

No. WH/ACC/22/05/LT117

May 10, 2022

Subject: Management discussion and analysis for the three-month period ended March 31, 2022

To: Director and Manager of the Stock Exchange of Thailand

Referring to the submission of the reviewed financial statements for quarter 1/2022 of WIIC Public Company Limited (“the Company”), the management would like to clarify the operating results for the period of three month ended March 31, 2022 as follows;

Summarized of the Statement of income

Unit : million Baht	Quarter 1/2022	Quarter 1/2021	Changed (%)
Income from sale pipe	256.86	267.14	(3.85)
Income from installation pipe	10.08	34.39	(70.69)
Incomes from the water management business			
- Sales and service of water supply	38.77	32.62	18.85
- Installation of water treatment systems	8.30	14.62	(43.23)
Other income	4.22	1.30	224.62
Total revenues	318.23	350.07	(9.10)
Cost from sale pipe	216.55	212.58	1.87
Cost from installation pipe	8.57	31.59	(72.87)
Cost from the water management business			
- Sales and service of water supply	28.34	24.38	16.24
- Installation of water treatment systems	6.83	8.32	(17.91)
Selling and distribution expenses	11.49	10.92	5.22
Administrative expenses	25.60	25.15	1.79
Finance cost	2.30	6.90	(66.67)
Profit before income tax expenses	18.55	30.23	(38.64)
Income tax expenses	(2.32)	(4.95)	(53.13)
Profit for the period	16.23	25.28	(35.80)

Unit : million Baht	Quarter 1/2022	Quarter 1/2021	Changed (%)
Profit attributable to:			
Equity holders of the Company	16.14	25.28	
Non-controlling interests of the subsidiary	0.09	-	
	16.23	25.28	

The operating results of the Company and its subsidiaries in the quarter 1/2022 decreased from quarter 1/2021 by 35.80%. The Company and its subsidiaries have the net profit amount of Baht 16.23 million compared to Baht 25.28 million in the quarter 1/2021. The Company's profit decreased by Baht 9.05 million due to the major reasons as follows;

1. Income from sale pipe in the quarter 1/2022 decreased from quarter 1/2021 by Baht 10.28 million or 3.85% from;
 - 1.1 Domestic sales decreased by Baht 1.62 million or 0.68%
 - 1.2 Export sales decreased by Baht 8.66 million or 28.31%

2. Incomes from installation pipe in the quarter 1/2022 decreased from quarter 01/2021 by Baht 24.31 million or 70.69% from;
 - 2.1 Domestic installation revenue decreased by Baht 23.53 million or 70.01%, In the previous year the company got high revenue from rainwater sewer renovation works to prevent floods.

 - 2.2 Export installation revenue decreased by Baht 0.78 million or 100.00%. It was from a project in Philippines which had been under construction for several years and finished in 2021.

3. Income from the water management business are categorized into two types.
 - 3.1 Income from water treatment and distribution increased from the quarter 01/2021 by Baht 6.15 million. The major increasing came from water treatment for Patong Municipality, Phuket Province and the water supply contract with Chum Num Subb Industrial project, Pathum Thani Province of subsidiary.

 - 3.2 Income from installation of water treatment systems decreased from quarter 1/2021 by Baht 6.32 million. The revenue decreased from design and construction of water treatment system.

4. The changes of cost of sales and services as a percentage of income as follows;

Cost	Quarter 1/2022	Quarter 1/2021	The major reason
4.1 Cost from sale pipe	84.31%	79.58%	Increased from rising of raw material prices and lower production volumes resulting in higher production costs per unit compared to quarter 01/2021
4.2 Cost from installation pipe	85.06%	91.86%	The project in Philippines which had high cost had finished in 2021.
4.3 Cost from Sales and service of water supply	73.11%	74.74%	More income from the projects which have higher margin.
4.4 Cost from Installation of water treatment systems	82.28%	56.91%	The cost per income rate is increased. The gross margin usually depends on the conditions and agreements in each job.

5. Selling expenses in the quarter 1/2022 increased from the quarter 1/2021 by Baht 0.57 million or 5.22% as follows;

5.1 Employee benefit expenses increased by Baht 0.29 million from annual salary adjustment and other expenses related to employees.

5.2 Royalty fee increased by Baht 0.28 million from increasing sales of Weholite pipe products.

6. Administrative expenses in the quarter 1/2022 increased from the quarter 1/2021 in amount of Baht 0.45 million or 1.79%, from the normal business operation.

7. Financial cost in quarter 1/2022 decreased from quarter 1/2021 by Baht 4.60 million or 66.67%. The average loan balance and interest rate from the financial institutions decreased from the previous year.

8. Tax expenses in the quarter 1/2022 decreased from quarter 01/2021 by Baht 2.63 million, from decreasing of profit.



บริษัท วิค จำกัด (มหาชน)

WIIC PUBLIC COMPANY LIMITED

9. Backlog

(Unit : Million Baht)	March 31, 2022	December 31, 2021
Sales and installation of the pipeline business group	691.81	686.78
Water management business group (Only amount to be recognized in one year)		
- Sale and service of water supply	161.99	200.79
- Installation of water treatment systems	20.54	0.80
Total	874.34	888.37

Yours Truly,

Mr. Wiboon Sangwithayanon
Chief Executive Officer