



บริษัท ระยองไวร์ อินดัสตรีส์ จำกัด (มหาชน)
RAYONG WIRE INDUSTRIES PUBLIC COMPANY LIMITED
ทะเบียนเลขที่ 010 7552000111



February 25, 2019

Reference no. RWI/RY/005/2019

Subject : Management Discussion and Analysis of Business Operation of 2018
To : The Director and Manager of the Stock Exchange of Thailand,

Rayong Wire Industries PLC. (RWI) would like to describe and analyze the financial situation and business operation of 2018 that had been audited from the external auditor, in order to disclose the information to the investors and publics.

The Overview of Business Operation

In 2018, the company had the net profit of 52.87 million baht, compared to the net profit of 80.86 million baht in 2017, decreased as 27.99 million baht or 34.61 percent. The details are as follows:

Business Operation Analysis

Revenue

In 2018, the company had the total revenue of 1,106.63 million baht, increased by 159.04 million baht, comparing to the total revenue of 947.59 million baht in 2017 or increased as 159.04 percent. Since the company had potential competitiveness and implemented the effective marketing strategy, therefore, we could increase both domestic and export sales constantly. The company earned the other income from the profit on revaluation of available for trading securities.

Cost of Goods Sold

In 2018, the company had the cost of goods sold 954.10 million baht, increased to 167.98 million baht, comparing to 2017 which was increased 786.12 million baht or 21.37%. The cost of goods sold value was higher than the sales value because of the increment of raw material cost. The company had managed some of the obsolete products by setting up the provision of obsolete products that affect to the rising up of cost of goods sold.

Expense

In 2018, the company had the selling cost of 40.36 million baht, increased 10.75 million baht or 36.30 percent, comparing to the selling cost of 29.61 million baht in 2017. The company spent more sales promotion expense for export markets such as UK, Myanmar, Vietnam, Philippines. The transportation expense was risen up due to the increment of sales quantity.



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Financial Position

Total Asset

As of December 31, 2018, the company had the total asset of 1,485.09 million baht, increased 129.72 million baht or 9.57 percent, comparing to the total asset of 1,355.37 million baht on December 31, 2017. The reason was from the increment of raw material purchase in order to serve the expansion of domestic and export sales including the inventory accumulation. The company deposited more cash guarantee to the bank for the extension of credit line for buying material.

Liabilities

As of December 31, 2018, the company has the total liabilities of 419.49 million baht, increased to 93.22 million baht or 28.57%, comparing to the total liabilities of 326.27 million baht on December 31, 2017. It was caused from the increment of short-term loan from the financial institution in order to buy raw material.

Shareholders' Equity

As of December 31, 2018, the company had the shareholders equity of 1,065.60 million baht, increased 36.50 million baht or 3.55 percent, comparing to 1,029.10 million baht on December 31, 2017. Some shareholders applied the right to exercise on the warrant (RWI-W1) as 30 million shares as amount of 15.17 million baht. In addition, the company had the premium on ordinary shares as amount of 33.36 million baht, also the company paid the dividend as 64 million baht regarding to the operation of 2017. The company had total comprehensives of 2017 as 52.20 million baht.

Please be informed accordingly

Yours sincerely,

(Mr.Pipit Jaovisidha)
Director