



# Interhides Public Company Limited

678 Moo 2 Soi T.J.C., Sukhumvit Road, Bangpoomai,  
Muang, Samutprakarn, 10280 Thailand  
Tel : 662-028-9728-37 Fax : 662-028-9738-39  
Website [http:// www.interhides.com](http://www.interhides.com)



15 May 2024

Subject : Management Discussion and Analysis for Q1/2024  
To : The President of The Stock Exchange of Thailand

Interhides Public Company Limited submitted a description and analysis of the management's financial performance and key figures in Quarter 1/2024.

## IHL's Consolidated Performance

	Q1/2024 (MB.)	% Y-o-Y	% Q-o-Q
Revenue from Sales and Services	621.63	22.15%	73.99%
Other Revenue	9.44	161.57%	950.30%
Total Revenue	631.07	23.13%	77.46%
Gross Profit	97.72	47.97%	145.52%
EBITDA	99.03	13.04%	73.99%
Net Profit	21.64	58.27%	578.13%

In Q1/2024, Revenue from Sales and Services was 621.63 million Baht, 22.15% increased y-o-y and 73.99% increased q-o-q from Finished Leather for Shoes; result from the transfer of business unit from Leather Division of Wolverine World Wide INC. to the Company.

Other Revenue was 9.44 million Baht in Q1/2024. The Company recognized a gain on the exchange rate in the amount of 8.99 million Baht. Consolidated Revenue was 631.07 million Baht, increased 23.13% y-o-y and increased 77.46% q-o-q.

Gross Profit was 97.72 million Baht, 47.97% increased y-o-y and 145.52% increased q-o-q. Gross Profit margin in Q1/2024 was 15.72%, compared to 12.98% and 11.14% in Q1/2023 and Q4/2023 respectively. The gross profit margin increased mainly due to the increase in Finished Leather for Shoes Revenues.

Earnings before interest, income tax, depreciation and amortization (EBITDA) were 99.03 million Baht, an increase of 13.04% y-o-y and an increase of 73.99% q-o-q. EBITDA margin was 15.93% of Revenue from Sales and Services. In this quarter, Selling and administrative expenses were 60.55 million Baht, an increase of 21.91 million Baht, compared to Q1/2023. The main reason was the expense of sales advertising, promotion, export expense, commission, and employees' expenses.

Financing cost in Q1/2024 was 18.22 million Baht, an increase of 4.13 million Baht compared to the same period of the previous year. If compared with the past quarter, financing costs is increased 2.59 million Baht, mainly due to an increase in interest rates on short-term loans from financial institutions.

Net profit was registered at 21.64 million Baht, was 3.48% of Revenue from Sales and Services.



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## Financial Position

	Mar. 2023 (MB.)	Dec. 2023 (MB.)
<b>Total Asset</b>	<b>3,850.17</b>	<b>3,471.30</b>
Current Asset		
Cash and Cash Equivalents	8.09	13.13
Trade and Other Receivables	396.02	119.63
Inventories	1,250.81	1,146.35
Property, Plant and Equipment - Net	2,120.96	2,117.75
<b>Total Liabilities</b>	<b>2,212.06</b>	<b>1,854.81</b>
Short-term Loans from Financial Institutions	1,416.03	1,284.18
Trade and Other Payables	302.37	136.04
Long-term Loans	282.22	344.91
<b>Total Shareholders' Equity</b>	<b>1,638.11</b>	<b>1,616.49</b>

As of March 31, 2024, Total Asset was recorded at 3,850.17 million Baht, with an increase of 378.87 million Baht compared to the past quarter. Account Receivables were 396.02 million Baht or 10.29% of Total Asset, rose by 276.39 million Baht as compared with the last quarter. Inventory was 1,250.81 Million Baht, or accounted 32.49% of Total Asset, rose by 104.46 Million Baht due to the company purchased assets from WOLVERINE WORLD WIDE, INC..

Property, Plant and Equipment in this period was registered at 2,120.96 million Baht, or 55.09% of Total Asset.

Short-term loans from financial institutions increased from 1,284.18 million Baht in Q4/2023 to 1,416.03 million Baht. Trust Receipt increased by 86.15 million Baht as compared with the last quarter and Promissory Note increased by Baht 20.27 million Baht. Long-term Loan fell from 344.91 million Baht to 282.22 million Baht, mainly due to the scheduled repayment of Long-term Loan.

## Financial Ratio

	Q1/2024	Year 2023	Q1/2023
Current Ratio (times)	0.83	0.79	0.88
Quick Ratio (times)	0.20	0.08	0.15
ISCR (times)	5.44	5.03	6.22
DSCR (times)	1.24	0.82	1.04
Net Debt to EBITDA (times)	5.58	6.18	5.83
Debt to Equity (times)	1.35	1.15	1.22
Gross Profit Margin (%)	15.72%	11.71%	12.98%
EBITDA Margin (%)	15.93%	16.37%	17.22%
Net Profit Margin (%)	3.48%	0.92%	2.69%
ROE (%)	5.32%	1.03%	3.28%



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## Business overview in Q1/2024

In 2023, the overall Thai economy is in a recovery period from the COVID situation. But the global economy is in a slowdown. Product prices and raw material costs are still at a high level. The Thai Baht currency tends to be more volatile. Geopolitical tensions and divisions of large economies may affect the Thai economy.

For that reason, the overview of the tanning industry and leather products may need to be adjusted to keep up with such changes such as trying to reduce production costs, develop products to meet customer requirements and their goals, as well as trying to increase the value of products. The Company focuses on selling high-margin products to compensate for the rising cost. In this regard, Interhides Public Company Limited has a policy to diversify business risks to provide a variety of products. Business Expertise and various technologies are used to control production costs to be competitive and generate returns for shareholders.

Please be informed accordingly,

Your sincerely,

(Ms. Kunvarin Veeraphuttivate)

Deputy Managing Director