

**WORLD FLEX PUBLIC COMPANY LIMITED****บริษัท เวิลด์ฟлекс จำกัด (มหาชน)**

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ISO 9001 : 2015

November 9, 2022

WFX ELCID2565/016

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

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

Unit : Million Baht

Income Statement	Q3'2022	Q3'2021	Increase (Decrease)		Jan – Sep 2022	Jan – Sep 2021	Increase (Decrease)	
	Million Baht	Million Baht	Million Baht	%	Million Baht	Million Baht	Million Baht	%
Revenue from sales of goods	681.40	964.72	(283.32)	(29.37)	2,819.53	2,583.16	236.37	9.15
Revenue from sales of rubber scrap	0.05	0.20	(0.15)	(75.00)	0.25	0.36	(0.11)	(31.38)
Total revenue from sales	681.45	964.92	(283.47)	(29.38)	2,819.78	2,583.52	236.26	9.14
Other Income	5.24	2.52	2.72	108.17	11.20	6.00	5.20	86.67
Net gains on foreign exchange	3.89	-	3.89	100.00	4.39	-	4.39	100.00
Total revenues	690.58	967.44	(276.86)	(28.62)	2,835.37	2,589.52	245.85	9.49
Costs of sales of goods	666.18	767.94	(101.76)	(13.25)	2,496.16	2,171.06	325.10	14.97
Distribution costs	10.70	10.44	0.26	2.49	34.00	23.80	10.20	42.86
Administrative expenses	7.88	55.08	(47.20)	(85.69)	75.10	115.04	(39.94)	(34.72)
Net losses on foreign exchange	-	12.97	(12.97)	(100.00)	-	31.42	(31.42)	(100.00)
Total expenses	684.76	846.43	(161.67)	(19.10)	2,605.26	2,341.32	263.94	11.27
Profit from operating activities	5.82	121.01	(115.19)	(95.19)	230.11	248.20	(18.09)	(7.29)
Finance costs	0.76	9.26	(8.50)	(91.79)	3.13	20.18	(17.05)	(84.49)
Profit before income tax expenses	5.06	111.75	(106.69)	(95.47)	226.98	228.02	(1.04)	(0.46)
Tax expenses	0.77	18.85	(18.08)	(95.92)	37.54	39.78	(2.24)	(5.63)
Profit for the period	4.29	92.90	(88.61)	(95.38)	189.44	188.24	1.20	0.64
Basic EPS (Baht)	0.01	0.29	(0.28)		0.41	0.59	(0.18)	

Note : The ratio on the income statement is expressed as a percentage of total revenues

The number of common shares as of 30 September 2021 is 322.20 million shares

The number of common shares as of 30 September 2022 is 464.20 million shares



1. Sales Revenues

Business profits in the third quarter of 2022, the company had sales revenue of 681.45 million baht, decrease of 283.47 million baht or 29.38% from the third quarter of 2021 mainly due lower sales of rubber thread from the last year, due to the uncertainty external factors, including the economic slowdown, Russia and Ukraine war, Measurement to controls the spread of Covid-19 diseases in China, Interest rate raising, consumer inflation and higher production costs.

2. Expenses

In the third quarter of 2022, the company had total expenses of 684.76 million baht, decrease of 161.67million baht or 19.10% from the third quarter of 2021, in line with the decrease in sales revenue

3. Finance Costs

In the third quarter of 2022, the company's financial cost had 0.76 million baht or 0.11% of total revenue, decrease of 8.50 million baht or 91.79%. As a result, the company repaid short-term loans from financial institutions at the end of 2021, due to capital increase on December 23, 2021, so it affects 2022's interest expense is reduced.

4. Profit for the year

The Company's net profit performance for the third quarter of 2022 amounted to 4.29 million baht or 0.62% of total revenue, decreasing from the same period of the previous year amounting to 88.61 million baht or a decrease of 95.38%, mainly due to the company has increased installed production capacity to meet the needs of customers in various industries, and has opened some production operations in the 3rd quarter of 2022, causing the company to have a utilization rate of 82%, a decrease from the second quarter of 2022. Production (Efficiency) decreased due to the improvement of the production system to be in line with the new machines in the early period. As a result; the cost was increased and the company's gross profit decreased, which the company expected that the efficiency of production (Efficiency) would increase in the 4th quarter of 2022. The company is still determined to focus on the cost reduction, to achieve economies of scale (Economy of Scale) and achieve maximum efficiency.



Statement of Financial Position

Unit : Million Baht

	30 September	30 September	Increase (Decrease)	
	2022	2021	Million Baht	%
Assets				
Current assets				
Cash and cash equivalents	174.20	605.61	(431.41)	(71.24)
Trade and other current receivables	241.29	290.33	(49.04)	(16.89)
Inventories	440.76	373.87	66.89	17.89
Other current assets	22.07	41.93	(19.86)	(47.36)
Total current assets	878.32	1,311.74	(433.42)	(33.04)
Non-current assets				
Investment properties	339.80	339.80	-	-
Property, plant and equipment	1,638.98	1,290.99	347.99	26.96
Other non-current assets	5.76	10.20	(4.44)	(43.53)
Total non-current assets	1,984.54	1,640.99	343.55	20.94
Total assets	2,862.86	2,952.73	(89.87)	(3.04)
Liabilities and equities				
Trade and other current payables	368.91	495.80	(126.89)	(25.59)
Current portion of long-term loans from financial institution	100.80	25.20	75.60	300.00
Current portion of lease liabilities	2.21	2.38	(0.17)	(7.14)
Dividend payables	0.01	102.12	(102.11)	(99.99)
Other current liabilities	13.97	75.49	(61.52)	(81.49)
Total current liabilities	485.90	700.99	(215.09)	(30.68)
Long-term loan from financial institution	114.20	64.77	49.43	76.32
Lease liabilities	6.48	4.20	2.28	54.29
Non-current provision for employee benefits	12.35	11.44	0.91	7.95
Deferred tax liabilities	122.59	125.36	(2.77)	(2.21)
Other non-current liabilities	3.50	3.84	(0.34)	(8.85)
Total non-current liabilities	259.12	209.61	49.51	23.62
Total liabilities	745.02	910.60	(165.58)	(18.18)
Equity	2,117.84	2,042.13	75.71	3.71
Total equity	2,117.84	2,042.13	75.71	3.71
Total liabilities and equity	2,862.86	2,952.73	(89.87)	(3.36)

Note : Summary Statement of Financial Position



1. Assets

As of September 30, 2022 and as of December 31, 2021, the company had total assets of 2,862.86 million baht and 2,952.73 million baht, respectively, decreased by 89.87 million baht or 3.04%, in line with the increase in permanent assets to support the expansion of rubber thread production and the decrease of other debtors due to the decrease in sales volume.

2. Liabilities

As of September 30, 2022 and December 31, 2021, the Company's had total liabilities 745.02 million baht and 910.60 million baht, respectively, decreased by 165.58 million baht or 18.18% due mainly to the decrease in trading creditors due to sales volume and accrued expense on May 5, 2022.


3. Equity

As of September 30, 2022 and December 31, 2021, the Company's had equity 2,117.84 million baht and 2,042.13 million baht, respectively, increase by 75.71 million baht or 3.71% by the Company's operating performance.

World Flex Public Company Limited still continues commitment and sustainable growth through good corporate management and community, social development and environment at the same time.

Please be informed accordingly.

Yours faithfully,
World Flex Public Company Limited



Nat Vongsasuttikul
Managing Director