

No. WH/ACC/21/11/LT274

November 11, 2021

Subject: Management discussion and analysis for the three-month period ended September 30, 2021

To: Director and Manager of the Stock Exchange of Thailand

Referring to the submission of the reviewed financial statements for quarter 3/2021 of WIJK Public Company Limited (“the Company”), the management would like to clarify the operating results for the period of three month ended September 30, 2021 as follows;

Summarized of the Statement of income

Unit: million Baht	Quarter 3/2021	Quarter 3/2020	Changed (%)
Income from pipe sale	213.67	288.16	(25.85)
Income from pipe installation	8.92	24.67	(63.84)
Incomes from the water management business			
- Sales and service of water supply	45.20	32.50	39.08
- Installation of water treatment systems	15.46	13.88	11.38
Other income	4.47	2.02	121.29
Total revenues	287.72	361.23	(20.35)
Cost from sale pipe	174.84	224.85	(22.24)
Cost from installation pipe	7.64	23.11	(66.94)
Cost from the water management business			
- Sales and service of water supply	29.16	23.50	24.09
- Installation of water treatment systems	10.93	12.25	(10.78)
Selling and distribution expenses	10.41	11.17	(6.80)
Administrative expenses	23.09	26.40	(12.54)
Finance cost	5.78	8.52	(32.16)
Profit before income tax expenses	25.87	31.43	(17.69)
Income tax expenses	(3.99)	(6.01)	(33.61)
Profit for the period	21.88	25.42	(13.93)



บริษัท วิค จำกัด (มหาชน)

WIJK PUBLIC COMPANY LIMITED

Unit: million Baht	Quarter 3/2021	Quarter 3/2020	Changed (%)
Profit attributable to:			
Equity holders of the Company	21.58	25.42	
Non-controlling interests of the subsidiary	0.30	-	
	21.88	25.42	

The operating results of the Company and its subsidiaries in the quarter 3/2021 decreased from quarter 3/2020 by 13.93%. The Company and its subsidiaries have the net profit amount of Baht 21.88 million compared to Baht 25.42 million in the quarter 3/2020. The Company's profit decreased by Baht 3.54 million. The new wave of COVID-19 epidemic was more violent than the previous wave. The number of infected people and death dramatically increased. The suspension of construction sites brought to delay of receiving construction material. Such situation affected the operation results of the Company and its subsidiaries.

1. Income from pipe sale in the quarter 3/2021 decreased from quarter 3/2020 by Baht 74.49 million or 25.85% from;
 - 1.1 Domestic sale decreased by Baht 77.04 million or 29.54%
 - 1.2 Export sale increased by Baht 2.55 million or 9.33%
2. Incomes from pipe installation in the quarter 3/2021 decreased from quarter 3/2020 by Baht 15.75 million or 63.84% from;
 - 2.1 Domestic installation revenue decreased by Baht 12.78 million or 62.99%, because the Company got high revenue from pipe installation in EEC zone in the quarter 3/2020.
 - 2.2 Export installation revenue decreased by Baht 2.97 million or 67.69%
3. Income from the water management business are categorized into two types.
 - 3.1 Income from water treatment and distribution increased from the quarter 3/2020 by Baht 12.70 million. The major increasing came from the water supply contract with Chum Num Subb Industrial Project, Pathum Thani Province and Khlong Luang Ratchalothon Reservoir/ PWA Chonburi, Banbueng branch project.
 - 3.2 Income from installation of water treatment systems increased from quarter 3/2020 by Baht 1.58 million. The revenue increased from design and construction of water treatment systems.

4. Cost of sale and services in percentages of income changed as follows;

Cost	Quarter 3/2021	Quarter 3/2020	The major reason
4.1 Cost from pipe sale	81.83%	78.03%	The cost of raw materials increased and the conversion costs increased due to decrease of production volume.
4.2 Cost from pipe installation	85.65%	93.68%	The cost per income rate is decreased. The gross margin usually depends on the conditions and agreements of each job.
4.3 Cost from Sales and service of water supply	64.51%	72.31%	More income from new water treatment and distribution projects with higher than quarter 3/2020.
4.4 Cost from Installation of water treatment systems	70.70%	88.26%	The cost per income rate is decreased. The gross margin usually depends on the conditions and agreements of each job.

5. Selling expenses in the quarter 3/2021 decreased from the quarter 3/2020 by Baht 0.76 million or 6.80% from decreasing in sale revenue.

6. Administrative expenses in the quarter 3/2021 decreased from the quarter 3/2020 in amount of Baht 3.31 million or 12.54%, from normal business operation.

7. Financial cost in quarter 3/2021 decreased from quarter 3/2020 by Baht 2.74 million or 32.16%. The average loan balance and interest rate from the financial institutions decreased from the previous year. This is the results of using the capital increase as working capital instead of using the short-term loans during waiting the project investment.

8. Tax expenses in the quarter 3/2021 decreased from quarter 3/2020 by Baht 2.02 million from decreasing of profit.



บริษัท วิค จำกัด (มหาชน)

WIJK PUBLIC COMPANY LIMITED

Backlog

(Unit: Million Baht)	September 30, 2021	December 31, 2020	September 30, 2020
Sales and installation of the pipeline business group	626.14	664.85	677.68
Water management business group (Only amount to be recognized in one year)			
- Sale and service of water supply	223.75	153.00	152.01
- Installation of water treatment systems	1.80	4.42	2.29
Total	851.69	822.27	831.98

Yours Truly,

Mr. Wiboon Sangwithayanon
Chief Executive Officer