

CTW016/2022

May 13, 2022

Subject : Management Discussion and Analysis for the first quarter of 2022

To : President
The Stock Exchange of Thailand

Charoong Thai Wire and Cable Plc.(CTW) would like to clarify the Company and its subsidiaries' operating results based on the consolidated financial statements for the first quarter of 2022, three-month period, ended 31 March 2022 as follows:

(Unit : Million Baht)

Operating Results	The first quarter (three-month period)			
	2022	2021	Change	
			Million Baht	%
Total revenues	1,490.41	1,398.72	91.69	6.56
Loss attributable to equity holders of CTW	(88.73)	(28.67)	(60.06)	(209.48)
Earnings per share (Baht/Share)	(0.22)	(0.07)		

Loss

Loss attributable to equity holders of CTW for the first quarter of 2022, three-month period, was THB 88.73 million, loss increased by THB 60.06 million or 209.48%, compared with the loss of THB 28.67 million in the same period of previous year which was mainly caused by the following reasons:

Revenue from Sales

Revenue from sales of THB 1,468.28 million increased by THB 70.52 million or 5.05% from THB 1,397.76 million in the same period of previous year. In the first quarter of 2022, the Company and its subsidiaries had revenue from Enameled and non-enameled wire of THB 887.03 million, followed by Power cable of THB 540.62 million and Communication & others THB 36.79 million and Fiber optic cable of THB 3.84 million, respectively.

Expenses

Total expenses of THB 1,585.71 million increased by THB 147.05 million or 10.22% from THB 1,438.65 million in the same period of the previous year, details were summarized as follows.

1. Cost of Sales

Total cost of sales of THB 1,208.05 million, representing 82.28% of sales, decreased by THB 98.53 million or 7.54%, when compared with THB 1,306.58 million in the same period of the previous year. In the first quarter of 2022, the gross profit was THB 260.23 million or the gross profit margin was 17.72%, and there was the reversal of allowance for diminution in value of inventory of THB 259.44 million, while in the same period of the previous year, the gross profit was THB 91.18 million or the gross profit margin was 6.52%.

2. Administrative Expenses

Administrative expenses of THB 39.53 million decreased by THB 32.02 million or 44.75% from THB 71.55 million in the same period of previous year since the Company and its subsidiaries had loss on exchange of THB 31.18 million in the first quarter of 2021.

In addition, the first quarter of 2022, the Company had loss on onerous contracts of THB 321.39 million, increasing by THB 305.58 million or 1,932.43% when compared with THB 15.81 million in the same period of the previous year, since the Company had to purchase more main raw materials (copper) with the higher price.

3. Income Tax

In the first quarter of 2022, Income Tax of THB 13.99 million increased by THB 12.72 million or 1,003.79% when compared with the same period of previous year, which there was income tax of THB 1.27 million due to the interim corporate income tax charge of THB 8.48 million and relating to origination and reversal of temporary differences of THB 22.47 million.

Financial position

1. Assets :

As at 31 March 2022, the Company and its subsidiaries had total assets of THB 6,501.50 million, arising 0.64% from THB 6,459.93 million at the end of 2021 caused by the increase in inventories and advance purchases of raw material.

2. Liabilities :

As at 31 March 2022, the Company and its subsidiaries had total liabilities of THB 2,681.37 million, arising 6.07% from THB 2,527.93 million at the end of 2021, due to increase in long-term loan from financial institution.

3. Shareholder's equity of the Company :

As at 31 March 2022, the Company and its subsidiaries had shareholders' equity of the Company of THB 3,817.66 million, decreasing 2.91% from THB 3,932.10 million at the end of 2021, mainly due to decrease in the retained earnings of the Company resulting from the net loss during the period.

(Unit : Million Baht)	Consolidated F/S			Separate F/S		
	31 Mar.2022	31 Dec.2021	% of Change	31 Mar.2022	31 Dec.2021	% of Change
Total assets	6,501.50	6,459.93	0.64	5,154.73	5,280.91	(2.39)
Total Liabilities	2,681.37	2,527.93	6.07	1,733.78	1,738.99	(0.30)
Total shareholders' equity of the Company	3,817.66	3,932.10	(2.91)	3,420.95	3,541.92	(3.42)
Debt-To-Equity (times)	0.70	0.64		0.51	0.49	
Return on Equity (%)	(2.29)	(9.59)		(2.74)	(12.53)	

Please be informed accordingly.

Sincerely yours,

-- Mrs. Sununtha Phaengsook --

(Mrs. Sununtha Phaengsook)
Deputy Managing Director (Finance)