing a significant increase from the previous quarter of 8.2% and 1<sup>st</sup> Quarter of the previous year of 6.9%. Operating Profit excluding other income for the 1<sup>st</sup> Quarter of 2024 was THB 323 million, an increase of THB 96 million or 42.3% from the previous quarter. Compared to the 1<sup>st</sup> Quarter of the previous year, Operating Profit for this quarter increased by THB 82 million or 34.0%.

The Company reported consolidated net profit for the 1<sup>st</sup> Quarter of 2024 of THB 311 million, an increase of THB 91 million or 41.4% from the previous quarter. This is due to the reasons as previously mentioned with new business won and weakening of the Thai Baht in this quarter. Compared to the 1<sup>st</sup> Quarter of 2023, consolidated net profit for the 1<sup>st</sup> Quarter of 2024 increased by THB 162 million or 108.7%.

### **Minor increase in working capital with projected demand increase.**

Total consolidated assets for the 1<sup>st</sup> Quarter of 2024 was THB 16,001 million, an increase of THB 557 million or 3.6% from year end 2023 or the previous quarter. This is due to the increase in account receivable of THB 452 million and inventory of THB 159 million. Both increases were the result of the increase in projected demand for the coming quarters for several customers.

Total consolidated liabilities for the 1<sup>st</sup> Quarter of 2024 was THB 8,891 million, an increase of THB 238 million or 2.8% from year end 2023 or the previous quarter. The increase mainly came from the increase in accounts payable of THB 293 million, in line with the increase in inventory. The Company

continues to reduce bank debt with a reduction of THB 170 mn from the previous quarter. Total bank debt outstanding as of the 1<sup>st</sup> Quarter of 2024 is THB 3,822 million.

The current D/E level is 0.53x, a reduction from 0.59x in the previous quarter. In terms of working capital days, account receivable days increased from 82 days in the previous quarter to 93 days in this quarter. Inventory days increased from 108 days in the previous quarter to 118 days in this quarter. Accounts payable days increased from 77 days in the previous quarter to 88 days in this quarter. The company's working capital increased to 31% of sales from 28% in the previous quarter.

#### Year-to-Date Consolidated Profit & Loss Comparison

|                                       | Q1-2024    | Q4-2023    | % Variance    | Q1-2023    | % Variance    |
|---------------------------------------|------------|------------|---------------|------------|---------------|
| In Million Baht                       | (a)        | (b)        | = (a-b) / (b) | (c)        | = (a-c) / (c) |
| Net Sales                             | 5,066      | 5,286      | (4.2%)        | 6,145      | (17.6%)       |
| Total Costs of Sales                  | 4,527      | 4,853      | (6.7%)        | 5,718      | (20.8%)       |
| <b>Gross Profit</b>                   | <b>539</b> | <b>433</b> | <b>24.5%</b>  | <b>427</b> | <b>26.2%</b>  |
| Selling & Admin. Expenses             | 216        | 206        | 4.9%          | 186        | 16.1%         |
| <b>Operating Profit</b>               | <b>323</b> | <b>227</b> | <b>42.3%</b>  | <b>241</b> | <b>34.0%</b>  |
| Financial Expenses (Income)           | 35         | 37         | (5.4%)        | 35         | 0%            |
| Exchange Losses (Gain)                | (22)       | 22         | (200.0%)      | 49         | (144.9%)      |
| Oth. Non-Operating (Inc)/Exps         | (20)       | (62)       | (67.7%)       | (23)       | (13.0%)       |
| <b>Net Income/(losses) before Tax</b> | <b>330</b> | <b>230</b> | <b>43.5%</b>  | <b>180</b> | <b>83.3%</b>  |
| Corporation Tax                       | (19)       | (10)       | 90.0%         | (31)       | (38.7%)       |
| <b>Net Income/ (losses) after Tax</b> | <b>311</b> | <b>220</b> | <b>41.4%</b>  | <b>149</b> | <b>108.7%</b> |

## Balance Sheet Comparison

| In Million Baht   | 31 Mar' 24    | 31 Dec'23     |
|---|---------------|---------------|
| <b>Current Assets</b>                                   |               |               |
| Cash  | 1,147         | 918           |
| Investment  | 106           | 409           |
| Accounts Receivable                                     | 5,177         | 4,725         |
| <i>Accounts Receivable Days</i>                         | 93            | 82            |
| Inventories   | 5,860         | 5,701         |
| <i>Inventory Days</i>                                   | 118           | 108           |
| Other Current Assets                                    | 224           | 293           |
| <b>Total Current Assets</b>                             | <b>12,514</b> | <b>12,046</b> |
| <b>Current Liabilities</b>                              |               |               |
| Short Term Loans  | 2,533         | 2,601         |
| Current Long-Term Loan                                  | 581           | 574           |
| Accounts Payable and other Payable                      | 4,369         | 4,076         |
| <i>Accounts Payable Days</i>                            | 88            | 77            |
| Accrued expenses  | 274           | 193           |
| Other Current Liabilities/Accruals                      | 35            | 47            |
| <b>Total Current Liabilities</b>                        | <b>7,792</b>  | <b>7,491</b>  |
| <b>Working Capital</b>                                  | <b>4,722</b>  | <b>4,555</b>  |
| Loan to subsidiary                                      | 0             | 0             |
| Property, Plant, Equipment and Other Non-Current Assets | 3,487         | 3,398         |
| <b>Total Net Assets</b>                                 | <b>8,209</b>  | <b>7,953</b>  |
| <b>Financed by:</b>                                     |               |               |
| Long-Term Debt  | 812           | 885           |
| Other Non Current Liabilities                           | 287           | 277           |
| Net Equity  | 7,110         | 6,791         |
| <b>Total Long-Term Funding</b>                          | <b>8,209</b>  | <b>7,953</b>  |



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