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ISO 9001 : 2015

May 11, 2022

No. WFX ELCID2565/009

Subject Management Department Discussion and Analysis for the first quarter 2022, ended March 31, 2022

Dear Directors and Managers

at The Stock Exchange of Thailand,

World Flex Public Company Limited (“the company”) would like to inform about the consolidated operating results of the company for the first quarter 2022 ended on March 31, 2022 (1 January– 31 March) with details as following;

Results for the first quarter of 2022 of World Flex Public Company Limited

( in million baht )

Revenue	Q1'2022		Q1'2021		Increase (Decrease)	
	In million Baht	%	In million Baht	%	In million Baht	%
Revenue from sales of goods	1,134.58	99.22	717.18	99.66	417.40	58.20
Revenue from sales of rubber scraps	0.11	0.01	0.87	0.12	(0.76)	(87.36)
Revenue from sales of chemicals	-	0.00	0.55	0.08	(0.55)	(100.00)
<b>Total revenue</b>	<b>1,134.69</b>	<b>99.23</b>	<b>718.60</b>	<b>99.85</b>	<b>416.09</b>	<b>57.90</b>
Other income	3.05	0.27	1.05	0.15	2.00	190.48
Net gains on foreign exchange	5.74	0.50	-	0.00	5.74	100.00
<b>Total income</b>	<b>1,143.48</b>	<b>100.00</b>	<b>719.65</b>	<b>100.00</b>	<b>423.83</b>	<b>58.89</b>
Cost of sales of goods	947.44	82.86	626.07	87.00	321.37	51.33
Distribution costs	13.21	1.16	7.34	1.02	5.87	79.97
Administrative expense	43.34	3.79	21.88	3.04	21.46	98.08
Net losses on foreign exchange	-	0.00	12.87	1.79	(12.87)	(100.00)
<b>Total expense</b>	<b>1,003.99</b>	<b>87.80</b>	<b>668.16</b>	<b>92.85</b>	<b>335.83</b>	<b>50.26</b>
<b>Profit from operating activities</b>	<b>139.49</b>	<b>12.20</b>	<b>51.49</b>	<b>7.15</b>	<b>88.00</b>	<b>170.91</b>
Finance costs	1.31	0.11	3.97	0.55	(2.66)	(67.00)
<b>Profit before income tax expense</b>	<b>138.18</b>	<b>12.08</b>	<b>47.52</b>	<b>6.60</b>	<b>90.66</b>	<b>190.78</b>
Tax expense	26.89	2.35	7.37	1.02	19.52	264.86
<b>Profit for the period</b>	<b>111.29</b>	<b>9.73</b>	<b>40.15</b>	<b>5.58</b>	<b>71.14</b>	<b>177.19</b>
Basic earnings per share (in Baht)	0.24		0.12		0.12	100

Note : The ratio in the profit and loss statement is expressed as a percentage of total income.



## **1. Sales Revenue**

Business profits in the first quarter of 2022, the company had sales revenue of 1,134.58 million baht, an increase of 417.40 million baht or 58.20% from the first quarter of 2021 mainly due to the rising average price of concentrated latex in the market which led to an increase in the selling price of rubber thread in accordance with the increased raw material price, and the company has sold more rubber thread in compare with the same period previous year. Because in January 2022, the company has expanded the production capacity, as well as, increased the utilization rate. Resulting in the company's ability to produce and sell more variety of rubber thread in terms of both size and quality varieties. Therefore, it can support the different demands of rubber thread, from both, existing customers and new prospects. In addition, the company has increased proportion of revenue from selling products directly to end-users.

## **2. Expense**

In the first quarter of 2022, the company had total expenses of 1,003.99 million baht, an increase of 335.83 million baht or an increase of 50.26% from the first quarter of 2021, in line with the increase in sales revenue Where most of the costs related to cost of raw materials, chemicals and production costs. Higher costs associated with an increase of rubber thread production capacity. Including labor cost, due to an increase of the number of employees in the factory and maintenance department. To support the expansion after increased installed production capacity in January 2022. Another cause, is the company's increase in distribution costs by 5.87 million baht or an increase of 79.97%, due to export expenses which corresponds to the increased administrative expenses of 21.46 million baht from the previous year or an increase of 98.08% mainly due to employee expenses. Since the company increase the number of employees to support business growth, including an annual salary adjustment for employees.

## **3. Finance Cost**

In the first quarter of 2022, the company's financial costs had 1.31 million baht or 0.11% of total revenue. It decreased from the previous year by 2.66 million baht or an decreased of 67.00%. It was caused by the company's repayment of short-term borrowings with financial institutions at the end of 2021 due to the increase in listed capital on December 23rd, 2021, resulting in financial costs in the first quarter of 2022, the portion of interest payments decreased.

## **4. Profit for the year**

The company has a net profit for the first quarter of 2022, 111.29 million baht or 9.73% of total revenue, increasing from the same period of the previous year on 71.14 million baht or an increase of 177.19% mainly due to an increase in revenue from sales of the company's main products after the company has increased the installed capacity which makes the company able to produce more variety of products in terms of size and quality, to be able to successfully support the needs of customers in a varieties of industries.



## Statement of financial position

( in million baht )

	31 March 2022	31 December 2021	Increase (Decrease)	
			in million Baht	%
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	377.96	605.61	(227.65)	(37.59)
Trade accounts receivable and other current receivables	317.93	290.33	27.60	9.51
Inventories	471.88	373.87	98.01	26.21
Other current assets	84.42	41.93	42.49	101.34
<b>Total current assets</b>	<b>1,252.19</b>	<b>1,311.74</b>	<b>(59.55)</b>	<b>(4.54)</b>
<b>Non-current assets</b>				
Investment properties	339.80	339.80	0.00	0.00
Property, plant and equipment	1,466.44	1,293.99	172.45	13.33
Other non-current assets	9.56	7.20	2.36	32.78
<b>Total non-current assets</b>	<b>1,815.80</b>	<b>1,640.99</b>	<b>174.81</b>	<b>10.65</b>
<b>Total assets</b>	<b>3,067.99</b>	<b>2,952.73</b>	<b>115.26</b>	<b>3.90</b>
<b>Current liabilities</b>				
Trade accounts payable and other current payables	598.63	495.80	102.83	20.74
Short-term loans	0.00	0.00	0.00	0.00
Current portion of long-term from financial institution	50.40	25.20	25.20	100.00
Current portion of lease liabilities	2.46	2.38	0.08	3.36
Other current liabilities	78.18	177.61	(99.43)	(55.98)
<b>Total current liabilities</b>	<b>729.67</b>	<b>700.99</b>	<b>28.68</b>	<b>4.09</b>
<b>Non-current liabilities</b>				
Long-term loans from financial institution	39.57	64.77	(25.20)	(38.91)
Other non-current liabilities	145.33	144.84	0.49	0.34
<b>Total non-current liabilities</b>	<b>184.90</b>	<b>209.61</b>	<b>(24.71)</b>	<b>(11.79)</b>
<b>Total liabilities</b>	<b>914.57</b>	<b>910.60</b>	<b>3.97</b>	<b>0.44</b>
Total equity	2,153.42	2,042.13	111.29	5.45
<b>Total liabilities and equity</b>	<b>3,067.99</b>	<b>2,952.73</b>	<b>115.26</b>	<b>3.90</b>

Note : Summary Statement of Financial Position

### 1. Assets

As of March 31, 2022 and as of December 31, 2021, the company had total assets of 3,067.99 million baht and 2,952.73 million baht, respectively, an increase of 115.26 million baht or an increase of 3.90%. up from building investment machinery and equipment to support the expansion of production capacity of rubber thread and an increase in trade accounts receivable and other receivables due to higher sales from the same period last year and increased inventories to support the increasing order quantity.



## 2. Liabilities

As of March 31, 2022 and as of December 31, 2021, the company had total liabilities of 914.57 million baht and 910.60 million baht, respectively, an increase of 3.97 million baht, mainly due to an increase in trade and other current payable due to the increased sales volume.

## 3. Shareholders Equity

As of March 31, 2022 and as of December 31, 2021, the company had total shareholders' equity of 2,153.42 million baht and 2,042.13 million baht, respectively, an increase of 111.29 million baht or an increase of 5.45%, which the increased by company performance.

World Flex Public Company Limited still insists on dedication and determination for the purpose of generating growth and consistent and sustainable returns in the long term with the principles of good corporate governance in parallel with the development of communities, society and the environment.

Please be informed accordingly.

Yours faithfully,

World Flex Public Company Limited

Nat Vongsasuttikul

Managing Director