

**WORLD FLEX PUBLIC COMPANY LIMITED****บริษัท เวิลด์ฟлекс จำกัด (มหาชน)**OFFICE : 1/7 BANGNA THANI BLDG. 3rd FL. ROOM 3B SOI BANGNA-TRAD 34, BANGNA TAI BANGNA, BANGKOK 10260, THAILAND.

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ISO 9001 : 2015

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Subject : Management Department Discussion and Analysis for the second quarter 2022, ended June 30, 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 second quarter 2022 ended on June 30, 2022 (1 April – 30 June) with details as following;

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

(in million baht)

Revenue	Q2'2022		Q2'2021		Increase (Decrease)		Jan-Jun 2022		Jan-Jun 2021		Increase (Decrease)	
	In million Baht	%	In million Baht	%	In million Baht	%	In million Baht	%	In million Baht	%	In million Baht	%
Revenue from sales of goods	1,003.55	99.70	899.84	99.71	103.71	11.53	2,138.13	99.69	1,618.43	99.77	519.71	32.11
Revenue from sales of rubber scraps	0.09	0.01	0.15	0.02	(0.06)	(42.12)	0.20	0.01	0.17	0.01	0.03	17.84
Total revenue	1,003.64	99.71	900.00	99.73	103.65	11.52	2,138.33	99.70	1,618.59	99.79	519.74	32.11
Other income	2.91	0.29	2.44	0.27	0.47	19.32	5.96	0.28	3.49	0.21	2.47	70.86
Net gains on foreign exchange	-	-	-	-	-	-	0.51	0.02	-	-	0.51	100.00
Total income	1,006.55	100.00	902.43	100.00	104.12	11.54	2,144.80	100.00	1,622.08	100.00	522.72	32.23
Cost of sales of goods	882.54	87.68	777.05	86.11	105.49	13.58	1,829.97	85.32	1,403.13	86.50	426.85	30.42
Distribution costs	10.09	1.00	6.02	0.67	4.07	67.66	23.30	1.09	13.36	0.82	9.94	74.39
Administrative expense	23.88	2.37	38.08	4.22	(14.20)	(37.28)	67.23	3.13	59.95	3.70	7.28	12.14
Net losses on foreign exchange	5.23	0.52	5.58	0.62	(0.35)	(6.36)	-	-	18.45	1.14	(18.45)	(100.00)
Total expense	921.74	91.57	826.73	91.61	95.01	11.49	1,920.50	89.54	1,494.89	92.16	425.61	28.47
Profit from operating activities	84.81	8.43	75.70	8.39	9.11	12.03	224.29	10.46	127.19	7.84	97.11	76.35
Finance costs	1.06	0.11	6.95	0.77	(5.89)	(84.75)	2.37	0.11	10.92	0.67	(8.55)	(78.31)
Profit before income tax expense	83.75	8.32	68.75	7.62	15.00	21.82	221.93	10.35	116.27	7.17	105.66	90.87
Tax expense	9.89	0.98	13.56	1.50	(3.67)	(27.10)	36.77	1.71	20.93	1.29	15.85	75.72
Profit for the period	73.87	7.34	55.19	6.12	18.68	33.84	185.15	8.63	95.34	5.88	89.81	94.20
Basic earnings per share (in Baht)	0.16		0.17		(0.01)		0.40		0.30		0.10	

Note: The ratio in the income statement is shown as a percentage of total revenue
The number of common shares as of June 30, 2021 is 322.20 million shares.
The number of common shares as of June 30, 2022 is 464.20 million shares.



1. Sales Revenue

Business profits in the second quarter of 2022, the company had sales revenue of 1,003.64 million baht, an increase of 103.71 million baht or 11.53% from the second 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 June 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 second quarter of 2022, the company had total expenses of 921.74 million baht, an increase of 95.01 million baht or an increase of 11.49% from the second 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 and the company's increase in distribution costs by 4.07 million baht or an increase of 67.66%, due to export expenses.

3. Finance Cost

In the second quarter of 2022, the company's financial costs had 1.06 million baht or 0.11% of total revenue. It decreased from the previous year 5.89 million baht or 84.75%. Due to the company repaid short-term loans with financial institutions at the end of 2021 and increase in the listed capital on December 23, 2021, resulting in lower funding costs in the second quarter of 2022.

4. Profit for the year

The company has a net profit for the second quarter of 2022, 73.87 million baht or 7.34% of total revenue, increasing from the same period of the previous year on 18.68 million baht or an increase of 33.84% 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)

	30 June 2022	31 December 2021	Increase (Decrease)	
			In million Baht	%
Assets				
Current assets				
Cash and cash equivalents	198.47	605.61	(407.14)	(67.23)
Trade accounts receivable and other current receivables	304.57	290.33	14.24	4.90
Inventories	464.86	373.87	90.99	24.34
Other current assets	41.02	41.93	(0.91)	(2.17)
Total current assets	1,008.92	1,311.74	(302.82)	(23.09)
Non-current assets				
Investment properties	339.80	339.80	-	-
Property, plant and equipment	1,628.08	1,293.99	334.09	25.82
Other non-current assets	3.35	7.20	(3.85)	(53.47)
Total non-current assets	1,971.23	1,640.99	330.24	20.12
Total assets	2,980.15	2,952.73	27.42	0.93
Current liabilities				
Trade accounts payable and other current payables	462.04	495.80	(33.76)	(6.81)
Current portion of long-term from financial institution	75.60	25.20	50.40	200.00
Current portion of lease liabilities	2.29	2.38	(0.09)	(3.78)
Other current liabilities	42.70	177.61	(134.91)	(75.96)
Total current liabilities	582.63	700.99	(118.36)	(16.88)
Long-term loans from financial institution	139.40	64.77	74.63	115.22
Other non-current liabilities	144.56	144.84	(0.28)	(0.19)
Total non-current liabilities	283.96	209.61	74.35	35.47
Total liabilities	866.59	910.60	(44.01)	(4.83)
Total equity	2,113.56	2,042.13	71.43	3.50
Total liabilities and equity	2,980.15	2,952.73	27.42	0.93

Note : Summary Statement of Financial Position



1. Assets

As of June 30, 2022 and as of December 31, 2021, the company had total assets of 2,980.15 million baht and 2,952.73 million baht, respectively, an increase of 27.42 million baht or an increase of 0.93%. 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.

2. Liabilities

As of June 30, 2022 and as of December 31, 2021, the company had total liabilities of 866.59 million baht and 910.60 million baht, respectively, a decrease of 44.01 million baht, mainly due to a decrease in the other current payable who were creditors of the project to expand production capacity in 2021 and partially completed in the second quarter of 2022.

3. Shareholders Equity


As of June 30, 2022 and as of December 31, 2021, the company had total shareholders' equity of 2,113.56 million baht and 2,042.13 million baht, respectively, an increase of 71.43 million baht or an increase of 0.05% and dividend payment of 113.72 million baht to shareholders from operating results in the year 2021 on May 5, 2022.

World Flex Public Company Limited is committed to achieving long-term growth and sustainable returns with a strong commitment to corporate governance and community development, society and the environment.

Please be informed accordingly.

Yours faithfully,

World Flex Public Company Limited



Nat Vongsasuttikul

Managing Director