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LWH/ACC/16/11/LT083

November 11, 2016

Subject : Management discussion and analysis for the three month period ended September 30, 2016

To Director and Manager of the Stock Exchange of Thailand

Referring to the submission of the reviewed financial statements for quarter 3/2016 of Wiik & Hoeglund Public Company Limited “the Company”, the management would like to discuss and analyse of the financial statements for the period three month ended September 30, 2016 as follows;

Operating results in the past 3 months

	Jul-Sep 2014	Jul-Sep 2015	Changed (%)	Jul-Sep 2016	Changed (%)
1. Production volume (Ton)	2,788.52	3,769.77	35.19	4,603.97	22.13
2. Back log (Ton)	4,834.24	4,897.44	1.31	8,088.25	65.15
● W-HQ Pipe	4,744.05	4,453.86	(6.12)	7,433.54	66.90
● Weholite	90.17	432.07	379.17	654.70	51.53
● Others	0.02	11.51	57,450.00	-	(100.00)
3. Sale volume (Ton)	2,649.35	3,765.52	42.13	4,624.17	22.80
4. Total revenues (million Baht)	254.00	303.06	19.31	356.80	17.73
4.1 Sale and service income (million Baht)					
● Domestic	170.20	176.54	3.73	328.27	85.95
● Export	68.07	122.29	79.65	25.65	(79.03)
4.2 Other income	15.73	4.23	(73.11)	2.89	(31.68)
5. Net profit (loss) (million Baht)	(3.33)	34.13	(1,124.92)	45.03	31.94

The Company’s operating results had the continuous growth. Compared to the past 2 years in the same period, the total income increased by 40.47% from the quarter 3/2014 and 17.73% from the quarter 3/2015. Regarding as the net profit, in the quarter 3/2015 the Company had the net profit of 34.13 Million Baht, growth 1,124.92% from the quarter 3/2014. And in the quarter 3/2016 the company had the net profit of 45.03 million Baht, growth 31.94% from the quarter 3/2015.

Analysis of the operating results of WIİK

Summarized of the Statement of income

Unit : million Baht	Jul-Sep 2015	Jul-Sep 2016	Change (%)
Sales	291.85	340.36	16.62
Service income	6.98	13.56	94.27
Other income	4.23	2.89	(31.68)
Total revenues	303.06	356.80	17.73
Cost of sales and services	241.04	275.87	14.45
Selling and administrative expenses	24.39	33.88	38.91
Finance cost	4.44	4.42	(0.45)
Income tax (expenses) income	0.93	2.38	155.91
Profit for the period	34.13	45.03	31.94

The operating results of the Company and its subsidiary had changed over 20%, in the quarter 3/2016 the Company had net profit amount of 45.03 million Baht compared to 34.13 million Baht in quarter 3/2015. The Company had increased the profit amount of 10.90 million Baht or 31.94% due to the major reasons as follows;

1. Sales and service revenues in the quarter 3/2016 increased from the quarter 3/2015 by 55.09 million Baht or 18.43% from the result of;

1.1 Domestic sales and services revenue increased by 151.73 million Baht or 85.95%

1.2 Export sales and services revenue decreased by 96.64 million Baht or 79.03% as in quarter 3/2015 the company sold to a major foreign customer who repeatedly purchased pipes in the cycle pattern.

2. Other income for the quarter 3/2016 decreased in the amount of 1.34 million due to decreasing of seafreight income in relation to decreasing of export sales.

3. Cost of goods sold and services for the quarter 3/2016 and quarter 3/2015 were 77.95 percent and 80.66 percent of sales and services revenue respectively. It decreased from the same period of last year by 2.71 percent due to the cost management and decreasing of the conversion cost per unit when production increased.



บริษัท วิค แอนด์ ฮูกลันด์ จำกัด (มหาชน)

WIJK & HOEGLUND PUBLIC CO.,LTD

4. Selling expenses for the quarter 3/2016 increased in the amount of 4.14 million Baht or 28.63% due to the major reasons as follows;

4.1 Transportation expenses increased in amount of 2.47 million Baht, from increasing of domestic sale volume.

4.2 Sales commission and sales promotion expenses was increased 2.02 million Baht as sales revenue increased.

5. Administrative expenses for the quarter 3/2016 increased in the amount of 5.35 million Baht or 53.90% as in quarter 3/2015 the Company had profit on exchange rate of 4.11 million Baht while the quarter 3/2016 the company had loss on exchange rate of 0.45 million Baht.

6. Finance cost in the quarter 3/2016 decreased from the same period last year in the amount of 0.02 million Baht, due to the decreasing in the interest rate.

7. Tax revenue for the quarter 3/2016 increased from the same period of last year in the amount of 1.45 million Baht due to the deferred revenue tax according to Thai Accounting Standard No.12.

Yours Truly,
WIJK & HOEGLUND PUBLIC CO., LTD.

Mr. Wiboon Sangwithayanon
Chief Executive Officer