



Interhides Public Company Limited

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15 May 2026

Subject : Management Discussion and Analysis for Q1/2026
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 1/2026.

Business Overview for Q1 2026

In the first quarter of 2026, the global economy continued to slow down due to economic and trade uncertainties, as well as the conflict in the Middle East in late February 2026. This resulted in higher energy and commodity prices, leading to increased production and transportation costs. Uncertainty of US import tariffs, Thai economy and energy prices have led to a slowdown in domestic consumption. Particular in the automotive industry has a slowdown in sales of combustion engine vehicles and commercial vehicles such as pickup trucks. Regarding the situation of Thai Baht value in the first quarter of 2026, Thai Baht value was fluctuating, appreciating compared to year 2025.

IHL's Consolidated Performance

	Q1/2026 (MB.)	% Y-o-Y	% Q-o-Q
Revenue from Sales and Services	491.71	(24.65%)	19.53%
Other Revenue	3.34	(58.89%)	-
Total Revenue	495.05	(25.07%)	20.35%
Gross Profit	93.65	(36.48%)	16.09%
EBITDA	88.79	(32.66%)	25.09%
Net Profit	16.51	(66.26%)	7,371.46%

In Q1/2026, Revenue from Sales and Services was 491.71 Million Baht, 24.65% decreased y-o-y. The main factor was in Revenue from Finished Leather for Shoes and Cut Part for the automotive industry. The current economic remains uncertain and is also affected by exchange rate fluctuations.

Revenue from Sales and Services increased 19.53% q-o-q, from Finished Leather for Shoes due to a slowdown in customer orders in the fourth quarter of 2025.

Other Revenue was 3.34 Million Baht in Q1/2026. The Company recognized unrealized gain on derivative from forward foreign exchange contracts of 1.52 Million Baht and profit from exchange rate 1.54 Million Baht. Consolidated Revenue was 495.05 Million Baht, decreased 25.07% y-o-y and increased 20.35% q-o-q.

Gross Profit was 93.65 Million Baht, 36.48% decreased y-o-y and 16.09% increased q-o-q. Gross Profit margin in Q1/2026 was 19.04%, compared to 22.59% and 19.61% in Q1/2025 and Q4/2025 respectively. The main reason is the decrease in production, while fixed costs remain at normal levels. If the company could produce at its full capacity, the gross profit margin would likely improve. Another factor affecting production costs is the higher energy price.



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Selling and administrative expenses in the Q1/2026 totaled 60.05 Million Baht, a decrease of 9.11 Million Baht compared to the same period of the previous year, due to lower promotion expenses, export costs, and commission expenses.

Earnings before interest, income tax, depreciation and amortization (EBITDA) were 88.79 Million Baht, a decrease of 32.66% y-o-y and an increase of 25.09% q-o-q. EBITDA margin was 18.06% of Revenue from Sales and Services, compared to Q1/2025 EBITDA margin was 20.21%.

Financing cost in Q1/2026 was 17.03 Million Baht, decrease of 1.74 Million Baht compared to the same period of the previous year. If compared with the past quarter, financing costs is slightly increased 0.20 Million Baht, mainly due to decrease of interest rate.

Net profit was registered at 16.51 Million Baht, was 3.36% of Revenue from Sales and Services.

Financial Position

	Mar. 2026 (MB.)	Dec. 2025 (MB.)
Total Asset	4,297.18	4,185.68
Current Asset		
Cash and Cash Equivalents	18.55	4.12
Trade and Other Receivables	242.74	175.23
Inventories	1,842.80	1,790.96
Asset for Sales	101.64	101.64
Property, Plant and Equipment - Net	2,017.61	2,039.74
Total Liabilities	2,586.27	2,491.46
Short-term Loans from Financial Institutions	1,564.40	1,673.30
Trade and Other Payables	312.34	228.41
Long-term Loans	290.70	306.57
Total Shareholders' Equity	1,710.92	1,694.21

As of March 31, 2026, Total Asset was recorded at 4,297.18 Million Baht, with an increase of 111.50 Million Baht compared to the past quarter. Account Receivables were 242.74 Million Baht or 5.65% of Total Asset, rose by 67.51 Million Baht as compared with the last quarter. Inventories were 1,842.80 Million Baht, or accounted 42.88% of Total Asset, rose by 51.84 Million Baht.

Property, Plant and Equipment in this period was registered at 2,017.61 Million Baht, or 46.95% of Total Asset.

Short-term loans from financial institutions decreased from 1,673.30 Million Baht in Q4/2025 to 1,564.40 Million Baht. Trust Receipt decreased by 112.63 Million Baht as compared with the last quarter and Promissory Note increased by Baht 13.70 Million Baht. Long-term Loan decreased from 306.57 Million Baht to 290.70 Million Baht, mainly due to the scheduled repayment of Long-term Loan.



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Financial Ratio

	Q1/2026	Year 2025	Q1/2025
Current Ratio (times)	0.98	0.97	0.94
Quick Ratio (times)	0.11	0.08	0.16
ISCR (times)	5.21	5.78	7.02
DSCR (times)	1.70	1.91	2.36
Net Debt to EBITDA (times)	7.28	5.88	4.78
Debt to Equity (times)	1.51	1.47	1.49
Gross Profit Margin (%)	19.04%	20.97%	22.59%
EBITDA Margin (%)	18.06%	19.32%	20.21%
Net Profit Margin (%)	3.36%	5.15%	7.50%
ROE (%)	3.88%	6.78%	11.76%

Please be informed accordingly,

Your sincerely,

(Ms. Kunvarin Veeraphuttivate)

Deputy Managing Director