

No. WH/ACC/22/08/LT270

August 11, 2022

Subject: Management discussion and analysis for the three-month period ended June 30, 2022

To: Director and Manager of the Stock Exchange of Thailand

Referring to the submission of the reviewed financial statements for quarter 2/2022 of WIIC Public Company Limited (“the Company”), the management would like to clarify the operating results for the period of three month ended June 30, 2022 as follows;

Summarized of the Statement of income

Unit : million Baht	Quarter 2/2022	Quarter 2/2021	Changed (%)
Income from sale pipe	249.62	313.23	(20.31)
Income from installation pipe	60.41	9.71	522.14
Incomes from the water management business			
- Sales and service of water supply	38.03	34.11	11.49
- Installation of water treatment systems	19.60	16.11	21.66
Other income	3.68	2.36	55.93
Total revenues	371.34	375.52	(1.11)
Cost from sale pipe	213.76	243.65	(12.27)
Cost from installation pipe	52.28	8.06	548.64
Cost from the water management business			
- Sales and service of water supply	28.49	26.02	9.49
- Installation of water treatment systems	15.82	9.32	69.74
Selling and distribution expenses	13.47	12.57	7.16
Administrative expenses	24.19	28.33	(14.61)
Finance cost	2.34	7.09	(67.00)
Profit before income tax expenses	20.99	40.48	(48.15)
Income tax expenses	(2.90)	(7.10)	(59.15)
Profit for the period	18.09	33.38	(45.81)



บริษัท วิค จำกัด (มหาชน)

WIJK PUBLIC COMPANY LIMITED

Unit : million Baht	Quarter 2/2022	Quarter 2/2021	Changed (%)
Profit attributable to:			
Equity holders of the Company	18.15	33.34	
Non-controlling interests of the subsidiary	(0.06)	0.04	
	18.09	33.38	

The operating results of the Company and its subsidiaries in the quarter 2/2022 decreased from quarter 2/2021 by 45.81%. The Company and its subsidiaries have the net profit amount of Baht 18.09 million compared to Baht 33.38 million in the quarter 2/2021. The Company's profit decreased by Baht 15.29 million due to rising oil prices from the Russia-Ukraine War causing increase of plastic resin prices. Consequently, some customers delayed purchasing of pipes. The detailed of transactions are reasons as follows;

1. Income from sale pipe in the quarter 2/2022 decreased from quarter 2/2021 by Baht 63.61 million or 20.31% from;
 - 1.1 Domestic sales decreased by Baht 62.07 million or 21.23%
 - 1.2 Export sales decreased by Baht 1.54 million or 7.38%

2. Incomes from installation pipe in the quarter 2/2022 increased from quarter 02/2021 by Baht 50.70 million or 522.14% from;
 - 2.1 Domestic installation revenue increased by Baht 51.92 million or 611.71%.
 - 2.2 Export installation revenue decreased by Baht 1.22 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 02/2021 by Baht 3.92 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 increased from quarter 2/2021 by Baht 3.49 million. The revenue increased 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 2/2022	Quarter 2/2021	The major reason
4.1 Cost from sale pipe	85.63%	77.79%	Increased from rising of raw material prices and lower production volumes resulting in higher production costs per unit compared to quarter 02/2021
4.2 Cost from installation pipe	86.54%	83.10%	The cost per income rate is increased. The gross margin usually depends on the conditions and agreements in each job.
4.3 Cost from Sales and service of water supply	74.91%	76.28%	More income from new water treatment and distribution projects with higher than quarter 2/2021.
4.4 Cost from Installation of water treatment systems	80.71%	57.85%	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 2/2022 increased from the quarter 2/2021 by Baht 0.90 million or 7.14%, from the increase in delivery costs both domestic and export.

6. Administrative expenses in the quarter 2/2022 decreased from the quarter 2/2021 in amount of Baht 4.14 million or 14.61% as follows;

6.1 Employee benefit expenses decreased by Baht 3.61 million mostly from accrued bonus and other expenses related to employees.

6.2 Other expenses decreased by Baht 0.53 million from the normal business operation.

7. Financial cost in quarter 2/2022 decreased from quarter 2/2021 by Baht 4.75 million or 67.00%. The average loan balance and interest rate from the financial institutions decreased from the previous year.

8. Tax expenses in the quarter 2/2022 decreased from quarter 02/2021 by Baht 4.20 million, from decreasing of profit.



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WIJK PUBLIC COMPANY LIMITED

9. Backlog

(Unit : Million Baht)	June 31, 2022	December 31, 2021	June 31, 2021
Sales and installation of the pipeline business group	716.57	686.78	622.58
Water management business group (Only amount to be recognized in one year)			
- Sale and service of water supply	168.82	200.79	214.91
- Installation of water treatment systems	3.37	0.80	16.24
Total	888.76	888.37	853.73

Yours Truly,

Mr. Wiboon Sangwithayanon
Chief Executive Officer