



**Rayong Wire Industries Public Company Limited**  
**Description And Analysis Of The Management For Q2/2022 End Of 30 June 2022**

<i>Unit: Million Bath</i>	<b>Q2/2022</b>	<b>Q2/2021</b>	<b>Growth(%)</b>	<b>6M/2022</b>	<b>6M/2021</b>	<b>Growth(%)</b>
Revenue from product sale	224.65	215.91	4.05	513.48	434.42	18.20
Total Revenue	227.44	249.36	(8.79)	523.57	598.90	(12.58)
Gross profit	22.94	45.96	(50.09)	42.38	83.92	(49.50)
Profit from selling product	4.45	30.54	(85.43)	12.38	54.07	(77.10)
Profit (Loss) Equity Measurement	(3.72)	32.25	(111.53)	(14.09)	162.07	(108.69)
Profit (Loss) Net	0.73	56.24	(98.70)	(1.42)	183.45	(100.77)
Gross profit ratio (%)	10.21	21.29	-	8.25	19.32	-
Selling profit ratio (%)	1.98	14.15	-	2.41	12.45	-
Net profit ratio (%)	0.32	22.55	-	(0.27)	30.63	-

**Profit from production and sale**

During Q2/2022, profit from production and sale was at THB 4.45 million, decreased by THB 26.09 million (-85.43%), compared to THB 30.54 million in Q2/2021.

**Profit (Loss) of financial assets revaluation**

In Q2/2022, loss of financial assets value assessment was THB 3.72 million, decreased by THB 35.97 million (-111.53%), compared to THB 32.25 million in Q2/2021, as a result of unrealized losses, based on fair values in investment and asset price, according to the accounting standard.

**Net profit**

In Q2/2022, net profit was THB 0.73 million, decreased by THB 55.51 million (-98.70%), compared to THB 56.24 million in Q2/2021.

**Total revenue**

In 1H/2022, total revenue amounted to THB 523.57 million, decreased by THB 75.33 million (-12.58%), compared to THB 598.90 million in 1H/2021.

**Total profit from product sales**

In 1H/2022, total profit from product sales amounted to THB 12.38 million, decreased by THB 41.69 million (-77.10%), compared to THB 54.07 million in 1H/2021.

**Total profit (loss) equity measurement**

In 1H/2022, total loss of shares revaluation amounted to THB 14.09 million, decreased by THB 176.16 million (-108.69%), compared to THB 162.07 million in 1H/2021.

**Total net profit (loss)**

In 1H/2022, total net loss amounted to THB 1.42 million, decreased by THB 184.87 million (-100.77%), compared to THB 183.45 million in 1H/2021.

**Revenue from product sales**

In Q2/2022, revenue from product sales was THB 224.65 million, increased by THB 8.74 million (+4.05%), compared to THB 215.91 million in Q2/2021, as a result of the continuous and significant increased in steel costs in Q2/2022, with a sales volume close to last year's.



#### **Total revenue**

In Q2/2022, total revenue amounted to THB 227.44 million, decreased by THB 21.92 million (-8.79%), compared to THB 249.36 million in Q2/2021, as a profit of financial assets value was THB 32.25 million in Q2/2021, which was considered to be a part of total revenue.

#### **Cost from product sales**

In Q2/2022, cost of product sales was THB 201.71 million, increased by THB 31.76 million (+15.75%), compared to THB 169.95 million in Q2/2021, as a result of significant increase in global raw material prices. Therefore, the company focuses on management, appropriately controlling and cost of raw materials in order not to over-stock and to reduce the risk from raw materials price fluctuations.

#### **Distribution costs**

In Q2/2022, distribution costs were THB 7.23 million, increased by THB 1.56 million (+27.51%), compared to THB 5.67 million in Q2/2021, as higher sales volumes resulted in growth of logistic costs. Despite increasing oil prices, the company still manages logistic costs well when compare between revenue and distribution costs.

#### **Administrative Expenses**

In Q2/2022, administrative expenses were THB 10.39 million, increased by THB 2.19 million (+26.71%), compared to THB 8.20 million in Q2/2021, due to a part of administrative expenses' reversal of doubtful debt in Q2/2021. Furthermore, the company has

optimized and allocated in human resource structure for operations resulting in decreased cost of human resources.

#### **Assets**

As of 30 June 2022, the company's total assets amounted to THB 1,831.47 million, increased by THB 67.35 million (+3.82%), compared to THB 1,764.12 million on 31 December 2021, as the company's inventory has been increased to support sales volume plan in Q3/2022.

#### **Liability**

As of 30 June 2022, the company's total liabilities amounted to THB 498.98 million, increased by THB 107.11 million (+27.33%), compared to THB 391.87 million on 31 December 2021, mainly due to a short-term loan from financial institutions to purchase more raw materials of THB 72.54 million and from trade payable of THB 39.63 million.

#### **Shareholders' equity**

As of 30 June 2022, shareholders' equity amounted to THB 1,332.50 million, decreased by THB 39.76 million (-2.90%), compared to THB 1,372.26 million on 31 December 2021, due to paid-up capital increasing to THB 139 million, a premium on ordinary shared capital rising from RWI-W2's conversion to THB 277.82 million and decreasing to THB 365.55 million from pending stock registration in 1H/2022, the total net loss was THB 1.42 million.



<i>Financial ratio highlights</i>	<b>Q2/2022</b>	<b>Q2/2021</b>
A/R days	114	84
Inventory days	111	89
Liquidity ratio (x)	3.81	3.86
D/E ratio (x)	0.37	0.29

#### **Accounts receivable days (A/R days)**

In Q2/2022, A/R days were up to 114 days (+30 days), slightly increased from 84 days in Q2/2021, as a result of the sales team expanding in retail market customer, expanding customers base and increasing sales volume by using the credit term flexibility strategy.

#### **Inventory days**

In Q2/2022, inventory days were up to 111 days (+22 days), increased from 89 days in Q2/2021, due to higher inventory from the market expansion plan in Q1/2022.

#### **Liquidity ratio**

In Q2/2022, liquidity ratio was 3.81x, close to 3.86x in Q2/2021.

#### **Debt to Equity (D/E) ratio**

In Q2/2022, the D/E ratio was 0.37x (+0.08x), increased from 0.29x in Q2/2021, due to financial institutions' loan debt to support purchasing more raw materials, with shareholder's equity still close to the same level.

Best regards

Mr.Chirdsak Kukiattinun  
Managing Director