



May 13, 2024

Subject: Management discussion and analysis the operating results for the first quarter of 2024

To: The President
The Stock Exchange of Thailand

TVD Holdings Public Company Limited ("the Company") and its subsidiaries ("the Group") would like to clarify the operating results for the first quarter of 2024 as per the consolidated financial statement audited by the Certified Auditor as follows.

Analysis of operating results

(Unit: Million Baht)	FOR THE THREE-MONTH PERIOD ENDED MARCH 31,				Change	
	2024	%	2023	%	Amount	%
Revenues from sales and services	283.89	100.00	575.86	100.00	(291.97)	(50.70)
Cost of goods sold and services	(147.48)	(51.95)	(318.92)	(55.38)	171.43	(53.76)
Gross profit	136.41	48.05	256.94	44.62	(120.53)	(46.91)
Other income	21.40	7.54	17.13	2.97	4.27	24.93
Profit before expenses	157.80	55.59	274.07	47.59	(116.26)	(42.42)
Media cost	(48.95)	(17.24)	(108.62)	(18.86)	59.67	(54.93)
Distribution costs	(76.22)	(26.85)	(143.76)	(24.96)	67.54	(46.98)
Administrative expenses	(42.55)	(14.99)	(56.69)	(9.85)	14.14	(24.94)
Loss on sale of investments	(1.84)	(0.65)	-	-	(1.84)	-
Other income (expenses) - net loss	(0.22)	(0.08)	(0.25)	(0.04)	0.03	(11.16)
Finance costs	(6.13)	(2.16)	(6.31)	(1.10)	0.18	(2.79)
Income tax income (expense)	(3.04)	(1.07)	8.35	1.45	(11.39)	(136.37)
Profit (loss) for the period	(21.16)	(7.45)	(33.21)	(5.77)	12.05	(36.28)
Shareholders of the parent company	(21.40)	(7.54)	(29.84)	(5.18)	8.44	(28.28)
Non-controlling interests	0.24	0.08	(3.37)	(0.59)	3.61	(107.11)

1. Revenues from sales and services

The Group's revenue from sales and services for the first quarter of 2024 amounting to Baht 283.89 million, a decrease of Baht 291.97 million or 50.70% from the last year. The Group's strategies and distribution channels is on transition both Satellite TV and Digital TV by expanding online marketing channels to reach a wider range of customers. It is expected that the group of companies will be able to increase sales continuously in the long run.

2. Cost of goods sold and services and Gross profit

The Group's cost of goods sold and service for the first quarter of 2024 was Baht 147.48 million, a decrease of Baht 171.43 million or 53.76 % from the last year, the gross profit ratio per sales amount to 48.05 %, different from last year's gross profit margin of 44.62 %. The gross profit margin change from negotiations with trading partners, examine operation procedures and plan strategies in each operating unit to maintain maximum efficiency.

3. Media cost

The Group's media costs for the first quarter of 2024 of Baht 48.95 million, a decrease of Baht 59.67 million or 54.93 % from the last year by managing the channel to be more efficient. Reduce broadcasting channels with low profit rates have been reduced in order to manage media expenses more efficiently. In the first quarter of 2024, the Group's proportion of media expenses decreased from 18.86 % to 17.24 %.

4. Distribution costs

The Group's distribution costs for the first quarter of 2024 of Baht 76.22 million, a decrease of Baht 67.54 million or 46.98 % from the last year. The Group is working on improving the efficiency of transportation and warehouse management.

5. Administrative expenses

The Group's administrative expenses for the first quarter of 2024 was Baht 42.55 million, a decrease of Baht 14.14 million or 24.94 % from the last year, due to adjusting work procedures and reducing costs.

6. Reversal of losses from investment impairment

The Company has reversed the loss from impairment of investments in subsidiaries in amounting to Baht 247.73 million in the separate financial statements. This is because during the first quarter of 2024 there was a restructuring of shareholding within the Group of companies. This item has been eliminated from related transactions in preparing the consolidated financial statements.

7. Finance costs

The Group's financial costs for the first quarter of 2024 of Baht 6.13 million, a decrease of Baht 0.18 million from the previous year or an increase of 2.79 %. The majority of the Group's interest expenses arise from the use of the credit line for purchasing finished goods both domestically and abroad. This includes Bath 5.13 million in interest paid on loans from financial institutions, and Bath 0.97 million in interest paid on lease agreements.

8. Net Profit (loss)

The Group had a net loss for the first quarter of 2024 of Baht 21.40 million, loss decreased from the last year in the amounting to Baht 8.44 million or 28.28 %, as a result of the restructuring of the organization to be more efficient.

Analysis of financial position

The significant movements in assets, liabilities and shareholders' equity as at 31 March 2024 when compared with the balance as at 31 December 2023 were as follows:

(Unit: Million Baht)	AS AT MARCH 31,		AS AT DECEMBER 31,		Change	
	2024	%	2023	%	Amount	%
Current assets	198.80	14.36	226.38	15.30	(27.58)	(12.18)
Non-current assets	1,185.20	85.64	1,252.85	84.70	(67.65)	(5.40)
Total assets	1,384.00	100.00	1,479.24	100.00	(95.24)	(6.44)
Current liabilities	666.57	48.16	718.14	48.55	(51.57)	(7.18)
Non-current liabilities	95.50	6.90	119.81	8.10	(24.31)	(20.29)
Total liabilities	762.07	55.06	837.95	56.65	(75.88)	(9.06)
Total shareholders' equity	621.93	44.94	641.29	43.35	(19.36)	(3.02)
Total liabilities and shareholde	1,384.00	100.00	1,479.24	100.00	(95.24)	(6.44)

Current assets

- **Cash and cash equivalents** as at March 31, 2024 was Baht 62.67 million, decreased by Baht 7.76 million or a decrease of 11.02 %, resulting from the group's capital management as follows:

Net cash provided by (payments) operating activities	41.97	Million baht
Net cash provided by (payments) investing activities	16.97	Million baht
Net cash provided by (payments) financing activities	(32.36)	Million baht
Net increase (decrease) in cash and cash equivalents	26.57	Million baht
Net cash transferred from purchases and disposals of investments in subsidiaries.	(34.00)	Million baht
Net increase (decrease) in cash during the period	(7.76)	Million baht

- **Trade receivables and other current receivables** as at March 31, 2024 was Baht 82.71 million, decreased by Baht 26.03 million or a decrease of 23.94 %. In general, the sales of the Company's products are mainly customers who pay cash on delivery. Trade and other debtors have a payment period according to the credit terms received.
- **Inventories** as at March 31, 2024 was Baht 7.61 million, increased by Baht 4.06 million or an increase of 113.98 %, increasing to support future sales as seasonal products. In this regard, the Group has the holding period for products has been shortened in order to increase the product turnover rate and reduce inventory storage costs.

Non-current assets

- **Other non-current financial assets** had a balance as of March 31, 2024 of 0 Million Baht, a decrease of 13.97 Million Baht, a decrease due to the sale of investments in subsidiaries that have investments in Start up and SME business groups.
- **Long-term loans** had an outstanding balance as of March 31, 2024 of Baht 464.16 million, a decrease of Baht 8.03 million due to the receipt of payment of Baht 3.95 million and a decrease due to the sale of investments in subsidiaries that had long-term loans Baht 8.00 million.

- **Property, plant and equipment** had a balance as of March 31, 2024 of Baht 314.40 million, with a decrease of Baht (13.22) million or a decrease of 4.04%, with a change from additional investment of Baht 0.10 million, amortization of assets that are not used (net) Baht (0.26) million, depreciation Baht (5.82) million, reversal of allowance for impairment Baht 1.53 million and decrease due to sale of investments in subsidiaries Baht (8.77) million.
- **Intangible assets** had a balance as of March 31, 2024 of Baht 19.69 million, with a decrease of Baht (10.53) million or a decrease of (34.85) %, changed from an additional investment of Baht 1.56 million, amortization of assets. Unused (net) Baht (0.23) million, amortization Baht (2.35) million and decreased due to the sale of investments in subsidiaries Baht (9.52) million.

Current liabilities

- **Bank overdrafts and short-term loans from financial institutions** had an outstanding balance as of March 31, 2024 of Baht 164.94 million, with a decrease of Baht 41.76 million or a decrease of 20.20%, resulting from the Group's capital management.
- **Trade payables and other current payables** had a balance as of March 31, 2024 of Baht 443.86 million, with a decrease of Baht 12.64 million or a decrease of 2.77% due to the payment of outstanding debts.

Shareholder's equity

As of March 31, 2024, the Group had shareholders' equity of Baht 619.89 million, with a decrease of Baht 21.40 million or a decrease of 3.34%. There was a change from operating losses for the first quarter of 2024 in amount of Baht 21.40 million.

Please be informed accordingly.

Yours faithfully,

(Miss Pisamai Kumlar)

Chief Financial Officer