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SVI THAILAND CERTIFICATION
ISO9001, TUV Rheinland
IATF16949, TUV Rheinland
ISO13485, BSI
ISO14001, SOCOTEC
ISO45001, SOCOTEC
SVI CAMBODIA CERTIFICATION
ISO9001, TUV Rheinland
ISO13485, BSI
ISO14001, SOCOTEC

November 10, 2021

Managing Director's Report – Operating Results for the 3rd Quarter 2021

The Company achieved near record revenue for the 3rd quarter of 2021 with highest operational net income and margin recorded in the Company's history. The Company was able to achieve this from the support of its key customers to absorb abnormally high material costs due to worldwide semiconductor shortage and its ability to source materials in the most efficient manner.

Record profitability achieved in the midst of a challenging market environment while demand continues to be strong

The Company posted Consolidated Sales for the 3rd Quarter of 2021 of THB 4,414 million (USD 134.8 million), an increase of THB 215 million (USD 0.8 million) or 5.1% from the same quarter of the previous year. The significant increase in Thai Baht was due the to the weaker Thai Baht to 1 US Dollar of THB 32.74 in 3rd Quarter 2021 vs. THB 31.32 in 3rd Quarter 2020. Compared to the 2nd Quarter of 2021, this quarter recorded an increase of THB 583 million or 15.2%. Despite the shortages, the Company continues to post near record consolidated sales. Communication and Network, Industrial Control, Automotive & Public Transportation and Micro-Electronics were key sectors in contributing to sales this quarter.

The Company posted Consolidated Gross Profit for the 3rd Quarter of 2021 of THB 669 million (USD 20.4 million), an increase of THB 319 million or 91.0% from the same quarter of the previous year. Consolidated Gross Profit margins in the 3rd Quarter of 2021 increased to 15.2% compared to 8.3% of the same quarter in the previous year and to 8.1% of the previous quarter. In terms of Consolidated Operating Profit excluding other income, the Company posted THB 506 million (USD 15.4 million), an increase of THB 310 million or 158.2% from the same quarter of the previous year.

Consolidated Net Income for the 3rd Quarter of 2021 reach the Company's historical record of THB 521 million (USD 15.9 million) an increase of THB 271 million or 108.7% from the same quarter of the previous year. Net Income margin for this quarter was 11.8%, an increase from 5.9% of the same quarter of the previous year.

Despite the increase in working capital, balance sheet continues to be resilient

Total Consolidated Assets in the 3rd Quarter 2021 was THB 13,435 million, an increase of THB 1,556 million from the previous quarter. Inventory increased by THB 1,070 million while Account Receivables increased by THB 544 million. The increased in inventory is due to the material shortage while the increased in receivables is part of the strong demand.

Total Consolidated Liabilities in 3rd Quarter of 2021 was THB 8,799 million, an increase of THB 1,038 million from the previous quarter. Short-term loans increased by THB 547 million while Accounts Payable increased by THB 631 million. Working Capital increased to 28% of sales. The Company continues to repay its long-term loans which saw a net decrease of THB 127 million. Shareholders' equity increased to THB 4,636 million in the 3rd Quarter of 2021 from THB 4,117 million in the previous quarter.

Consolidated Profit & Loss Comparison

In Million Baht	Q3-2021 (a)	Q2-2021 (b)	% Variance = (a-b) / (b)	Q3-2020 (c)	% Variance = (a-c) / (c)
Net Sales	4,414	3,831	15.2%	4,198	5.1%
Total Costs of Sales	3,745	3,522	6.3%	3,848	(2.7%)
Gross Profit	**669**	**309**	**116.5%**	**350**	**91.1%**
Selling & Admin. Expenses	163	158	3.2%	154	5.8%
Operating Profit	**506**	**151**	**235.1%**	**196**	**158.2%**
Financial Expenses (Income)	19	21	(9.5%)	33	(42.4%)
Exchange Losses (Gain)	(18)	(15)	20.0%	(68)	(73.5%)
Oth. Non-Operating (Inc)/Exps	(18)	(18)	0.0%	(17)	5.9%
Net Income/(losses) before Tax	**523**	**163**	**220.9%**	**248**	**110.9%**
Corporation Tax	(2)	2	(200.0%)	1	(300.0%)
Net Income/ (losses) after Tax	**521**	**165**	**215.8%**	**249**	**109.2%**

The Company Profit & Loss Comparison

In Million Baht	Q3-2021 (a)	Q2-2021 (b)	% Variance = (a-b) / (b)	Q3-2020 (c)	% Variance = (a-c) / (c)
Net Sales	3,273	2,909	12.5%	3,333	(1.8%)
Total Costs of Sales	2,737	2,643	3.6%	3,038	(9.9%)
Gross Profit	**536**	**266**	**101.5%**	**295**	**81.7%**
Selling & Admin. Expenses	92	91	1.1%	84	9.5%
Operating Profit	**444**	**175**	**153.7%**	**211**	**110.4%**
Financial Expenses (Income)	9	11	(18.2%)	22	(59.1%)
Exchange Losses (Gain)	(24)	(17)	41.2%	(64)	(62.5%)
Oth. Non-Operating (Inc)/Exps	(18)	(17)	5.9%	(11)	63.6%
Net Income/(losses) before Tax	**477**	**198**	**140.9%**	**264**	**80.7%**
Corporation Tax	1	1	(0.0%)	0	(100.0%)
Net Income/ (losses) after Tax	478	199	140.2%	264	81.1%

Balance Sheet Comparison

In Million Baht	Consolidated			The Company		
	30 Sep'21	30 Jun'21	31 Dec'20	30 Sep'21	30 Jun'21	31 Dec'20
Current Assets						
Cash and ST/LT Investment	382	680	1,239	221	528	1,077
Accounts Receivable	4,243	3,698	3,007	3,556	2,994	2,314
Inventories	5,436	4,366	3,124	4,051	3,298	2,278
Other Current Assets	791	642	797	728	577	738
Total Current Assets	**10,852**	**9,386**	**8,167**	**8,556**	**7,397**	**6,407**
Current Liabilities						
Short Term Loans	2,294	1,746	1,481	1,683	1,118	931
Current Long-Term Loan	198	366	716	160	330	682
Accounts Payable	4,557	4,043	2,515	3,666	3,361	2,035
Accrued expenses, other payable	765	648	549	628	547	458
Other Current Liabilities/Accruals	143	163	113	67	100	45
Total Current Liabilities	**7,957**	**6,966**	**5,374**	**6,203**	**5,456**	4,151
Working Capital	**2,896**	**2,420**	**2,793**	**2,353**	**1,941**	**2,256**
Loan to subsidiary	0	0	0	557	526	463
Property, Plant, Equipment and Other Non-Current Assets	2,583	2,493	2,478	1,817	1,783	1,845
Total Net Assets	**5,478**	**4,913**	**5,271**	**4,727**	**4,250**	**4,564**
Financed by:						
Long-Term Debt and provision	581	541	978	19	20	442
Other Non Current Liabilities	262	255	255	144	141	142
Net Equity	4,636	4,117	4,038	4,564	4,089	3,980
Total Long-Term Funding	**5,478**	**4,913**	**5,271**	**4,727**	**4,250**	**4,564**

Mr. Somchai Siripanyanon
President