

August 6, 2025

Management Discussion and Analysis **Operating Results for the 2nd Quarter 2025**

SVI (the “Company”) reported an increase in revenue for the 2nd Quarter of 2025 amidst ongoing global uncertainties. While the increase was modest, the Company remains confident in its growth prospects going into the 2nd half of 2025. This is supported by strong visibility into customer demand. Following recent clarification of U.S. tariff measures, SVI remains competitively positioned especially with the newly established manufacturing facility in the U.S.

Sales modestly recovered but profitability decreased

The Company reported consolidated revenue for the 2nd Quarter of 2025 of THB 4,300 million (USD 130.7 million), an increase of THB 107 million (USD 6.5 million) or 2.6% from the previous quarter. Compared to the 2nd Quarter of the previous year, revenue for the 2nd Quarter of this year declined by THB 1,638 million (USD 32.1 million) or 27.6%. Communication and Network, Industrial Control and Micro-Electronics were key sectors in contributing to sales this quarter.

The Company reported consolidated gross profit for the 2nd Quarter of 2025 of THB 268 million, a decrease of THB 65 million or 19.5% from the previous quarter. Compared to the 2nd Quarter of the previous year, gross profit for the 2nd Quarter of this year decreased by THB 440 million or 62.1%. Gross Profit margin for the 2nd Quarter of 2025 was 6.2%, representing a decrease from the previous quarter of 7.9% and 2nd Quarter of the previous year of 11.9%. The higher gross margin in 2024 especially in the 1st half of 2024 was primarily driven by a Thai Baht weakening, strong demand, and a favorable product mix. In contrast, lower gross profit and margins this quarter was the result of lower sales compared to fixed overhead and Thai Baht strengthening. Operating Profit excluding other income for the 2nd Quarter of 2025 was THB 64 million, a decrease of THB 62 million or 49.2% from the previous quarter. Compared the 2nd Quarter of the previous year, Operating Profit for this quarter decreased by THB 433 million or 87.1%.

The Company reported consolidated net profit for the 2nd Quarter of 2025 of THB 91 million, decrease of THB 52 million or 36.4% from the previous quarter. Compared to the 2nd Quarter of 2024, consolidated net profit for the 2nd Quarter of 2025 decreased by THB 487 million or 84.3%. This resulted from the factors mentioned earlier, including weaker revenue this year, the strengthening of the Thai Baht in 2025, and an exceptionally strong margin in 2024 due to currency depreciation.

Stable Balance Sheet with Controlled Working Capital

Total consolidated assets for the 2nd Quarter of 2025 was THB 13,503 million, an increase of THB 249 million or 1.9% from the previous quarter. This is mainly due to THB 248 million rise in account receivable and inventory following revenue growth during the quarter. Compared to the 4th Quarter of 2024, total consolidated assets declined by THB 430 million, mainly due to a reduction in working capital.

Total consolidated liabilities for the 2nd Quarter of 2025 was THB 6,174 million, an increase of THB 731 million or 13.4% from the previous quarter. The increase was mainly driven by a THB 546 million rise in account payable in line with higher inventory level during the quarter, as well as additional short-term loan borrowing to support the annual dividend declaration. Total bank debt outstanding as of the 2nd Quarter of 2025 was THB 1,376 million, a slight increase from THB 1,259 million in 1st Quarter of 2025.

The current D/E level is 0.19x, an increase from 0.16x in the previous quarter. This increase is primarily due to a reduction in retained earnings following the dividend payment, as well as a slight increase in total bank debt. Account receivable days and Inventory days slightly rose from 88 days and 101 days in 1st Quarter of 2025 to 89 days and 102 days respectively in this quarter. Despite such increase, working capital remained at 24% of sales as an increase in account payable days from 80 days in the previous quarter to 90 days in this quarter.

Year-to-Date Consolidated Profit & Loss Comparison

	Q2-2025	Q2-2024	% Variance
In Million Baht	(a)	(b)	= (a-b) / (b)
Net Sales	8,493	11,004	(22.8%)
Total Costs of Sales	7,892	9,756	(19.1%)
Gross Profit	601	1,248	(51.8%)
Selling & Admin. Expenses	411	427	(3.7%)
Operating Profit	190	821	(76.9%)
Financial Expenses (Income)	22	68	(67.6%)
Exchange Losses (Gain)	(45)	(104)	(56.7%)
Oth. Non-Operating (Inc)/Exps	(69)	(75)	(8.0%)
Net Income/(losses) before Tax	282	932	(69.7%)
Corporation Tax	(48)	(43)	11.6%
Net Income/ (losses) after Tax	234	889	(73.7%)

Quarterly Consolidated Profit & Loss Comparison

	Q2-2025	Q1-2025	%Variance	Q2-2024	%Variance
In Million Baht	(a)	(b)	= (a-b) / (b)	(c)	= (a-c) / (c)
Sales	4,300	4,193	2.6%	5,938	(27.6%)
Costs of Sales	4,032	3,860	4.5%	5,230	(22.9%)
Gross Profit	268	333	(19.5%)	708	(62.1%)
Selling & Admin. Expenses	204	207	(1.4%)	211	(3.3%)
Operating Profit	64	126	(49.2%)	497	(87.1%)
Financial Expenses (Income)	7	16	(56.3%)	32	(78.1%)
Exchange Losses (Gain)	(12)	(33)	(63.6%)	(82)	(85.4%)
Oth. Non-Operating (Inc)/Exps	(47)	(22)	113.6%	(56)	(16.1%)
Net Income/(losses) before Tax	116	165	(29.7%)	603	(80.8%)
Corporation Tax	(25)	(22)	13.6%	(25)	0.0%
Net Income/ (losses) after Tax	91	143	(36.4%)	578	(84.3%)

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Balance Sheet Comparison

In Million Baht	30 Jun'25	31 Mar'25	31 Dec'24
Current Assets			
Cash	1,034	1,054	1,227
Investment	47	93	94
Accounts Receivable	4,188	4,102	4,624
<i>Accounts Receivable Days</i>	89	88	80
Inventories	4,513	4,351	4,283
<i>Inventory Days</i>	102	101	81
Other Current Assets	187	153	175
Total Current Assets	9,969	9,753	10,403
Current Liabilities			
Short Term Loans	719	596	1,548
Current Long-Term Loan	170	170	171
Accounts Payable and other Payable	3,976	3,430	3,305
<i>Accounts Payable Days</i>	90	80	63
Accrued expenses	184	147	142
Other Current Liabilities/Accruals	37	32	34
Total Current Liabilities	5,086	4,375	5,200
Working Capital	4,883	5,378	5,203
Loan to subsidiary	0	0	0
Property, Plant, Equipment and Other Non-Current Assets	3,534	3,501	3,530
Total Net Assets	8,417	8,879	8,733
Financed by:			
Long-Term Debt	791	776	784
Other Non-Current Liabilities	297	292	290
Net Equity	7,329	7,811	7,659
Total Long-Term Funding	8,417	8,879	8,733



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