



Rayong Wire Industries Public Company Limited
Description And Analysis Of The Management For Q3/2022 End Of 30 September 2022

<i>Unit : Million Bath</i>	Q3/2022	Q3/2021	Growth(%)	9M/2022	9M/2021	Growth(%)
Revenue from product sale	191.93	183.17	4.78	705.41	617.60	14.22
Total revenue	198.13	189.50	4.55	721.70	747.54	(3.46)
Gross profit (loss)	(23.35)	24.85	(193.96)	19.03	108.77	(82.50)
Profit (loss) from product sale	(36.64)	15.45	(337.15)	(24.26)	69.52	(134.90)
Profit(Loss) Equity Measurement	(61.44)	(40.85)	(50.40)	(75.53)	121.21	(162.31)
Profit(Loss) Net	(98.08)	(17.28)	(467.59)	(99.50)	166.16	(159.88)
Gross profit ratio (%)	(12.17)	13.57		2.70	17.61	
Selling profit ratio (%)	(19.09)	8.43		(3.44)	11.26	
Net profit ratio (%)	(49.50)	(9.12)		(13.77)	22.23	

Loss from production and sale

In Q3/2022, loss from production and sale was THB 36.64 million, decreased by THB 52.09 million (337.15%), compared with profit of THB 15.45 million in Q3/2021, due to the continuous and significant decrease in raw material market prices resulting in decreased sale prices. Moreover, the remaining raw material in stock was higher than the current market prices, resulting in a loss of THB 27 million from the selling price of goods below the capital price under the second accounting standard.

Loss of financial assets revaluation

In Q3/2022, increasing loss of financial assets value assessment was THB 61.44 million, increased by THB 20.59 million (50.40%), compared to THB 40.85 million in Q3/2021, as a result of unrealized losses, based on fair values in investment and asset price, according to the accounting standard.

Net loss

In Q3/2022, net loss was THB 98.08 million, increased by THB 80.80 million (467.59%), compared to THB 17.28 million in Q3/2021.

Revenue from production and sales

In Q3/2022, revenue from production and sales was THB 191.93 million, which increased by THB 8.76 million (4.78%), compared to THB 183.17 million in Q3/2021.

Total loss from production and sales in 9M/2022

The total loss from production and sales amounted to THB 24.26 million, decreased by THB 53.78 million (134.90%), compared with profit of THB 69.52 million in 9M/2021.

Total loss equity measurement in 9M/2022

The total loss of shares revaluation amounted to THB 75.53 million, and revenue decreased by THB 196.74 million (162.31%), compared with profit of THB 121.21 million in 9M/2021.

Total net loss in 9M/2022

The total net loss amounted to THB 99.50 million, and revenue decreased by THB 265.66 million (159.88%), compared with net profit of THB 166.16 million in 9M/2021.



Total revenue in 9M/2022

The total revenue of product sales amounted to THB 705.41 million, decreased by THB 87.82 million (14.22%), compared to THB 617.60 million in 9M/2021, as a result of lower sale volume and product prices.

Cost from product sales

In Q3/2022, cost of product sales was THB 215.28 million, increased by THB 56.96 million (35.97%), compared to THB 158.33 million in Q3/2021, due to significant increase in market raw material prices resulting in buying orders' slowdown including the flooding. There are some outstanding raw materials in the stock, which have a high price, resulting in higher selling costs than the selling price. Therefore, the foreclosure loss amounted to THB 27 million.

Distribution costs

In Q3/2022, distribution costs were THB 6.63 million, increased by THB 1.80 million (37.19%), compared to THB 4.83 million in Q3/2021, as increasing oil prices affecting to higher logistic costs. Therefore, the company still manages logistic costs well when compare between distribution costs and sales revenue. In addition, the company has increased its sales staff to expand its retail customer base nationwide, resulting in higher sales expenses.

Administrative Expenses

In Q3/2022, administrative expenses were THB 9.58 million, increased by THB 2.09 million (28.05%), compared to THB 7.48 million in Q3/2021, due to the

flood, some debtors have delayed their operations, resulting in delays in repayment of debts. The company has set aside a number of allowances for doubtful accounts in accordance with the accounting standards, which is part of the administrative expenses. In addition, the company has also restructured its management personnel, which will increase sales volume and revenue, thus resulting in higher expenses.

Assets

As of 30 September 2022, the company's total assets amounted to THB 1,549.54 million, decreased by THB 214.58 million (12.16%), compared to THB 1,764.12 million on 31 December 2021, due to the company's cash repayment of raw material from a financial institution to reduce interest expense. The main reason is that its equity assets have decreased by THB 74 million, which is only in line with the capital market mechanism.

Liability

As of 30 September 2022, the company's total liabilities amounted to THB 315.13 million, decreased by THB 76.74 million (19.58%), compared to THB 391.87 million on 31 December 2021, mainly due to the company repayment of raw materials amounted to THB 70 million for reducing interest expense.

Shareholders' equity

As of 30 September 2022, shareholders' equity amounted to THB 1,234.42 million, decreased by THB 137.84 million (10.04%), compared to THB 1,372.26 million on 31 December 2021, due to the



paying dividends on retained earnings of THB 91 million. In addition, there are THB 53 million of RWI-W2 convertible shareholders and THB 99.50 million of total losses in 9M/2022.

<i>Financial ratio highlights</i>	Q3/2022	Q3/2021
A/R days	117	93
Inventory days	119	116
Liquidity ratio (x)	6.95	3.50
D/E ratio (x)	0.26	0.45

Accounts receivable days (A/R days)

In Q3/2022, A/R days were up to 117 days (+24 days), increased from 93 days in Q3/2021, due to the flood, some debtors have delayed their operations, resulting in delays in repayment of debts. Including, 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 Q3/2022, inventory days were 119 days (+3 days) which increased from 116 days in Q3/2021, due to higher inventory from the market expansion plan in Q3/2022, due to the high inventory of raw materials as a result of lower raw material prices, resulting in customers delaying orders.

Liquidity ratio

In Q3/2022, liquidity ratio was 6.95x, which increased by 3.50x in Q2/2021, as a result of decreasing liabilities from financial institutions to purchase raw materials under the sales plan.

Debt to Equity (D/E) ratio

In Q3/2022, the D/E ratio was 0.26x, decreased by 0.45x in Q3/2021, due to the company's debt repayment to trade creditors for raw materials, resulting in the proportion of debt decreased.

Best regards

Mr.Chirdsak Kukiattinun

Managing Director